

**7**  
Manufacturing  
Units

**300+**  
Customers

**“TOGETHER  
WE CONTINUE  
TO GROW”**

**60+**  
Countries

**200+**  
Vendors

**20**  
Distributors

# IMPACT POSITIVE INITIATIVES

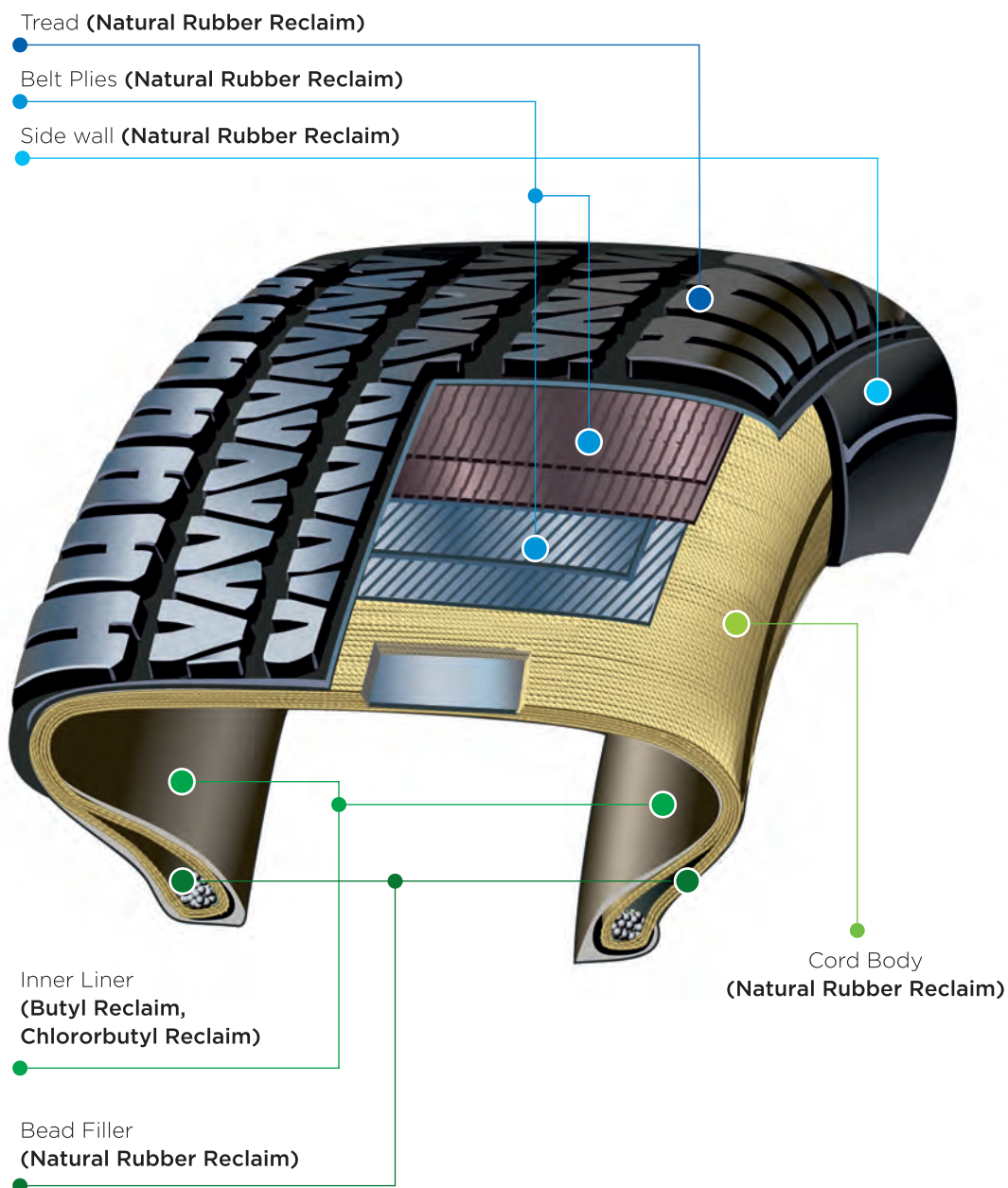
At GRP, Corporate Social Responsibility (CSR) contributes in shaping the 'How' and the 'Why' of almost every activity we undertake. Over the years, we are happy to have played a role in giving back to the community through our products as well as our CSR activities. We are grateful to have witnessed the positive impact of our efforts; in making a long-lasting difference to the people of India and the world at large.



# APPLICATIONS

## TYRES

Tyres are the largest consumers of rubber in the globe and use both natural and synthetic rubber. GRP's reclaim rubber is a cost effective alternative used successfully by the World's Leading Tyre Manufacturers in several of their plants around the world.

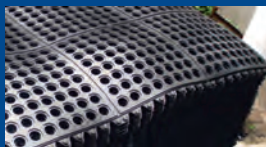


# APPLICATIONS NON-TYRE

Moulded and extruded rubber goods consume large quantities of various types of rubbers. GRP's reclaim rubber is used as a processing aid as well as a cost effective alternative in several of these industries.



Roofing  
(EPDM Reclaim, Butyl Reclaim)



Matting  
(Natural Rubber Reclaim, EPDM Reclaim)



Footwear  
(Natural Rubber Reclaim, EPDM Reclaim)



Adhesive  
(Butyl Reclaim, Chlorobutyl Reclaim)



Profiles  
(EPDM Reclaim)



Moulded Goods  
(Natural Rubber Reclaim, EPDM Reclaim  
Butyl Reclaim, Chlorobutyl Reclaim,  
Nitrile Polycoat, Natural Polycoat)

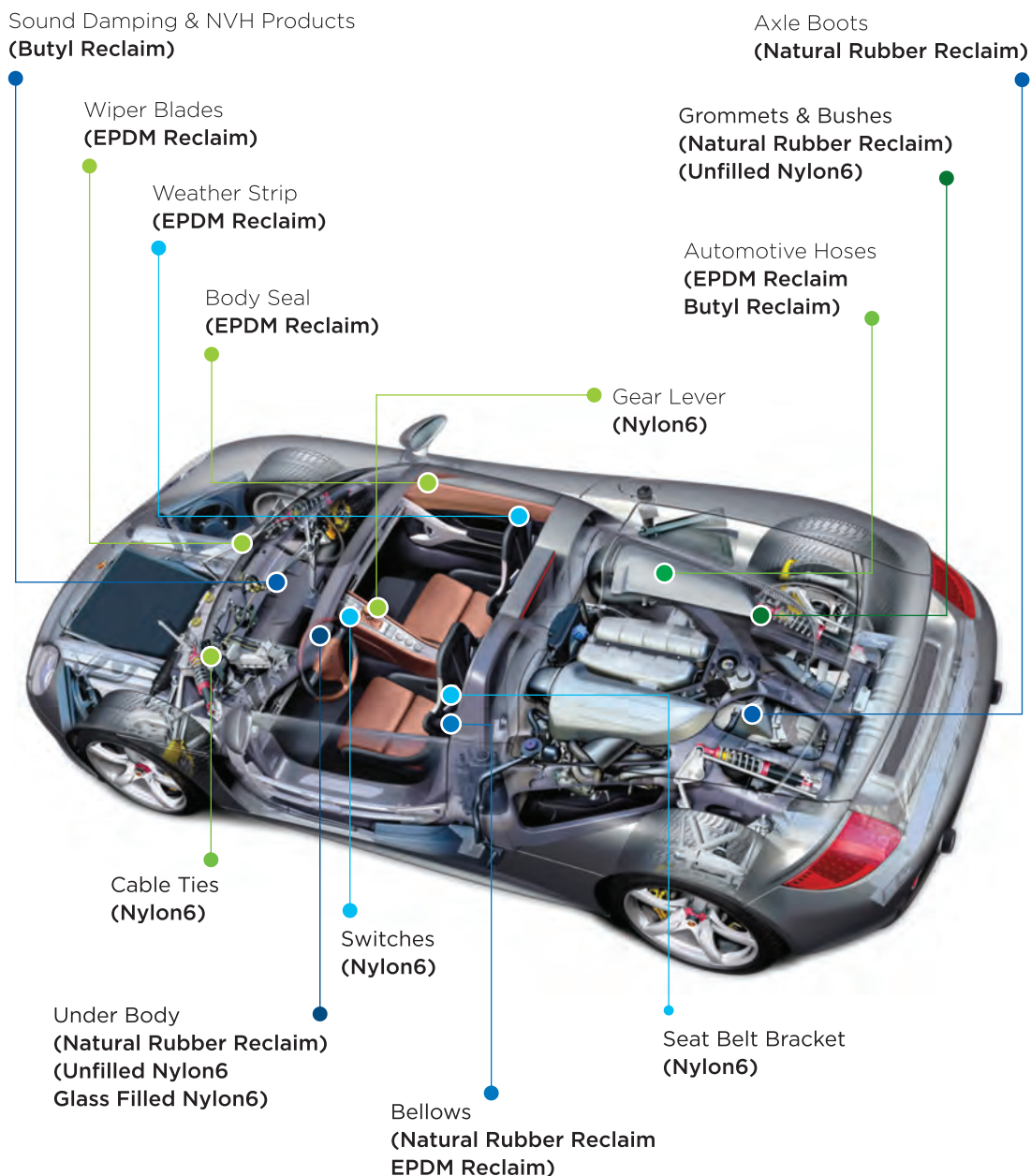


Conveyor Belt  
(Natural Rubber Reclaim, EPDM Reclaim)



# APPLICATIONS AUTOMOTIVE

An automobile uses a variety of rubber in its various components. GRP supplies alternate sustainable solutions for a large number of these components - both reclaim rubber and engineering plastics - supplied to several Indian and Global rubber product manufacturers.



MARANGONI 

GRP 

# SPLICELESS IS BETTER



RINGTREAD is the only retreading system that uses splice-less precured rings that adhere perfectly to the casing without a splice, tension or deformation. This means lower fuel consumption and less emissions. The perfect geometry and the use of latest-generation compounds assure higher mileage and better grip under any road condition.

It's time to be strong.  
It's time to use Ringtread.



## Significant Financial Indicators For Last Five Years

(₹ In lakhs)

	Years ended 31 <sup>st</sup> March				
	2013	2014	2015	2016	2017
Total Income	28,134	31,199	34,638	31,508	31,071
Operating Profit	2,786	3,021	2,574	2,458	2,606
Profit After Tax	1,175	1,082	887	802	837
Net Worth	9,726	10,559	11,247	11,888	12,771
Borrowed Funds	9,027	8,498	6,722	6,760	6,582
Fixed Assets (Gross)	18,443	19,360	20,140	21,584	22,987
Net Current Assets	940	755	500	1,129	1,990
Book Value Per Share (₹)	729	792	844	892	958
Earning Per Share (₹)	87.79	81.20	66.51	60.12	62.76
Dividend (%)	150	160	112.50	100	100
Ratios:					
Debt Equity	0.93	0.80	0.60	0.57	0.52
Operating Profit To Sales	10%	10%	7%	8%	9%
Interest Coverage	5	5	6	7	8

<b>CIN</b>	<b>L25191GJ1974PLC002555</b>
<b>BOARD OF DIRECTORS</b>	<b>Dr. Peter Philip, Chairperson Rajendra V. Gandhi, Managing Director Harsh R.Gandhi, Executive Director Mahesh V.Gandhi Rajeev M. Pandia Apurva R. Shah Nayna R. Gandhi Alpana Parida Shah</b>
<b>AUDITORS</b>	<b>A.B.Modi &amp; Associates Chartered Accountants Mumbai</b>
<b>BANKERS</b>	<b>HDFC Bank Ltd., Citibank</b>
<b>REGISTERED OFFICE</b>	<b>Plot No.8, G.I.D.C. Estate, Ankleshwar – 393 002 Dist. Bharuch (Gujarat)</b>
<b>WORKS</b>	<b>Ankleshwar &amp; Panoli (Gujarat), Akkalkot Road &amp; Chincholi Solapur (Maharashtra), Perundurai (Tamilnadu)</b>
<b>CORPORATE OFFICE</b>	<b>510, `A` Wing, Kohinoor City Commercial I, Kirol Road, Off.L.B.S. Marg, Kurla (W), Mumbai – 400 070.</b>
<b>SHARES LISTED ON</b>	<b>Bombay Stock Exchange Ltd. National Stock Exchange of India Ltd.</b>
<b>REGISTRAR &amp; TRANSFER AGENTS</b>	<b>Universal Capital Securities Pvt.Ltd. 21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093.</b>
<b>ISIN No.</b>	<b>INE137I01015</b>
<b>E-MAIL</b>	<b>investor.relations@grpweb.com</b>
<b>WEB SITE</b>	<b>www.grpweb.com</b>



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 THIRD 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 **Thursday, 10<sup>th</sup> day of August, 2017 at 12.30 p.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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017.
2. To declare dividend on equity shares for the financial year 2016 -17.
3. To appoint a director in place of Dr.Peter Philip, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Smt.Nayna R. Gandhi, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint M/s.DKP & Associates, Chartered Accountants, Mumbai (Firm Regn. No.126305W), as Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the Forty-third Annual General Meeting of the Company until the conclusion of the Forty-eighth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorise the Board of Directors of the Company to fix their remuneration.

### Special Business:

6. To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution :  
“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), the remuneration of ₹1,45,000/- (Rupees One lakh Forty five thousand only) plus out of pocket expenses and applicable taxes, as recommended by the Audit Committee and approved by the Board of Directors of the Company, payable to M/s Jitendrakumar & Associates, Cost Accountants (Firm Registration No.101561) as cost auditor for auditing the cost accounting records of the company for the year ended 31<sup>st</sup> March, 2017, be and is hereby ratified.”
7. To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution :  
“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), the remuneration of ₹1,45,000/- (Rupees One lakh Forty five thousand only) plus out of pocket expenses and applicable taxes, as recommended by the Audit Committee and approved by the Board of Directors of the Company, payable to M/s Jitendrakumar & Associates, Cost Accountants (Firm Registration No.101561) as cost auditor for auditing the cost accounting records of the company for the year ending 31<sup>st</sup> March, 2018, be and is hereby ratified.”

### 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 Friday 4<sup>th</sup> day of August, 2017 to Thursday 10<sup>th</sup> day of August, 2017, 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 10<sup>th</sup> August, 2017.
  - 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 3<sup>rd</sup> August, 2017.
  - 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 3<sup>rd</sup> August, 2017.
- 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 of 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 31<sup>st</sup> March, 1995 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 31<sup>st</sup> March, 1995 are requested to claim the same from the Registrar of Companies, Gujarat at Ahmedabad.
- i. Pursuant to Section 124 and 125 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 Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, unclaimed dividends for the financial year ended 31<sup>st</sup> March, 1995 to 31<sup>st</sup> March, 2009 and unclaimed interim dividend for the financial year ended 31<sup>st</sup> March, 2010 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 31<sup>st</sup> March, 2010 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 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 by the company in respect of any such claims.
- j. As required by the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, brief profile of the Directors proposed to be appointed / re-appointed at the annual general meeting is given below:

Name of the Director	Dr. Peter Philip	Smt. Nayna R. Gandhi
Date of birth	16 <sup>th</sup> June, 1943	4 <sup>th</sup> October, 1951
Date of appointment	1 <sup>st</sup> April, 1981	30 <sup>th</sup> May, 2015
Experience in specific functional areas	He is an industrialist having varied experience of more than 36 years in general management.	Experience of more than 24 years as director in other companies.
Qualification	Doctorate in Economics	Diploma in Home Science
Directorship held in other public companies (excluding GRP Limited)	1) India Coffee & Tea Dist. Co. Ltd. 2) Commercial Broadcasts Ltd. 3) Malayala Manorama Co. Ltd. 4) Devon Plantations & Industries Ltd. 5) Indo Bloom Limited.	Grip Polymers Ltd.
Memberships / Chairmanship of committees of all public companies	Chairperson of the Board Committee: None Membership of the Board Committee: GRP Ltd. • Audit Committee • Nomination & Remuneration Committee	None
No. of shares held in the company	1,333	44,105

- k. Electronic copy of the following documents : i) Annual Report for the financial year 2016-17 ii) Notice of the 43<sup>rd</sup> Annual General meeting of the company *inter alia* indicating the process and manner of e-voting iii) Attendance slip and proxy form for the 43<sup>rd</sup> 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 43<sup>rd</sup> Annual General meeting, attendance slip, proxy form and the annual report for the financial year 2016-17 is also 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 Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the company has provided to the members facility to exercise their right to vote on resolutions proposed to be considered at the 43<sup>rd</sup> 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 7<sup>th</sup> August, 2017 (9 am) and ends on 9<sup>th</sup> August, 2017 (5 pm). During this period, members of the company, as on the cut-off date of 3<sup>rd</sup> August, 2017, 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 "EVEN" 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](mailto:shah_cr@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto: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>EVEN (Remote e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
    - 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 3<sup>rd</sup> August, 2017.
- 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. 3<sup>rd</sup> August, 2017, 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 [investor.relations@grpweb.com](mailto:investor.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.nsd.com](http://www.evoting.nsd.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 Chairperson 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 Chairperson 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 Chairperson 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.

By Order of the Board of Directors

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

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.6 & 7 :

As per Notification dated 14<sup>th</sup> July, 2016 issued by the Ministry of Corporate Affairs regarding the Companies (Cost Records and Audit) Rules, 2014, provisions relating to auditing of cost accounting records are applicable to the Company with effect from 1st April, 2016. Accordingly, the audit of cost accounting records of the Company is mandatory from the financial year 2016-17.

M/s Jitendrakumar & Associates, Cost Accountants (Firm Registration No.101561), has, as required under Section 141 of the Companies Act, 2013, confirmed its eligibility to conduct the audit of the cost accounting records of the Company for the financial year 2016-17 and 2017-18 and has consented to act as the Cost Auditor of the Company.

At the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Jitendrakumar & Associates, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2016-17 and 2017-18 at a remuneration of ₹1.45 lakhs p.a. plus out of pocket expenses and taxes.

Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014, requires the remuneration payable to the Cost Auditors to be ratified by the Members of the Company. Accordingly, the approval of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17 and financial year 2017-18.

Ratification of remuneration payable to cost auditors for the financial year 2016-17 could not be completed at the 42<sup>nd</sup> Annual General meeting of the company held on 21<sup>st</sup> September, 2016, because the aforesaid notification regarding applicability of cost audit was issued after 20<sup>th</sup> May, 2016 (this notification was issued on 14<sup>th</sup> July, 2016), being the date of the notice convening the aforesaid annual general meeting.

The Directors recommend the Resolutions for the approval of the Members.

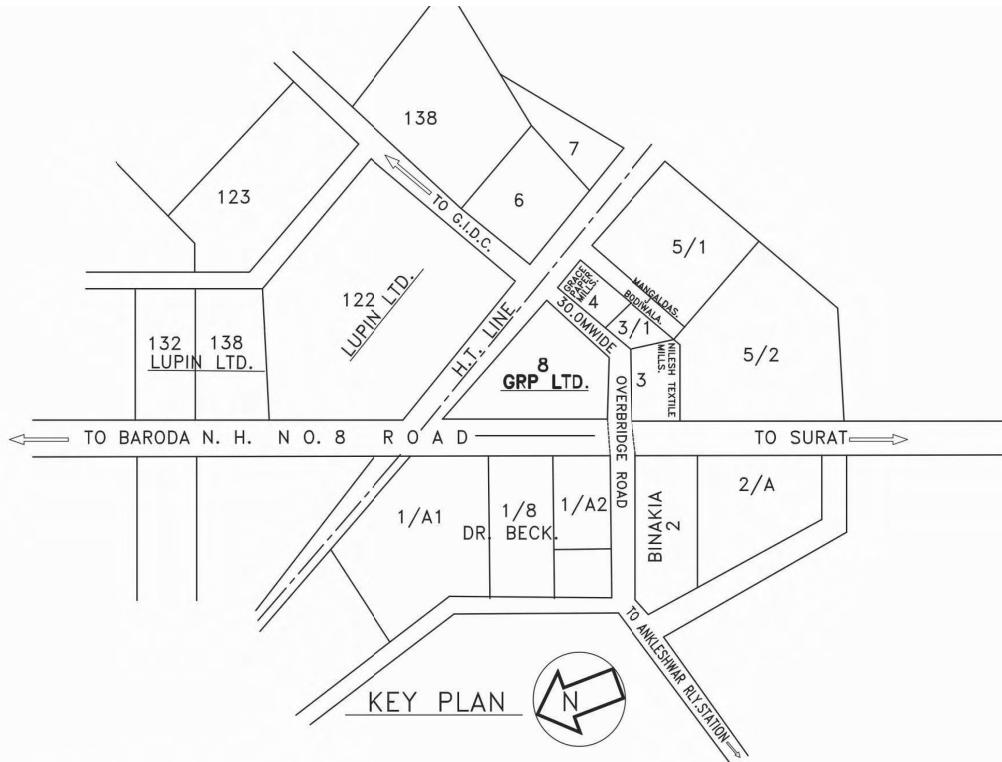
None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the Resolutions.

By Order of the Board of Directors

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

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 THIRD ANNUAL REPORT & AUDITED ACCOUNTS** for the year ended 31<sup>st</sup> March, 2017.

Financial Results Particulars	Year ended 31 <sup>st</sup> March	
	2017	2016
	(₹ In lakhs)	(₹ In lakhs)
Sales & Other Income	30,628	31,538
Profit before depreciation & tax	2,606	2,458
Depreciation	1,393	1,401
Profit before tax and exceptional items	1,213	1,057
Provision for tax (net of MAT entitlement)	317	318
Deferred tax expenditure	68	(63)
(Short) provision of income tax (net) of earlier year	(9)	--
Profit after tax for the year	837	802
Brought forward profit	5,160	5,018
Amount available for appropriation	5,997	5,820
Transfer to General Reserve	--	500
Proposed Dividend	--	133
Tax on dividend	--	27
Balance carried to Balance Sheet	5,997	5,160
EPS:		
Basic (₹)	62.76	60.12
Diluted (₹)	62.76	60.12

### DIVIDEND

Based on performance of the Company for the year under the report and keeping in line with its dividend pay-out policy, the Board recommends a dividend of ₹10/-per share (100%) for the year ended 31<sup>st</sup> March, 2017, resulting in total outflow of ₹160.48 lakhs, including the dividend distribution tax. [Previous year total dividend was ₹10/- per share (100%)]. This amount will be appropriated from the profits in the month in which the said dividend is approved at the forthcoming Annual General meeting.

### FINANCIAL RESULTS, PERFORMANCE AND FUTURE OUTLOOK

The sales of the company have fallen marginally by 3.54%, mainly due to fall in volume. The fall in the sales is due to a generally sluggish environment both domestic and international. In spite of the fall in sales revenue, the company was able to increase its profit before tax because of lower input prices. Input prices are linked closely to crude oil prices and the price of crude oil has remained subdued throughout the year under review.

The Company continues to strengthen its process capabilities and is well poised to take advantage of a revival in demand. The volatility of prices of crude oil means that input prices are a matter of concern. The continuous rise in employee costs is also a matter of concern, and the company is taking steps to increase the level of automation and increase productivity.

Your Company has realised tax benefits u/s 35(2AB) of Income Tax Act on account of approval received from Department of Scientific & Industrial Research, Ministry of Science & Technology (DSIR) Government of India, New Delhi.

### CAPITAL STRUCTURE

In view of the decline in sales revenue, the company has maintained prudent control on capital spending while continuing to invest in items which increase productivity. With profits continuing to accrue, the company was able to meet all its repayment obligations and maintain its liquidity position. The debt equity ratio of 0.52 is low by standards prevailing in the industry. Considering the consistency in operating parameters, the company's ratings were revised to A negative with stable outlook (revised from negative outlook) for long term debt and rating of A2 plus for its short term working capital debt was reaffirmed by CRISIL.

### AWARDS & ACCOLADES:

The year under review saw GRP win accolades among its peers. GRP was again the recipient of the CAPEXIL award for Top Export in rubber product panel, the AIRIA award for Top Export in raw material sector, for its export performance. These awards were in the entire raw material category signifying GRP's standing among peers in Carbon Black, Synthetic Rubber, Rubber Process Oil industries too, while your company continues to be in a commanding position in the reclaim rubber industry.

### SUBSIDIARIES

Salient features of the financial statements of its Wholly-owned Subsidiary company viz. Grip Polymers Limited, subsidiary body corporate of Grip Polymers Ltd., viz. Gripsurya Recycling LLP and joint venture company viz. Marangoni GRP Pvt. Ltd., in form AOC-1 are attached herewith. (Annexure 1).

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Dr.Peter Philip and Smt.Nayna R. Gandhi, retire by rotation at the ensuing 43<sup>rd</sup> Annual General Meeting and being eligible offer themselves for reappointment.

All the Independent Directors have submitted their declarations to the Board to the effect that they meet 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 31<sup>st</sup> March, 2017, 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 judgements 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 31<sup>st</sup> March, 2017 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 schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the report on corporate governance (Annexure 3).

## STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the Members every year in the annual general meeting. The Act further makes it mandatory to rotate the statutory auditors after two terms of 5 years, in case of a firm of auditors. Further, Companies have been given time till the year 2017 to effect rotation of Auditors, wherever necessary.

As you are aware, M/s. A.B. Modi & Associates, Chartered Accountants, Mumbai, have been the statutory auditors of the company for more than 10 years. In order to comply with the requirements mentioned above, it is proposed to go in for rotation of the aforesaid Statutory Auditors at the ensuing 43<sup>rd</sup> Annual General Meeting by appointing a new firm of Chartered Accountants to act as the Statutory Auditors of the Company.

M/s. A.B.Modi & Associates, Chartered Accountants, Mumbai, have accordingly informed the Company that they will not be seeking re-appointment as Statutory Auditors at the forthcoming 43<sup>rd</sup> Annual General Meeting.

M/s.DKP & Associates (Firm Regn. No.126305W), Chartered Accountants, Mumbai, a firm of long standing have been identified for appointment as the Statutory Auditors of the Company.

Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 30<sup>th</sup> May, 2017, has proposed the appointment of M/s.D K P & Associates.

## COST AUDITORS

As per the Notification dated 14<sup>th</sup> July, 2016 issued by the Ministry of Corporate Affairs regarding the Companies (Cost Records and Audit) Rules, 2014, provisions relating to auditing of cost accounting records are applicable to the Company with effect from 1st April, 2016. Accordingly, the audit of cost accounting records of the Company is mandatory from the financial year 2016-17.

M/s Jitendrakumar & Associates, Cost Accountants (Firm Registration No.101561), has, as required under Section 141 of the Companies Act, 2013, confirmed its eligibility to conduct the audit of the cost accounting records of the Company for the financial year 2016-17 and 2017-18 and has consented to act as the Cost Auditor of the Company.

At the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Jitendrakumar & Associates, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2016-17 and 2017-18 at a remuneration of ₹1.45 lakhs p.a. plus out of pocket expenses and taxes.

Section 148 (3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditor) Rules, 2014, requires the remuneration payable to the Cost Auditors to be ratified by the Members of the Company.

Ratification of remuneration payable to cost auditors for the financial year 2016-17 could not be completed at the 42<sup>nd</sup> Annual General meeting of the company held on 21<sup>st</sup> September, 2016, because the aforesaid notification regarding applicability of cost audit was issued after 20<sup>th</sup> May, 2016 (this notification was issued on 14<sup>th</sup> July, 2016), being the date of the notice convening the aforesaid annual general meeting.

## 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 thereunder. His secretarial audit report is attached herewith. (Annexure 4)

## 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 Chairperson of the Audit Committee in exceptional cases. Vigil Mechanism (Whistle Blower) Policy has been hosted by the company on its website. The web link to access the above policy hosted by the company on its website [www.grpweb.com](http://www.grpweb.com) is as follows:

[http://www.grpweb.com/pdf/VIGIL%20MECHANISM%20\(Whistle%20Blower\)%20Policy.pdf](http://www.grpweb.com/pdf/VIGIL%20MECHANISM%20(Whistle%20Blower)%20Policy.pdf)

## 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 risks 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 web link to access the above policy hosted by the company on its website [www.grpweb.com](http://www.grpweb.com) is as follows:

<http://www.grpweb.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>

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

During the financial year, your company entered into related party transactions, which were on an arm's length basis and in the ordinary course of business. There were no material transactions with any related party as defined under Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. All related party transactions were approved by the Audit Committee of your company.

The details of contracts and arrangement with related parties of your company for the financial year ended 31<sup>st</sup> March, 2017 is given in Note 31 to the financial statements of your company.

## 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 (Annexure7). The Nomination and Remuneration Policy has also been uploaded on the website of the Company. The web link to access the above policy hosted by the company on its website [www.grpweb.com](http://www.grpweb.com) is as follows:

<http://www.grpweb.com/pdf/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

## 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 2016-17.

## **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 8)

## **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the financial year 2016-17.

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

The above information (to the extent applicable) is attached herewith (Annexure 9).

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

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

## **ACKNOWLEDGEMENTS**

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 the Shareholders in the Company.

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

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

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

1	Sr. No.	1
2	Name of the subsidiary	Grip Polymers Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
5	Share capital	₹ 5,00,000/-
6	Reserves and surplus	₹ (1,21,27,623/-)
7	Total assets (excluding investments)	₹ 1,05,76,451/-
8	Total liabilities	₹ 4,46,90,899/-
9	Investments	₹ 2,24,86,825/-
10	Turnover	₹2,57,375/-
11	Profit / (Loss) before taxation	₹ (1,38,19,996/-)
12	Provision for taxation	₹ 39,919/-
13	Profit / (Loss) after taxation	₹ (1,38,59,915/-)
14	Proposed Dividend	Nil
15	% of shareholding	100%
Notes : The following information shall be furnished at the end of 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

#### Part "B" : Associates and Joint Ventures

Name of Joint Venture	Gripsurya Recycling LLP	Marangoni GRP Pvt. Ltd.
1. Latest audited Balance Sheet date	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2017
2. Shares of Joint Ventures held by the company on the year end		
Number	Not applicable	46,85,350
Amount of Investment in Joint Venture	₹2,24,01,825 /-	₹46,85,350/-
Extent of Holding %	99.97%	50%
3. Description of how there is significant influence	99.97% control owned by Grip Polymers Ltd.	50% control owned by GRP Ltd.
4. Reason why the Joint Venture is not consolidated	Not applicable	Not applicable
5. Net worth attributable to shareholding as per latest audited Balance sheet	₹ 2,39,01,825/-	₹ 41,17,992/-
6. Profit / (Loss) for the year	₹ (1,10,97,870/-)	₹ (7,21,475/-)
i. Considered in Consolidation	₹ (1,10,92,273/-)	₹ (3,60,737/-)
ii. Not Considered in Consolidation	₹ (5,597/-)	₹ (3,60,738/-)

1. Names of Joint ventures which are yet to commence operations : Nil

2. Names of Joint Ventures which have been liquidated or sold during the year : Nil

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

Rajendra Gandhi  
Managing Director

Harsh Gandhi  
Executive Director

## Management Discussion and Analysis Report 2016-17

During the year under review, the global polymer consumption had been lower than the industry expectations on account of weak macro-economic factors and a slowdown in major rubber producing countries. A significant reduction in virgin rubber prices on back of low oil prices resulted in rendering reclaim rubber less attractive for use. However despite this, your company has been able to sustain its share in the Indian market to around 18% and maintain share of 50% of India's exports of this product. Overall volume sales for GRP have been at 56605 MT compared with previous year at 55861 MT.

Key Parameters	2016-17	2015-16
Turnover (₹lakhs)	30,029	31,132
Profit after Tax (₹lakhs)	837	802
Profit after Tax to Turnover (%)	2.79%	2.57%
Sales to Fixed Assets Employed (ratio)	1.31 times	1.44 times
Current Ratio	1.25	1.14
Return on Capital Employed	9.50%	8.89%
Market Value per share (₹) (As on 31 <sup>st</sup> March)	1,602	1,000
Sales value- growth/(decline) in % over previous year	(3.54)	(7.22)
Sales volume – growth/(decline) in % over previous year	1.33	(8.17)
Domestic sales value – growth/(decline) in % over previous year	4.93	(2.51)
Export sales Value- growth/(decline) in % over previous year	(7.08)	(9.06)

### Business overview :

GRP believes its efforts to save valuable resources aligns with its ability to supply quality sustainable materials to the global automotive, engineering and infrastructure sectors. The company's products help reduce carbon foot print, aid processing, enhance properties in the customer formulations. A brief on each of the business units follows.

**Reclaim Rubber (RR)** – This business continues to constitute more than 90% of the company's revenues and continues to provide the resources to support growth in the other business units. Considering RR is used as a partial substitute to virgin rubbers, its demand, pricing has a strong correlation with the pricing of and demand-supply of the virgin rubbers. RR has been used in Automotive Tyres, tubes, non-tyre automotive, conveyor belts and other construction related products. Your company maintains a leadership position in this business within India and a global footprint with reputed tyre & non-tyre companies as its customers.

**Industrial Polymers (IP)** – The IP business has been through a major transition during the year under review. While your company's unique process for upcycling waste Polyamide (PA) has been established, the low prices of virgin PA has led to delay in complete commissioning of the manufacturing plant. This in turn has helped the R&D efforts at altering the process for reducing process costs and improve product purity. The plant is expected to be commissioned during the current fiscal. Your company continues to produce PA compounds for sale to the industrial & engineering applications.

**Custom Die-forms (CDF)** – On account of low rubber prices, the market for die-cut products has maintained demand status quo. Your company continues its efforts at exploring alternate product types to grow this business. However, this business uses certain portion of end of lie tyre materials that would otherwise not produce enhanced quality of RR. The presence of this business in the portfolio helps your company with increased control over the supply chain.

Profit after tax for the year 2016-17 as against 2015-16 has increased by 4.36% to ₹837 lakhs. While revenues have declined by 3.54%, profit for the year under review has been marginally higher on account of the savings in raw material & energy.

### 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 three 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 a leader in reclaim rubber segment. Revenue of ₹29,341 lakhs was generated from this segment.

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. Revenue of ₹76 lakhs was contributed from the captive power generated by the windmill.

c) Industrial Polymers :

This segment comprises of Thermoplastic Elastomer compounded products and revenue contribution during the year was ₹193 lakhs.

## Capital Expenditure :

A fair share of the capital expenditure in the year under review was towards upgrading the technology to be able to process radial tyres and help reduce manpower deployment. This is in line with the long term plan to increase automated processes in the plant. Since reclaim rubber business does not have a standard organized equipment manufacturing, your company continues to identify the combination of technologies best suited to upgrade technology, yet be able to process the different end-of-life raw materials available for use. Apart from the core equipment for production, your company aims to switchover a large part of its energy needs to cleaner fuels and to this effect, investment in a 0.4MW solar power generation has been made at Chincholi (Solapur) plant of the company. Over the coming years, additional such investments can be expected to replace current sources of power. The capex towards the above initiatives has been ₹196.53 lakhs. Continuous investments over the next 3 years are planned to achieve lower operating costs and improved quality across all locations for the reclaim rubber business.

## Joint Venture & Subsidiary :

Post the signing of the Joint Venture (JV) Agreement in November 2015 resulting in the establishment of Marangoni GRP Private Ltd (MGPL), the focus has been on the following activities:

1. Prospecting for and appointing Franchisees in Key Trucking Markets in India
2. Preparing an Equipment Sourcing and Supply Chain for Franchisees
3. Finalising the Product Range to offer maximum coverage of the Indian market
4. Tracking Product Performance in select markets amongst medium and large fleets
5. Recruiting and training MGPL Executives to prepare them to execute the Strategic Plan

By the end of 2016-17, MGPL had signed up one Franchisee in the state of Karnataka and signed MOUs with two more in Tamil Nadu and Maharashtra. An 'active' list of potential Franchisees in target markets is updated on a regular basis to ensure a healthy pipeline.

A key strategy for success of the venture is the availability of cost effective equipment package for Franchisees. Accordingly, vendors have been identified jointly with Marangoni Executives to ensure timely supply of high quality equipment to Franchisees.

Success of the venture is highly dependent upon the product range – quality and market coverage – since this is being imported from Marangoni's plants outside India. The range has been finalized keeping a 2 year horizon and market coverage in excess of 90%. Selective tracking of product performance is being actively done in Indore as well.

MGPL's team was expanded during the year to bring on board sales, service and digital marketing executives with good experience in their domain from leading companies.

GRP has through its wholly owned subsidiary GRIP Polymers Ltd., invested in a franchise in Indore with an objective of offering retreading solution in the region, to serve as a pilot shop for the Marangoni GRP JV. This unit continues to support the GRP Ankleshwar and Panoli plants with material supply for reclaim rubber production needs.

## Industry Structure & Development :

The year under review has been historic for a number of events that have shaken the world we live in. From BREXIT in the UK that has the potential to derail the concept of Eurozone as we know today, to demonetization in India that while meant short term pain, is poised to bring in the much needed consumption boom to spur economic growth in the days to come and then the historic elections in USA, which again has the potential to disrupt geopolitics, not just in the American continent, but shift the balance of power across the world. While each of these events will change the course of the future, its impact on the short term have been that of volatility and hence a sense of uncertainty.

The automotive industry in India recovered marginally from its previous year lows and posted a reasonable overall growth. While the passenger vehicle market & two wheeler segments lifted the growth in the industry, the commercial vehicle segment (which consumes bulk of the polymers) witnessed a negative growth and pulled down the overall growth for the automotive sector. This lower sale in the commercial vehicle OE in turn an indicator for the transport & logistics sector in India, suggests a turnaround in the economy has not gained the momentum as expected. The industrial, infrastructure, engineering sectors which account for the other half of polymers consumed returned almost stagnant performance in India on account of no significant capital outlay and led to muted performance in the other major reclaim rubber consuming sectors (conveyor belts, matting & sheeting, tyre retreading, etc). The global scenario is not vastly different than India. While North America saw a spur in manufacturing activity, it seemed constrained to the high tech manufacturing industry, not a large consumer of commodity polymers. Other major economies of the world either faced negative or marginal growth in manufacturing activity. The resultant demand for polymers remained in a low single digit growth range.

Correspondingly, natural rubber consumption witnessed muted growth and resulted in low pricing for major part of the year. The price rise in the latter months of the fiscal seemed a result of global supply glut and was not a sustained rally to lift up the demand for reclaim rubber in the country. The global synthetic rubber industry has also been sieged with overcapacity and low oil prices and most commodity polymers have maintained low prices and witnessed multiple plant closures. With the continued low prices of virgin rubbers, global tyre and non-tyre companies continue to seek lower cost alternative recycled materials to meet their producer responsibility and at the same time, leverage the low virgin rubber prices to their advantage. The resultant impact was a sluggish performance by the reclaim rubber industry in India and globally. Basis available estimates, reclaim rubber consumption grew marginally by 0.5%, but its consumption as a percentage to total polymers marginally dipped. On the other hand, there continues to be excess supply of reclaim rubber globally and has consequently led to margin erosion for majority of the manufacturers. This has been a troubling indicator for future demand and your company is therefore taking active steps in bringing down operating costs to maintain attractiveness of its products.

The Industrial Polymers business witnessed a wildly swinging price structure of Polyamide 6 (PA) and that forced your company to reinvent the process for producing PA from end of life tyre cord waste. While the consuming sectors have seen flat volumes, the competition in the recycled PA space was fairly intense and put the pressure on your company's margins. In line with the stated objective to move up the value chain across all

businesses, your company has commenced producing reinforcing PA compounds. While this sector is closer to the end markets, product development would be a key differentiator in the marketplace. Your company with its research and development capability and a team of qualified technologists is confident of creating an impact by moving up the value chain. We continue to develop alternate products to compete with the established multinational companies and local engineering plastic compounders.

Custom Die Forms business is a niche business in which products made out of end of life tyres 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. However, with growing radialisation in the CV segment, future growth opportunities could be limited.

### **Opportunities, Risks and Concerns :**

In major segments that we operate, while the pressure on the core business is likely to continue for several more quarters, your company continues to actively pursue its value chain strategy of product manufacturing using recycled materials at its core. To this effect, the tyre retreading business in joint venture with Marangoni S.p.A has gained the necessary traction to expand the franchisee network and localize the product specifically for India. Another diversification, your company is pursuing its manufacture of products based on recycled rubbers and other polymers. The products intended to be produced shall initially be for captive consumption of your company's technology partner, but open opportunities in the Indian transportation, construction, military, housing sectors in the future. This will help your company build a portfolio of businesses around end of life materials which provide a natural hedge in the volatile.

Exports continue to contribute around 60% of your company's revenue. The geo political events from the last fiscal year have made pricing decisions increasingly difficult given the wild currency fluctuations. While volumes in the international markets remain consistent compared to previous years, the year under review witnessed some large customers shifting away from use of reclaim rubber in formulations, given the lower synthetic rubber prices. While this may be an isolated incident for the short term, the risks of multiple customers following a similar strategy cannot be ruled if polymer prices remain low for extended periods of time. Your company is actively pursuing initiatives to lower manufacturing costs in light of above development.

Mitigating risks is a key part of ensuring business sustainability. Risk Management continues to play an important role in the key result areas of the company and specific actions are being taken in the areas of energy cost control, pollution control, supply chain empowerment, manpower deployment among others.

### **Outlook :**

GRP's strong distribution network in several countries continues to help us acquire more customers and maintain our leadership position. The company has instituted several steps including a Global Business Partners Meet every two years to build closer relations with our International and Indian Distributors and have better market intelligence. While International markets will continue to receive significant attention, focus will be increased on India to grow penetration into more rubber industry sectors. The GST regime which is likely to be effective in the second half of current fiscal year, is likely to have a significant impact on the sales and also on the prices of major inputs.

### **Internal Control Framework :**

Your Company conducts its business with integrity and high standards of ethical behaviour, and in compliance with the laws and regulations that govern its business. Your Company has a well-established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises. There are Internal Audit and Compliance functions in place which are responsible for independently evaluating the adequacy of all internal controls and ensuring operating and business units adhere to internal processes and procedures as well as to regulatory and legal requirements. The audit function also proactively recommends improvements in operational processes.

In addition to external audit, the financial and operational controls of your Company at various locations are reviewed by the Internal Auditors, to report significant findings to the Audit Committee of the Board. The Audit Committee reviews the adequacy and effectiveness of the implementation of audit recommendations including those relating to strengthening the Company's risk management policies and systems. Compliance with laws and regulations is also monitored through a matrix of a well laid down framework which requires individual functions to confirm and report statutory compliances on all laws and regulations concerning their respective functions and which gets integrated with the overall compliance reporting on all laws and regulations for the purposes of review and monitoring by the Audit Committee.

### **People and Practices :**

Human capital is the most valued resources of any Company, and at GRP it is no different. There is always a zest for updating your Company with the best HR practices followed by industries world-wide. The Human Resources Department has always been an enabler to other departments in fulfilling their duties. From supporting over 1300 employees and their families to negotiate life challenges, to help and assist the Company in negotiating more complex corporate challenges has been the hallmark of HR department. Our valuable asset our employees are supported in driving key business objectives of the Company. Our Performance Management System provides the structure for the department to measure its progress on meeting its goals, in alignment with the strategic themes of the Company. Over the past year, the department has focused on continuous improvement to increase efficiency and accountability through a variety of training programs. The department also continues to provide support to Corporate projects such as High 5 and effective utilisation of workforce. At GRP, HR department plays a critical role in ensuring that your Company has high-performing and engaged employees equipped to deliver results.

The GRP board comprises individuals distinguished in their field of experience & expertise and alumni of some of the world's most renowned educational institutions. The board continues to provide strategic direction to the company and engages actively towards inputs on the company's long-term vision. Under the guidance of the board, and inputs from key customer stakeholders of the company, a strategy exercise was undertaken with a 3-year objective. The initiative titled "High-5" has been divided across 31 initiatives, spanning 16 projects rolled out across the organization. Employees across the organization, spanning different functions are engaged in projects with a common agenda, towards a common purpose.

## **Manufacturing operations :**

Your Company's core activities include manufacturing multiple grades of reclaim rubber, Customs Die Forms, Industrial Polymers. The Company has manufacturing operations in states of Gujarat, Maharashtra and Tamil Nadu. All of Company's sites are re-certified for ISO 9001:2008, ISO 14001:2004 & BS OHSAS 18001:2007.

## **Health Safety and Environment :**

Your Company targets zero injuries and incidents via an active EHS program deployed across all its plant locations and HO. As a part of this program various systems like Air Pollution Control System, Fume Extraction System and Eco Ventilators are in place at all its manufacturing sites. Required safety systems are in place at all sites to maintain high standard of safety and health of employees as well as plant machinery, building and material. Safety Council, comprising of a cross-functional plant teams, has been instituted last year to identify, assess and mitigate the risks in the EHS area.

## **Raw Materials :**

Due to bulk imports of radial tyres for competitive applications, the availability of bias end of life tyres has improved in this year in local market. It is foreseen that a similar trend will continue in the next financial year. Drop in crude oil prices resulted in less demand from pyrolysis, and alternative use for end of life tyres. Your company is investing in technological up-gradation of its existing manufacturing processes to cater to alternate materials.

## **Risk Management :**

Last year, your Company has instituted an Enterprise Risk Management (ERM) framework, a formal process at enterprise level to routinely identify, assess and mitigate various types of risks that company is exposed to due to internal as well as external economic environment. The Risk Management framework is a three- pronged defined model sitting atop the functional processes and internal audit mechanism already in place to protect customers, employees, shareholders and other stakeholders to achieve desired business objectives and sustainable growth. ERM framework promotes a risk aware culture with a monthly risk review mechanism in place by individual and cross-functional teams with quarterly reporting of the Risk Register to the Board. Key risks identified by your Company are listed below.

### **Market Risk**

Your Company is exposed to multiple risks from external market environment including, inadequate demand in key geographies, dependence on a few large volume global customers, volatility in foreign currency rates and loss of sale due to increased price competition or inadequate availability of raw material (end of life tyres and tubes) due to growing alternate uses.

Your Company mitigates the Market Risk via market expansion into new geographies, industries, customer segments, establishment of strong Key Account Management process which creates visibility of key global accounts across the organization for superior customer service, establishment of currency bands with key overseas customers to hedge against currency fluctuations and improved demand forecasting process.

### **Operational Risk**

Your Company's core activity includes manufacturing multiple grades of reclaim rubber, Custom Die Forms and Industrial Polymers. The Company has manufacturing operations in states of Gujarat, Maharashtra and Tamil Nadu. The Company is exposed to risks of process failures, substandard quality products resulting in customer complaints, environmental pollution, inefficient operations, risking manufacturing costs, technological obsolescence, project failures, IT system failures, gaps in meeting vendor SLAs (Service Level Agreements), safety incidents etc.

Your Company mitigates these risks via deployment of best in class People, Processes, Systems, Technology, Quality Assurance / Risk Management Framework and Project Management Methodologies. The Company routinely evaluates its performance in each of these areas to ensure a minimum level of cost efficiency, quality and customer satisfaction. The Company has evaluated best available technologies across the world and made significant investments in the past year to upgrade its technology to reduce the over dependence on manual labour as well as to process alternate raw material types increasingly available in the market, such as radial tyres. Company also routinely manages supply chain risks related to timely raw material availability and pricing, vendor dependency and logistics.

Last year, the Company successfully implemented a world-class reverse auction system to get superior pricing of input raw materials and services. The Project Management methodology put in place over a year ago has yielded good results in terms of timely completion of the capital projects for process and technology upgrade at desired ROI. Company also successfully reduced power and fuel costs last year by putting in systems that allow flexibility of using alternate sources of fuel and power, such as gas, furnace oil, wind and solar power, to avail benefit of varying market pricing of each. All of Company's sites are certified for ISO 9001:2008, ISO 14001:2004 & BS OHSAS 18001:2007. Company's Strategic Program launched last year to improve its capability and market positioning has yielded good initial results.

### **IT Risk**

With growing need for data storage and use of IT software applications, your Company faces the usual risk of potential data loss related to hardware failure. Company also faces risk of cyber crime related to hacking and theft.

To mitigate this risk, the Company has adopted industry standard operating procedures for data consolidation and automated backup procedures to mitigate risk of data loss and cyber crime risk. The Company is also in the process of implementing an enterprise wide IT policy in line with industry standards.

### **People Risk**

In line with Company's original philosophy of providing livelihood in smaller cities, majority of Company's processes were labour intensive. This increased Company's exposure to various labour related risks, including unionization, labour shortages during summer months, human error in its processes and higher manpower costs.

Your Company has introduced technological led automation in all of its operations to reduce the contract workforce and its over dependency on manpower. Company uses Industrial Relations best practices to promote cordial working relations with local and national labour unions to mitigate risks of potential disruptions. Company is also planning to deploy best in class HR methodologies to improve employee engagement, branding, talent management and competency development.

## Financial Risk

Your Company is exposed to various types of financial risks in its normal course of operation, including interest rate and foreign exchange rate movements, frauds and errors in at all levels.

Company maintains sufficient liquidity, so that it is able to meet its financial commitments on due dates and is not forced to obtain funds at higher interest rates. It also does foreign exchange hedging at regular intervals in line with guidance from leading banks and financial advisors. The foreign exchange market is highly regulated and GRP ensures compliance with all regulations.

## Risk due to frauds and errors :

Any organization is exposed to risks due to frauds and errors in all functions and at all levels. There are adequate internal controls in place including internal financial controls. Periodic internal audits act as a preventive measure. There is adequate insurance cover to mitigate risks where feasible.

## Sustainability practices :

While GRP plays an important role in cleaning of end of life rubber waste, the company has maintained a conscious principle of ensuring its operations and practices are also clean. Towards this agenda, the company has invested significant resources to become 'zero discharge' at three of its manufacturing facilities with the plan to implement at its other location too.

## 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**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2017

Rajendra Gandhi  
Managing Director

Harsh Gandhi  
Executive Director

## REPORT ON CORPORATE GOVERNANCE

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 as mentioned in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details are set out below:

### 2. Board of Directors

#### i) Composition :

The composition of the Board of Directors of the Company was in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2016-17. The Board of Directors of the Company has 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, 2017, the Board of Directors comprises of eight directors out of which one Executive Director (Promoter) as the Managing Director, three Non-Executive & Independent Directors, three Non-executive & Non-independent Directors and one Executive Non-independent Director. Chairperson of the Board is Non-executive Director. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

#### ii) Board Meeting:

Dates of Board Meeting	20 May 2016	8 Aug 2016	10 Nov 2016	3 Feb 2017
Board Strength	8	8	8	8
No. of Directors present	8	6	8	7

Board procedure: The Company places before the Board all the details as required under Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 at the Board meetings keeps the Board apprised of the overall performance of the Company.

Attendance and other directorships: The attendance of the Board of Directors and related information as on 31<sup>st</sup> March, 2017 is as under:

Name of Director & Designation	Category	No. of Board Meetings		Attendance at Last AGM on 21.09.2016	Number of Directorships in other Indian public Limited companies	No. of Committees #	
		Held	Attended			Member	Chairperson
Dr. Peter Philip	Non Executive and Non Independent (Chairperson)	4	4	No	5	1	--
Rajendra V. Gandhi (Managing Director)	Executive (Promoter)	4	3	Yes	2	2	1
Mahesh V. Gandhi	Non Executive (Promoter)	4	4	Yes	1	--	--
Rajeev M. Pandia	Non Executive and Independent	4	4	Yes	3	1	1
Apurva R. Shah	Non Executive and Independent	4	4	Yes	3	5	2
Nayna R. Gandhi	Non Executive and Non Independent	4	3	Yes	1	--	--
Alpana Parida +	Non Executive and Independent	4	3	No	4	4	--
Harsh R. Gandhi	Executive (Promoter Group)	4	4	Yes	1	1	--
Bhagwandas T. Doshi *	Non Executive and Independent	4	1	--	1	--	--

# It excludes committees other than Audit committee, Stakeholders Relationship committee and companies other than public limited company but includes committee membership / Chairmanship in GRP Ltd.

+ Smt. Alpana Parida was appointed as a Director w.e.f. 20<sup>th</sup> May, 2016.

\* B. T. Doshi ceased to be a Director w.e.f. 20<sup>th</sup> May, 2016.

- iii) Disclosure of relationship between directors inter-se :
- Rajendra V. Gandhi and Mahesh V. Gandhi are related to each other as brothers.
  - Harsh R. Gandhi is the son of Rajendra V. Gandhi and Nayna R. Gandhi.
  - Nayna R. Gandhi is wife of Rajendra V. Gandhi and mother of Harsh R. Gandhi.
- Except the above, there is no other inter-se relationship between the directors.
- iv) Shareholding of the Non-Executive Directors in the company as on 31<sup>st</sup> March, 2017

Name of the Non-executive Director	No. of shares held
Dr. Peter Philip	1333
Mahesh V. Gandhi	62500
Rajeev M. Pandia	Nil
Apurva R. Shah	Nil
Nayna R. Gandhi	44105
Alpana Parida	Nil

- v) Web link where details of familiarization programs imparted to independent directors has been given, is as follows:  
<http://www.grpweb.com/progress/investors/corporate-governance/terms-independent-directors.html>

### 3. Audit Committee

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

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - 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.
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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 audit.
- 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	Current position held in the committee	Category	Audit Committee Meetings	
			Held	Attended
Rajeev M. Pandia	Chairperson	Non Executive Independent	4	4
Dr. Peter Philip	Member	Non Executive Non Independent	4	4
Apurva R. Shah	Member	Non Executive Independent	4	4
Alpana Parida #	Member	Non Executive Independent	4	3
Bhagwandas T. Doshi*	Member	Non Executive Independent	4	1

\* ceased to be a member of Audit Committee w.e.f. 20<sup>th</sup> May, 2016.

# appointed as member of Audit Committee w.e.f. 20<sup>th</sup> May, 2016.

iii) **Meetings during the year**

Audit Committee met four times during the last financial year on 20<sup>th</sup> May, 2016; 8<sup>th</sup> August, 2016; 10<sup>th</sup> November, 2016 and 3<sup>rd</sup> February, 2017.

**4. Nomination and 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 of Directors;
3. Devising a policy on diversity of Board of Directors;
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.
5. Recommend, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

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

\* ceased to be a member of the Committee w.e.f. 20<sup>th</sup> May, 2016.

# appointed as a member of the Committee w.e.f. 20<sup>th</sup> May, 2016.

iii) **Performance evaluation criteria for independent directors:**

The Committee formulates evaluation criteria for the Independent Directors which is broadly based on:

- a) Knowledge to perform the role;
- b) Time and level of participation;
- c) Performance of duties and level of oversight; and
- d) Professional conduct and independence.

## 5. Remuneration of Directors:

i) During the financial year 2016-17, the Company has made the following payments to the Non-executive Directors:

Sr. No.	Name of Director	Sitting Fees (₹)	Commission (₹)
1	Dr. Peter Philip	1,06,000/-	Nil
2	Mahesh V. Gandhi	60,000/-	Nil
3	Rajeev M. Pandia	3,28,000/-	14,00,000/-
4	Bhagwandas T. Doshi	25,000/-	Nil
5	Apurva R. Shah	1,06,000/-	Nil
6	Nayna R. Gandhi	45,000/-	Nil
7	Alpana Parida	77,000/-	Nil

ii) **Criteria of making payments to Non-executive Directors:**

- All the remuneration of the Non- Executive 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 the 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.
- 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.
- 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:
  - The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession
  - Details of Remuneration paid to the Managing Director and Executive Director for the year ended 31<sup>st</sup> March 2017.

Total remuneration paid to the Managing Director and Executive Director during the financial year 2016-17 was as under :

Name	Designation	Salary (₹)	Commission (₹)	Contribution to Provident and Pension Fund
Rajendra V. Gandhi	Managing Director	78,00,000/-	Nil	8,70,000/-
Harsh R. Gandhi	Executive Director	1,20,00,000/-	Nil	10,14,000/-

## 6. Stakeholders Relationship 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 2016-17, as there was no agenda items which were required to be placed before this committee.

ii) **Name & Designation of Compliance Officer**

Ganesh A. Ghangurde, President & Company Secretary.

iii) A Statement of various complaints received and cleared by the Company during the financial year 2016-17 is given below:

Nature of Complaints	Received	Cleared	Pending
Non receipt of dividend	1	1	Nil
Non receipt of Annual report	1	1	Nil
Total	2	2	Nil

## 7. 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 confirmative 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

## 8. Meeting of Independent Directors:

The year under review, all the Independent Directors of the Company met on 7<sup>th</sup> March, 2017, to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

## 9. General Body Meetings

Financial Year ended	Date	Time	Nature	Special Resolutions passed
31 <sup>st</sup> March, 2014	28 <sup>th</sup> July, 2014	11.30 A.M.	AGM	No Special Resolution was passed at this meeting.
31 <sup>st</sup> March, 2015	27 <sup>th</sup> July, 2015	12.30 P.M.	AGM	<ul style="list-style-type: none"> <li>Appointment of Smt.Nayna R. Gandhi as Director of the Company</li> <li>Reappointment &amp; revision in remuneration of Harsh R. Gandhi as Executive Director</li> </ul>
31 <sup>st</sup> March, 2016	21 <sup>st</sup> September, 2016	12.30 P.M.	AGM	<ul style="list-style-type: none"> <li>Appointment of Smt.Alpana Parida as Director of the Company</li> <li>Reappointment &amp; revision in remuneration of Rajendra Gandhi as Managing Director</li> <li>Payment of Commission to Non Executive Director</li> </ul>

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 2016-17 under review, no resolution was passed by the shareholders through postal ballot.

## 10. Disclosures

- i) During the financial year 2016-17, 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.31 to the Accounts in the Annual report and they are not in conflict with the interest of the Company at large.

- ii) There have been no instances of non-compliance (except noncompliance 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.
- iii) 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.
- iv) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company has not adopted non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v) 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 is as under:

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

## 11. 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. Financial Express and Gujaratmitra. These results are also made available on the web site of the company www.grpweb.com

Company is also in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the communication to the stock exchanges.

## 12. General Shareholder information

### i) Annual General Meeting

Day, date and time	Thursday 10 <sup>th</sup> August, 2017; 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

4<sup>th</sup> August, 2017 to 10<sup>th</sup> August, 2017 (both days inclusive).

### iv) Dividend payment date

Date of payment of dividend for the financial year 2016-17, shall be within 30 days from 10<sup>th</sup> August, 2017.

### v) Listing on Stock Exchanges :

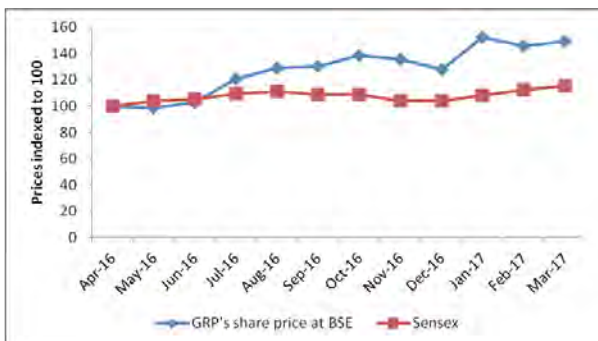
Name of Stock Exchange	ISIN No.	Scrip Code
BSE Ltd.	INE137I01015	509152
NSEIL	INE137I01015	GRPLTD (series - EQ)

The listing fees have been paid to both the above Exchanges for the financial year 2017-18.

### vi) Market Price Data: High, low during each month during the financial year 2016-17. Monthly Share Price data of the Company's equity shares of ₹10/- each fully paid up, traded on BSE Ltd. and National Stock Exchange of India Limited for the year ended 31<sup>st</sup> March, 2017 is as under :

Month	BSE		NSE	
	Highest Rate (₹)	Lowest Rate (₹)	Highest Rate (₹)	Lowest Rate (₹)
April-16	1140.00	1005.25	1125.00	1000.00
May-16	1189.95	1000.05	1175.00	1020.00
June-16	1153.05	990.25	1199.90	940.70
July-16	1315.00	1090.00	1318.00	1088.00
August-16	1440.00	1236.05	1456.00	1218.00
September-16	1499.00	1350.00	1516.00	1268.00
October-16	1650.00	1440.00	1680.00	1425.00
November-16	1674.00	1305.00	1650.00	1350.05
December-16	1542.00	1370.00	1545.00	1195.05
January-17	1793.20	1400.00	1814.10	1362.00
February-17	1717.90	1451.15	1749.00	1480.00
March-17	1700.00	1530.20	1720.95	1550.00

### 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:022-28366620. 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 within 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, 2017 :

No. of shares held		Shareholders		Shareholding		Share Amount	
From	To	Number	% to Total	Holdings	% to Total	₹	% to Total
1	500	2,255	89.80	166,307	12.48	1,663,070	12.48
501	1,000	113	4.50	83,373	6.26	833,730	6.26
1,001	2,000	58	2.31	84,312	6.32	843,120	6.32
2,001	3,000	24	0.95	63,094	4.73	630,940	4.73
3,001	4,000	10	0.40	36,996	2.77	369,960	2.77
4,001	5,000	9	0.36	43,891	3.29	438,910	3.29
5,001	10,000	16	0.64	109,368	8.20	1,093,680	8.20
10,001	And above	26	1.04	745,992	55.95	7,459,920	55.95
<b>TOTAL</b>		<b>2,511</b>	<b>100.00</b>	<b>1,333,333</b>	<b>100.00</b>	<b>13,333,330</b>	<b>100.00</b>

(2) Shareholding pattern as on 31<sup>st</sup> March, 2017

Categories	No. of Shares	Amount in ₹	% to total
Promoter and Promoter Group holding	556837	5568370	41.76
<b>Public holding</b>			
Mutual Funds	50	500	0.00
Foreign Portfolio Investors	2400	24000	0.18
Individual shareholders holding nominal share capital upto ₹2 lakh	497285	4972850	37.30
Individual shareholders holding nominal share capital in excess of ₹2 lakh	173137	1731370	12.99
Others	103624	1036240	7.77
<b>Total</b>	<b>1333333</b>	<b>13333330</b>	<b>100.00</b>

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

## xi) Plant Locations

- Ankleshwar & Panoli, Dist. Bharuch, Gujarat.
- Chincholi, Dist. Solapur, Maharashtra.
- Perundurai, Dist. Erode, Tamilnadu.

## xii) Address for Correspondence :

GRP Limited

510, "A" Wing, Kohinoor City Commercial – I, Kirol Road, Off. L. B. S. Marg,

Kurla (W), Mumbai 400 070.

Telephone: +(91)-(22)-67082500/67082600

Fax : +(91)-(22)-67082599

Email : investor.relations@grpweb.com

13. Declaration by the Managing Director for compliance with code of conduct in pursuance of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 2016-17, pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Mumbai  
Date : 30th May, 2017

Rajendra V. Gandhi  
Managing Director

## 14. Managing Director certification, issued pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

### To The Board of Directors of GRP Ltd.

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:

- A. (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  - (1) that there are no significant changes, in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year; and
  - (3) that there are no instances of significant fraud of which we have become aware..

Mumbai, 30<sup>th</sup> May, 2017

Rajendra V. Gandhi  
Managing Director

The above certificate was placed before the meeting of Board of Directors held on 30<sup>th</sup> May, 2017.

## 15. Auditors' Certificate on Corporate Governance

Certificate regarding compliance of conditions of Corporate Governance, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

Annexure 3

### AUDITORS' 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 31st March, 2017, as stipulated in Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015 (the Regulations).

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, issued by the Institute of Chartered Accountant of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company,

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

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

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

Rajesh S Shah  
Partner  
Membership No 017844

Place : Mumbai  
Mumbai : 30<sup>th</sup> May, 2017

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[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]*

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 **31<sup>st</sup> March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **GRP LIMITED** (the Company) for the financial year ended on **31<sup>st</sup> March, 2017** 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, 2015;
  - (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;
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (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 Ltd. and National Stock Exchange of India Limited.

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 31<sup>st</sup> March, 2016.
- D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- 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) As reported by the Management, 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

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) Decision by the members of the Company pursuant to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Name of Company Secretary in Practice:

Chetan R. Shah  
F.C.S. No.: 2703  
C. P. No.: 4253

Place: Ahmedabad  
Date: 2nd May, 2017



## 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 overview 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 up to 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	Chairperson 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 (₹ in lakh)
2015-16	1300.99
2014-15	1207.20
2013-14	2077.72
<b>Total</b>	<b>4585.91</b>
Average profit	1528.64

**6. Threshold Limit - (2% of the amount as mentioned in 5 above) - ₹ 30.57 Lakhs.**

**7. Details of CSR activities undertaken during the year (2015-16):**

- a. **Total amount to be spent for the financial year – ₹ 30.57 lakhs.**
- b. **Amount unspent – Nil.**

c. Manner in which the amount spent during the year:

1	2	3	4	5	6	7	8
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 under taken	Amount outlay (budget) project/ programme wise (₹ lakh)	Amount spent on the project / programme <u>Subheads:</u> 1.Direct expenditure on project, 2.Overheads: (₹ lakh)	Cumulative spend upto the reporting period. (₹ lakh)	Amount spent: Direct/ through implementing agency *
1 06.05.2016	Mobile Education Van	Education	Local, Gujarat	1.00	1.00	1.00	Ankleshwar Industrial Dev. Society
2 14.06.2016	Distribution of school bags	Education	Local, Gujarat	0.06	0.06	0.06	Local School
3 30.09.2016	Awareness campaign	Sustainable Livelihood	Local, Gujarat.	0.10	0.10	0.10	Inoways Design Zone Pvt. Ltd.
4 03.10.2016	free facilities to needy students	Education & Health care	Banswada, Rajasthan	5.00	5.00	5.00	Shree Gyayak Charitable Trust
5 02.12.2016	Promoting Sport among Underprivileged Children	Education	Mumbai, Maharashtra	5.00	5.00	5.00	PIFA Foundation
6 23.12.2016	Donation to Shrimati Jayaben Mody Hospital	Health care	Local, Ankleshwar, Gujarat	5.00	5.00	5.00	Shrimati Jayaben Mody Hospital
7 25.01.2017	Distribution of sewing machine	Empowerment of Women	Local, Ankleshwar, Gujarat	0.26	0.26	0.26	Ramkrishna Vivekanand Charitable Trust
8 27.01.2017	Donation to SEWA Rural	Health care	Jhagadia, Gujarat	5.00	5.00	5.00	SEWA Rural
9 06.02.2017	Construction of Toilets for school girls	Sustainable Livelihood	Local, Gujarat.	3.00	3.00	3.00	Ankleshwar Rotary Welfare Trust
10 10.02.2017	Sports Complex	Education	Local, Ankleshwar, Gujarat.	1.00	1.00	1.00	Ankleshwar Industrial Dev. Society
11 13.02.2017	Water Purifier Machine	Sustainable Livelihood	Local, Ankleshwar, Gujarat	0.06	0.06	0.06	Local
12 22.3.2017	Water Wheel	Sustainable Livelihood	Mumbai, Maharashtra	3.01	3.01	3.01	Habitat for Humanity India Trust
13 23.3.2017	Toilet Blocks for girls	Sustainable Livelihood	Bhavnagar	0.50	0.50	0.50	Bhavnagar Stree Kelvani Mandal
14 23.3.2017	School Fees of special children	Education	Mumbai, Maharashtra	1.60	1.60	1.60	Mumbai Pradesh Vidya Sabha
			Total	30.59	30.59	30.59	

\*Give details of implementing Agency:

8. The company has spent 2% of the Average Net Profit (INR) of the last 3 financial years during the current financial year.

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.

Rajendra V. Gandhi  
(Managing Director & Member of CSR Committee)

Rajeev M. Pandia  
(Chairperson CSR Committee)

Harsh R. Gandhi  
(Executive Director & Member of CSR Committee)

**Particulars of loans and investments as on 31<sup>st</sup> March, 2017 made under Section 186 of the Companies Act, 2013**

Sr. No.	Particulars	₹ (Lakhs)	₹ (Lakhs)
1	Loans (A) : Loans to Grip Polymers Ltd., (wholly owned subsidiary)		408.00
2	Investments (B) : a) Trade investment (unquoted) Investment in subsidiaries 50000 equity shares of ₹10/- each fully paid up held in Grip Polymers Ltd. Investment in joint venture 4685350 equity shares of Re.1/- each fully paid up held in Marangoni GRP Pvt. Ltd. b) Other investment (unquoted) i) 129000 equity shares of ₹10/- each fully paid up in Bharuch Eco Aqua Infrastructure Ltd. ii) 632500 equity shares of ₹10/- each fully paid up in IRIS Eco Power Venture Pvt. Ltd.		1.01
			46.85
		12.90	
		63.25	76.15
	Sub Total : B		124.01
	Total : (A+B)		532.01

## NOMINATION AND REMUNERATION POLICY

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 30<sup>th</sup> May, 2015, and amended as per the approval of the Board of Directors at its meeting held on 10<sup>th</sup> November, 2016.

**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 / Senior Management" mean and comprise all members of management of rank equivalent to Senior General Manager and above.

\* This amendment is as per the approval of the Board of Directors at its meeting held on 10<sup>th</sup> November, 2016.

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.

## 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.

Annexure 8

## FORM NO.MGT 9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2017

[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:**

CIN	L25191GJ1974PLC002555
Registration Date	29.06.1974
Name of the Company	GRP Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Plot No. 8, GIDC Estate, Ankleshwar – 393 002, Gujarat, India.
Whether listed company	Yes
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	97.70

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

1.	Name and Address of The Company	<b>GRIP POLYMERS LIMITED</b> 510, 'A' Wing, Kohinoor City Commercial - I, Kirol Road, Off L. B. Shastri Marg, Kurla (West), Mumbai - 400 070.
2.	CIN/GLN	U25200MH1993PLC074922
3.	Holding/ Subsidiary / Associate	Wholly Owned Subsidiary
4.	% of shares held	100 %
5.	Applicable Section	Section 2(87)

1.	Name and Address of The Company	<b>MARANGONI GRP PRIVATE LIMITED</b> 510, 'A' Wing, Kohinoor City Commercial - I, Kirol Road, Off L. B. Shastri Marg, Kurla (West), Mumbai 400 070.
2.	CIN/GLN	U37100MH2015PTC271260
3.	Holding/ Subsidiary / Associate	Associate
4.	% of shares held	50 %
5.	Applicable Section	Section 2(6)

## 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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) <b>Indian</b>									
a) Individual / HUF	482473	0	482473	36.18	470880	0	470880	35.31	-0.87
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 Corp	85957	0	85957	6.45	85957	0	85957	6.45	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
f) Any Other	0	0	0	0.00	0	0	0	0	0.00
Sub-total (A)(1):-	568430	0	568430	42.63	556837	0	556837	41.76	-0.87
2) <b>Foreign</b>									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
k) 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
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	568430	0	568430	42.63	556837	0	556837	41.76	-0.87
<b>B. Public Shareholding</b>									
1. <b>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) FIIs / Foreign Portfolio Investor	0	0	0	0.00	2400	0	2400	0.18	0.18
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	2400	50	2450	0.18	0.18
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	50545	2150	52695	3.95	58676	2167	60843	4.56	0.61
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	376856	71575	448431	33.63	367916	50259	418175	31.36	-2.27
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	234056	5333	239389	17.95	234748	17499	252247	18.92	0.97
c) Others (Specify)									
i) Clearing Members	1652	0	1652	0.13	3033	0	3033	0.23	0.10
ii) NRI's	22436	0	22436	1.68	24445	0	24445	1.83	0.15
iii) Trust	250	0	250	0.02	0	0	0	0	-0.02
iv) HUF	0	0	0	0.00	15303	0	15303	1.15	1.15
Sub-total (B)(2)	685795	79058	764853	57.37	704121	69925	774046	58.05	0.68
Total Public Shareholding (B)=(B)(1)+ (B)(2)	685795	79108	764903	57.37	706521	69975	776496	58.24	0.87
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)	1254225	79108	1333333	100.00	1263358	69975	1333333	100.00	0.00

ii. **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rajendra V. Gandhi	22335	1.68	0.00	24369	1.83	0.00	0.15
2	Mahesh V. Gandhi	62500	4.69	0.00	62500	4.69	0.00	0.00
3	Nikhil M. Desai	6405	0.48	0.00	5	0.00	0.00	-0.48
	Total	91240	6.85	0.00	86874	6.52	0.00	-0.33

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

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares (- denotes sale)	% of total shares of the company	No. of shares	% of total shares of the company
A	At the beginning of the year (01.04.2016)				
	Rajendra V. Gandhi		22335		1.68
	Mahesh V. Gandhi		62500		4.69
	Nikhil M. Desai		6405		0.48



Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares (- denotes sale)	% of total shares of the company	No. of shares	% of total shares of the company
<b>B</b>	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Nikhil M. Desai			6405	0.48
	17/06/2016	-200	0.02	6205	0.47
	08/08/2016	-60	0.00	6145	0.46
	09/08/2016	-200	0.02	5945	0.45
	10/08/2016	-200	0.02	5745	0.43
	12/08/2016	-340	0.03	5405	0.41
	19/08/2016	-200	0.02	5205	0.39
	31/08/2016	-150	0.01	5055	0.38
	15/09/2016	-12	0.00	5043	0.38
	20/09/2016	-17	0.00	5026	0.38
	26/09/2016	-221	0.02	4805	0.36
	03/10/2016	-100	0.01	4705	0.35
	25/10/2016	-100	0.01	4605	0.35
	23/01/2017	-30	0.00	4575	0.34
	25/01/2017	-40	0.00	4535	0.34
	07/02/2017	-400	0.03	4135	0.31
	16/02/2017	-160	0.01	3975	0.30
	17/02/2017	-470	0.04	3505	0.26
	22/02/2017	-700	0.05	2805	0.21
	23/02/2017	-100	0.01	2705	0.20
	28/02/2017	-300	0.02	2405	0.18
	02/03/2017	-600	0.05	1805	0.14
	06/03/2017	-400	0.03	1405	0.11
	21/03/2017	-500	0.04	905	0.07
	24/03/2017	-100	0.01	805	0.06
	27/03/2017	-800	0.06	5	0.00
	Rajendra V. Gandhi			22335	1.68
	22/11/2016	1634	0.12	23969	1.79
	20/12/2016	400	0.03	24369	1.83
<b>C</b>	At the End of the year (31.03.2017)				
	Rajendra V. Gandhi			24369	1.83
	Mahesh V. Gandhi			62500	4.69
	Nikhil M. Desai			5	0.00

iv. **Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares (- denotes sale)	% of total shares of the company	No. of shares	% of total shares of the company
<b>A</b>	<b>At the beginning of the year (01.04.2016)</b>				
1	Meera Philip	81666	6.12		
2	Enarjee Consultancy & Trading Company LLP	58624	4.40		
3	Rashmi M Gandhi	50209	3.77		
4	Rajendra V Gandhi HUF	46750	3.51		
5	Mammen Philip	37816	2.84		
6	Divya Atul Desai	34875	2.62		
7	Harish V Gandhi	32558	2.44		
8	Harsh R Gandhi HUF	22000	1.65		
9	Anil Kumar Goel	20600	1.55		
10	Koushik Sekhar	17967	1.35		
<b>B</b>	<b>Datewise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):</b>				
1	Divya Atul Desai	-1820	0.14	33055	2.48
2	Koushik Sekhar	1891	0.14	19858	1.49
<b>C</b>	<b>At the End of the year (31.03.2017)</b>				
1	Meera Philip			81666	6.12
2	Enarjee Consultancy & Trading Company LLP			58624	4.40
3	Rashmi M Gandhi			50209	3.77
4	Rajendra V Gandhi HUF			46750	3.51
5	Mammen Philip			37816	2.84
6	Divya Atul Desai			33055	2.48
7	Harish V Gandhi			32558	2.44
8	Harsh R Gandhi HUF			22000	1.65
9	Anil Kumar Goel			20600	1.55
10	Koushik Sekhar			19858	1.49

**V. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>A</b>	<b>At the beginning of the year (01.04.2016)</b>				
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 *	0	0.00		
6	Rajeev M. Pandia	0	0.00		
7	Apurva R. Shah	0	0.00		
8	Alpana Parida **	0	0.00		
9	Nayna R. Gandhi	44105	3.31		
10	Ganesh A. Ghangurde (KMP)	266	0.02		
11	Sanjay Bafna (KMP) ***	0	0.00		

Sr. No.	Particulars	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>B</b>	<b>Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</b>				
1	Rajendra V. Gandhi			22335	1.68
	22/11/2016	1634	0.12	23969	1.79
	20/12/2016	400	0.03	24369	1.83
2	Harsh R. Gandhi			57535	4.32
	Gift of share 09/09/2016	-5	0.00	57530	4.32
		422	0.03	57952	4.35
<b>C</b>	<b>At the End of the year (31.03.2017)</b>				
1	Rajendra V. Gandhi			24369	1.83
2	Harsh R. Gandhi			57952	4.35
3	Mahesh V. Gandhi			62500	4.69
4	Dr. Peter Philip			1333	0.10
5	B.T. Doshi *			0	0.00
6	Rajeev M. Pandia			0	0.00
7	Apurva R. Shah			0	0.00
8	Alpana Parida **			0	0.00
9	Nayna R. Gandhi			44105	3.31
10	Ganesh A. Ghangurde (KMP)			266	0.02
11	Sanjay Bafna (KMP) ***			0	0.00

\* Ceased to be a Director w.e.f. 20.05.2016

\*\* Appointed as a Director w.e.f. 20.05.2016

\*\*\* Appointed as KMP w.e.f. 10.11.2016

## VI. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	6699.99	0.73	60.40	6761.12
ii) Interest due but not paid	26.36	0.00	0.00	26.36
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	6726.35	0.73	60.40	6787.48
Change in Indebtedness during the financial year				
- Addition	1,192.00	64.50	0.00	1,256.50
- Reduction	1,440.62	0.73	0.00	1,441.35
Net Change	(248.62)	63.77	0.00	(184.85)
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	6,457.56	64.50	60.40	6,582.46
ii) Interest due but not paid	20.70	0.00	0.00	20.70
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	6,477.73	64.50	60.40	6,602.63

## VII. 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	78,00,000	1,20,00,000	1,98,00,000
	(b) Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary u/s 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	Nil	Nil	Nil
	Total (A)	78,00,000	1,20,00,000	1,98,00,000
	Ceiling as per the Act			4,80,00,000

### B. Remuneration to other directors :

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Rajeev M. Pandia	Alpana Parida	A. R. Shah	B. T. Doshi	
1	<u>Independent Directors</u>					
i	Fee for attending board/committee meetings	3,28,000	77,000	1,06,000	25,000	5,36,000
ii	Commission	14,00,000	--	--	--	14,00,000
iii	Others, please specify					
	Total (1)	17,28,000	77,000	1,06,000	25,000	19,36,000
2	<u>Other Non-Executive Directors</u>	Dr. Peter Philip	Mahesh.V. Gandhi	Smt. N.R. Gandhi		
i	Fee for attending board/committee meetings	1,06,000	60,000	45,000		2,11,000
ii	Commission	--	--	--		--
iii	Others, please specify					
	Total (2)	1,06,000	60,000	45,000		2,11,000
	Total (B)=(1+2)					21,47,000
	Total Managerial Remuneration					2,19,47,000
	Overall Ceiling as per the Act					4,94,37,252

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Ganesh A. Ghangurde	Sanjay Bafna *
		President & Company Secretary	Chief Financial Officer
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,03,65,431/-	29,65,874/-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total	1,03,65,431/-	29,65,874/-

\* Appointed w.e.f. 10.11.2016 and resigned on 31.03.2017

## VIII. PENALTIES/PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>B. Directors</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>C. Other Officers in Default</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

Annexure 9

### 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 2016-17 :

Name of director	Ratio of remuneration of each director to Median remuneration
Rajendra Gandhi	49.05
Harsh Gandhi	75.46
Rajeev Pandia	10.24
Dr.Peter Philip	0.64
Apurva Shah	0.67
Alpana Parida	0.48
M.V. Gandhi	0.38
Nayna R. Gandhi	0.28
B.T.Doshi	0.16

2. Percentage increase in remuneration of each director and Key Managerial personnel in the financial year 2016-17.

Name	Percentage increase in remuneration in F.Y.2016-17
G. A. Ghangurde (KMP)	14.40

3. Increase in the median remuneration of employees in the financial year 2016-17 is 7.73%.
4. Number of permanent employees on the rolls of the company as on 31.03.2017 : 1254
5. a) Average percentage increase already made in the salaries of employees, other than the managerial personnel, in the financial year 2016-17 : 8.41%.
- b) Average percentage increase in the managerial remuneration in the financial year 2016-17 : Nil
- c) The above percentage increase in the salaries of employees in the financial year 2016-17 is commensurate with the past trend, nature of the industry and overall performance of the company.

6. The Board of Directors hereby affirm that the remuneration paid during the financial year 2016-17 to directors, key managerial personnel and senior management employees of the company is as per the remuneration policy of the company.
7. Statement for the financial year 2016-17 pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Harsh Gandhi	Ganesh Ghangurde
Designation	Executive Director	President & Company Secretary
Remuneration received (₹)	1,20,00,000	1,03,65,431
Nature of employment	Contractual	Non Contractual
Qualifications	Science Graduate	B.Com., LL.B., ACA, ACS
Experience (Years)	19	37
Date of commencement of employment	1st October, 2001	14th August, 1984
Age (Years)	39	58
Last employment held	Boston Consulting Group	HCC Ltd.
Equity shares held (%)	4.35	Not applicable
Names of Related directors	Rajendra Gandhi & Nayna Gandhi	Nil

Annexure 10

### 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, Panoli and Chincholi (Solapur) 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% use of variable frequency drive for cooling towers at Panoli for power saving of about 5%.
- 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.
- k. Installation of lighting transformer at Ankleshwar plant has not only enhanced the life of the light fittings but also helped plant save 80 units of energy every day.
- l. Sourcing of wind energy for Tamilnadu plant. In year 2016-17 95% energy was sourced through wind turbines leading to considerable reduction in greenhouse emissions.
- m. 400KWp Solar rooftop power plant installed in SL02 will help save 6 Lac energy units annually.

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, and further renewed upto financial year 2019-20 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. Continual improvement of products, processes and production process through innovation using in-house technology.
- 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 polyblends

### b. Expenditure on R&D

During the financial year 2016-17 your company has spent ₹209.00 lakhs on revenue items debited to respective accounts in the Profit & Loss account and ₹31.12 lakhs on Capital WIP & Plant & Machinery.

## 3. Foreign Exchange Earnings & Outgo

	<u>₹ in Lakhs</u>
Earnings in foreign exchange towards export of goods	19063.44
Foreign exchange outgo on account of imports, commission on exports and other expenses	2115.06

- 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 AUDITOR'S 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 31<sup>st</sup> March 2017, the statement of profit and loss and 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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 the 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. 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 31<sup>st</sup> March 2017,
  - b) In 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.

#### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("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" a statement on the matters specified in the paragraph 3 and 4 of the order.
10. 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and information and explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statement- Refer Note 29
  - ii. The Company has made provision as at March 31, 2017 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, 2017.
  - iv. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 on the basis of information available with the Company. Based on audit procedure and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.- Refer Note 17 of Notes to Financial Statements.

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

Rajesh S Shah  
Partner  
Membership No 017844

Place : Mumbai  
Mumbai : 30<sup>th</sup> May, 2017

## Annexure –“A” to the Auditors’ Report

**Annexure referred to an Independent Auditors’ Report of even date to the members of GRP Limited on Standalone financial statements for the year ended 31st March, 2017.**

We report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) 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. 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 subsidiary 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 limited liability partnership or other parties covered in the register maintained under Section 189 of the Act.
  - a) In respect of the aforesaid loan, the terms and conditions of granting of loan are not prejudice to the interest of the company.
  - b) In respect of the aforesaid loan, there was no amount due during the year.
  - c) In respect of the aforesaid loan, there was no overdue amount during the year.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of S.185 and S.186 of the Companies Act 2013 in respect of the loan and investments made. We are informed that the Company has not provided any guarantee or securities during the year.
- (v) The Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act and rules framed there under to the extent notified. 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) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act. in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and record have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are adequate 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 2017 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
G.VAT	Sales Tax	April 2006 to June 2013	0.02	Department Authorities
Income Tax Act 1961	Income Tax	F.Y.2008-09	13.96	CIT(A)- Mumbai
Income Tax Act 1961	Income Tax	F.Y.2010-11	23.54	CIT(A)- Mumbai
Income Tax Act 1961	Income Tax	F.Y.2014-15	32.78	Jurisdiction Assessing Officer, Mumbai
Income Tax Act 1961	Income Tax	F.Y.2015-16	20.55	Jurisdiction Assessing Officer, Mumbai
The Central Excise Act, 1944	Central Excise	January 2005 to March 2012	131.85	CESTAT
The Central Excise Act, 1944	Central Excise	July 2012 to Sept 2016	13.03	Department Authorities

- (viii) 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 does not have any loans or borrowings from any financial institution or Government nor it has issued any debentures as at the balance sheet date.
- (ix) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis for the purposes for which they were obtained. The Company has not raised money by way of initial public offer or further public offer during the year.

- (x) During the course of 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 not come across any instances of frauds by the Company or any material fraud on the company by its officer or employees nor have any instances of material fraud been reported to us by the management during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, Clause 3(xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, Clause 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or person connected with them. Accordingly Clause 3(xv) of the order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) of the order is not applicable to the Company.

Place : Mumbai  
Mumbai : 30<sup>th</sup> May, 2017

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

Rajesh S Shah  
Partner  
Membership No 017844

## Annexure – “B” to the Auditors’ Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of GRP Limited (“the Company”) as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

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

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

Rajesh S Shah  
Partner  
Membership No 017844

Place : Mumbai  
Mumbai : 30<sup>th</sup> May, 2017

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

	Note	As at 31-03-2017 (₹ in lakh)	As at 31-03-2016 (₹ in lakh)
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	133.33	133.33
Reserves and surplus	3	12,637.17	11,754.91
		<b>12,770.50</b>	<b>11,888.24</b>
<b>Non-current Liabilities</b>			
Long term borrowings	4	1,077.84	938.54
Deferred tax liabilities (net)	5	2,400.03	2,332.23
Long term provisions	6	61.99	102.51
		<b>3,539.86</b>	<b>3,373.28</b>
<b>Current Liabilities</b>			
Short term borrowings	7	5,016.28	4,634.59
Trade payables	8	2,093.77	1,846.15
Other current liabilities	9	887.58	1,627.62
Short term provisions	10	11.09	213.36
		<b>8,008.72</b>	<b>8,321.72</b>
<b>Total Equity &amp; Liabilities</b>		<b>24,319.08</b>	<b>23,583.24</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	11	13,007.19	12,970.59
- Intangible assets	11	46.97	66.84
- Capital work-in-progress	11	218.90	196.15
Non current investments	12	124.01	67.16
Long term loans and advances	13	922.92	832.03
		<b>14,319.99</b>	<b>14,132.77</b>
<b>Current Assets</b>			
Current investments	14	0.08	0.08
Inventories	15	4,500.81	3,313.97
Trade receivables	16	4,823.27	5,445.33
Cash & Bank Balances	17	59.02	240.07
Short term loans and advances	18	428.31	399.65
Other current assets	19	187.60	51.37
		<b>9,999.09</b>	<b>9,450.47</b>
<b>Total Assets</b>		<b>24,319.08</b>	<b>23,583.24</b>

Significant Accounting policies and Notes on Financial Statements

1 - 43

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

Place : Mumbai

Date : 30th May, 2017

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Company Secretary

Place : Mumbai

Date : 30th May, 2017

## STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	Note	Year ended 31-03-2017 (₹ in lakh)	Year ended 31-03-2016 (₹ in lakh)
<b>Revenue :</b>			
Gross Sales	20	31,206.08	32,260.65
Less: Excise duty		1,177.12	1,128.29
Net Sales		30,028.96	31,132.36
Other operating income	21	290.19	355.63
Revenue from operations (net)		30,319.15	31,487.99
Other income	22	308.81	49.91
<b>Total revenue</b>		<b>30,627.96</b>	<b>31,537.90</b>
<b>Expenses :</b>			
Cost of materials consumed	23	14,308.95	14,899.05
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(442.82)	29.53
Employee benefits expenses	25	5,297.31	4,910.94
Finance costs	26	370.91	446.31
Depreciation and amortization expenses	27	1,393.53	1,401.32
Other expenses	28	8,487.49	8,793.96
<b>Total expenses</b>		<b>29,415.37</b>	<b>30,481.11</b>
<b>Profit before tax</b>		<b>1,212.59</b>	<b>1,056.79</b>
<b>Tax expense</b>			
Current tax		260.21	225.54
Mat credit entitlement		57.04	92.06
Deferred tax		67.81	(62.45)
(Excess) / Short provision of earlier years		(9.25)	-
<b>Profit (Loss) for the period</b>		<b>836.78</b>	<b>801.64</b>
<b>Earnings per equity share of face value of ₹ 10/- each fully paid up</b>	38		
(1) Basic		62.76	60.12
(2) Diluted		62.76	60.12
Significant Accounting policies and Notes on Financial Statements	1 - 43		

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, 2017

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

**Ganesh A Ghangurde**  
President & Company Secretary

Place : Mumbai  
Date : 30th May, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	Year ended 31-03-2017 (₹ in lakh)	Year ended 31-03-2016 (₹ in lakh)
<b>A Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	1,212.58	1,056.79
Adjustments for		
- Depreciation	1,393.53	1,401.32
- (Profit) / Loss on sale of assets (Net)	(0.92)	(1.89)
- Fixed Assets Discarded	0.43	43.84
- Interest (Net)	274.96	368.74
- Rent received	(25.32)	(23.92)
- Provision for Doubtful Debts	5.25	2.40
- Income tax expense of earlier year	4.09	-
	<b>1,652.02</b>	<b>1,790.49</b>
<b>Operating Profit before working capital changes</b>	<b>2,864.60</b>	<b>2,847.28</b>
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	528.31	(67.86)
- (Increase)/Decrease in Inventories	(1,186.85)	(308.83)
- Increase/(Decrease) in Trade payable	239.99	(372.30)
	<b>(418.55)</b>	<b>(748.99)</b>
<b>Cash generated from operations</b>	<b>2,446.05</b>	<b>2,098.29</b>
Direct taxes paid (net of refund)	(255.49)	(325.15)
<b>Net cash from operating activities</b>	<b>2,190.56</b>	<b>1,773.14</b>
<b>B Cash flow from investing activities</b>		
- Interest received	23.57	13.70
- Sale proceeds of fixed assets	1.06	(33.52)
- Rent received	25.32	23.92
- Investments	(56.85)	(8.50)
- Loans to Subsidiary company	(268.00)	(94.08)
- Purchase of fixed assets	(1,407.24)	(1,092.46)
<b>Net cash used in investing activities</b>	<b>(1,682.14)</b>	<b>(1,190.94)</b>
<b>C Cash flow from financing activities</b>		
- Loans borrowed (Net of repayment)	(178.67)	39.38
- Interest paid	(331.28)	(404.58)
- Dividend & Dividend tax paid	(160.95)	(181.31)
<b>Net cash used in financing activities</b>	<b>(670.90)</b>	<b>(546.51)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(162.48)</b>	<b>35.69</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>197.67</b>	<b>161.98</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>35.19</b>	<b>197.67</b>



	Year ended 31-03-2017 (₹ in lakh)	Year ended 31-03-2016 (₹ in lakh)
<b>Cash and Bank Balances</b>		
<b>A Cash and cash equivalents</b>		
Cash on hand	2.72	3.63
Balance with banks		
(a) In Current accounts	20.52	98.82
(b) In EEFC accounts	11.95	95.22
	<b>35.19</b>	<b>197.67</b>
<b>B Other Bank Balance (Refer note no. 17)</b>	23.83	42.40
	<b>59.02</b>	<b>240.07</b>

- Notes:**
- (i) Figures in brackets are outflows.
  - (ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement, prescribed under Section 133 of Companies Act, 2013.
  - (iii) Previous year's figures have been re-grouped wherever necessary to conform to current year's classification.

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, 2017

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

**Ganesh A Ghangurde**  
President & Company Secretary

Place : Mumbai  
Date : 30th May, 2017

Amounts in the financial statements are presented in ₹ 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 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) Dividend on investment in subsidiary company :

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 11th 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:

- (a) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of Companies Act, 2013.
- (b) 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.
- (c) 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 period of amortisation is as under :

Asset	Period of amortisation
Computer Software	6 years
Copyrights	10 years

**(E) Impairment of Assets :**

An asset including capital work in progress 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 is determined at the amount of tax payable at the applicable rates in respect of estimated taxable income for the year. 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 or substantively enacted as on the balance sheet date.

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 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 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) Credits on account of Duty drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- (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) The company enters into forward contract on the basis of past performance or highly probable transactions of export of goods. 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.
- (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 :**

**(i) 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.

**(ii) Defined Benefit Plans :**

**(a) 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.

**(b) 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.

**(c) 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 ₹ 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 :**

All employee benefits payable wholly within twelve months of rendering the service are classified as 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:**

**As a lessee:**

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.

**As a lessor:**

The company has leased premises where the company has substantially retained all the risks & rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit & loss on a straight line basis over the lease term or other systematic basis which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit & loss in the period in which they are incurred.

**(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:** Provisions are recognised when there is a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Assets:** Contingent Assets are neither recognised or 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. Earnings considered in ascertaining the company's earnings per share is the net profit for the period. For the purpose of calculating the diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(R) 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.

**(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.

2 Share Capital:	As at 31-03-2017	As at 31-03-2016
<b>Authorized</b>		
1,500,000 (March 31, 2016 : 1,500,000) equity shares of ₹ 10 each	150.00	150.00
<b>Issued, Subscribed and Paid up</b>		
1,333,333 (March 31, 2016 : 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, 2017 and March 31, 2016, is set out below :**

	As at 31-03-2017	As at 31-03-2016
<b>Equity Shares:</b>		
<b>At the beginning</b>		
- Number of shares	13,33,333	13,33,333
- Amount	133.33	133.33
<b>At the end</b>		
- Number of shares	13,33,333	13,33,333
- 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 31-03-2017		As at 31-03-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Meera Philip	81,666	6.12%	81,666	6.12%

3 Reserves and Surplus:	As at 31-03-2017	As at 31-03-2016
<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>Cashflow Hedge Reserve</b>		
Balance at the beginning of the year	-	-
Add/(Less) : Effect of exchange rate fluctuation	45.49	-
<b>Balance as at the end of the year</b>	<b>45.49</b>	<b>-</b>
<b>General Reserve</b>		
Balance as at beginning of the year	6,500.00	6,000.00
Add : Transferred from the statement of profit and loss account	-	500.00
<b>Balance as at the end of the year</b>	<b>6,500.00</b>	<b>6,500.00</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as at beginning of the year	5,159.93	5,018.76
Profit for the year	836.77	801.64
<b>Amount available for appropriation</b>	<b>5,996.70</b>	<b>5,820.40</b>
Less: Appropriations :		
- Dividend	-	133.33
- Dividend tax	-	27.14
- Amount transferred to general reserve	-	500.00
<b>Total appropriations</b>	<b>-</b>	<b>660.47</b>
<b>Balance as at end of the year</b>	<b>5,996.70</b>	<b>5,159.93</b>
<b>Total reserves and surplus</b>	<b>12,637.17</b>	<b>11,754.91</b>

4 Long Term Borrowings:	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
	Current Maturity		Non-current portion	
<b>Secured:</b>				
<b>Term Loans from Banks:</b>				
Foreign Currency Loans from Banks	-	597.99	-	-
Rupee Loans from Banks	471.59	589.27	1,030.09	938.54
<b>Total Secured Borrowings</b>	<b>471.59</b>	<b>1,187.26</b>	<b>1,030.09</b>	<b>938.54</b>
<b>Unsecured:</b>				
Loan from Banks	8.17	-	18.28	-
Loan from Others (NBFC)	8.58	-	29.47	-
Deferred Sales Tax payments	-	0.73	-	-
<b>Total Unsecured Borrowings</b>	<b>16.75</b>	<b>0.73</b>	<b>47.75</b>	<b>-</b>
	<b>488.34</b>	<b>1,187.99</b>	<b>1,077.84</b>	<b>938.54</b>
Amount disclosed under the head "Other current liabilities" (refer note 9)	<b>(488.34)</b>	<b>(1,187.99)</b>	<b>-</b>	<b>-</b>
<b>Total long-term borrowings</b>	<b>-</b>	<b>-</b>	<b>1,077.84</b>	<b>938.54</b>

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

- 1 **Foreign currency loan from Citi Bank, N.A. of ₹ Nil (March 31, 2016 : ₹ 597.99 lakhs) for Perundurai factory, in Tamil Nadu**  
First exclusive charge by way of hypothecation of entire movable & immovable fixed assets of the Company located at Perundurai, Tamilnadu funded through Citi Bank term loan. Loan fully repaid on October 20, 2016 & charge satisfied on December 16, 2016.
- 2 **Rupee loan from HDFC Bank Ltd of ₹ Nil (March 31, 2016 : ₹ 480.00 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. Loan fully repaid on August 3, 2016 & charge satisfied on September 26, 2016.
- 3 **Rupee loan from HDFC Bank Ltd of ₹ 717.68 lakhs (March 31, 2016 : ₹ 1,047.81 lakhs) for Capex**  
First exclusive charge by way of hypothecation of plant & machinery finance from the term loans and by way of extension of equitable mortgage on office at 510, Kohinoor City, Kurla (West), Mumbai  
Repayable in 12 equal quarterly installments beginning from May 13, 2016 along with interest @ 10.45% p.a. (March 31, 2016 : 10.50% p.a.)
- 4 **Rupee loan from Citi Bank Ltd of ₹ 784.00 lakhs (March 31, 2016 : ₹ Nil) for Capex**  
First exclusive charge by way of hypothecation on Plant & Machinery at all plants of the Company funded through Citi Bank term loan.  
Repayable in 16 equal quarterly installments beginning from July 11, 2017 along with interest @ 10.20% p.a.

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

- 1 **Loans from Bank**  
Vehicle loans is secured by vehicles under hypothecation with banks. Loan is repayable in 36 monthly installments beginning from April 2017.
- 2 **Loans from Others**  
Vehicle loans is secured by vehicles under hypothecation with NBFC. Loan is repayable in 48 monthly installments from March 2017.
- 3 **Deferred sales-tax payments**  
Deferred sales-tax payment is interest free loan and repayable from financial year 2006-07 to 2016-17. Fully repaid on April 18, 2016.

5 Deferred Tax Liabilities (Net):	As at 31-03-2017	As at 31-03-2016
<b>Deferred Tax Liabilities</b>		
- Depreciation	2,484.10	2,396.82
- Gratuity claimed on payment basis	2.95	7.22
	<b>2,487.05</b>	<b>2,404.04</b>
<b>Deferred Tax Assets</b>		
- Provision for employee benefit	85.28	71.81
- Provision for Bad & Doubtful Debts	1.74	-
	<b>87.02</b>	<b>71.81</b>
<b>Total deferred tax liabilities (net)</b>	<b>2,400.03</b>	<b>2,332.23</b>

6 Long-term Provisions:	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
	Current Maturity		Non-current portion	
<b>Provision for Employees Benefit expenses:</b>				
Provision for Leave encashment	11.09	8.81	61.99	60.87
Provision for Gratuity payment	-	2.44	-	-
	<b>11.09</b>	<b>11.25</b>	<b>61.99</b>	<b>60.87</b>
Mark to market provision on derivative instruments	-	41.64	-	41.64
	<b>11.09</b>	<b>52.89</b>	<b>61.99</b>	<b>102.51</b>
Amount disclosed under the head "Short-term provisions" (refer note 10)	(11.09)	(52.89)	-	-
<b>Total Long-term provisions</b>	<b>-</b>	<b>-</b>	<b>61.99</b>	<b>102.51</b>

7 Short-term Borrowings:	As at 31-03-2017	As at 31-03-2016
<b>Secured:</b>		
<b>Working Capital Loan payable on demand from banks</b>		
Foreign Currency Loan	3,630.45	3,799.75
Rupee Loan	1,325.43	774.44
	<b>4,955.88</b>	<b>4,574.19</b>
<b>Unsecured:</b>		
Deposits from Others	60.40	60.40
	<b>60.40</b>	<b>60.40</b>
<b>Total Short-term borrowings</b>	<b>5,016.28</b>	<b>4,634.59</b>

a) **Working Capital Loan from HDFC Bank Ltd of ₹ 3,358.76 lakhs (March 31, 2016 : ₹ 2,828.94 lakhs)**

First pari passu charge by way of hypothecation of entire current assets, both present and future. First pari passu charge on entire fixed assets located at Ankleshwar & Panoli plant of the company.

b) **Working Capital loan from Citi Bank N. A. of ₹ 1,597.12 lakhs (March 31, 2016 : ₹ 1,745.25 lakhs)**

Secured by first pari passu charge in favour of Citi Bank N.A. by way of hypothecation of stock & book debts at par with other banks. First Pari Passu charge on fixed assets situated at Ankleshwar & Panoli Plant, District Bharuch, Gujarat at par with other banks.

c) Deposits from Others (unsecured) carry interest @ 10.00% p.a. with maturity period of 12 months from the date of deposit.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(₹ in lakh)

8 Trade Payables:	As at 31-03-2017	As at 31-03-2016
Trade payables	2,093.77	1,846.15
<b>Total trade payables</b>	<b>2,093.77</b>	<b>1,846.15</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 31-03-2017	As at 31-03-2016
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	119.54	114.48
b) Interest due to suppliers registered under the MSMED Act and Remaining unpaid at the year end.	1.43	0.08
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.	4.95	2.75
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.

9 Other Current Liabilities:	As at 31-03-2017	As at 31-03-2016
Current maturities of Long-term borrowings (refer note 4)	488.34	1,187.99
Interest accrued and due on borrowings	20.17	26.36
Unclaimed Dividend (refer note below)	10.61	11.08
Advances from customers	17.01	34.26
Vendors for Capital Goods & Services	132.39	195.32
Statutory dues	209.06	162.24
Others	10.00	10.37
<b>Total other current liabilities</b>	<b>887.58</b>	<b>1,627.62</b>

**Note:** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2017.

10 Short Term provisions:	As at 31-03-2017	As at 31-03-2016
Current maturities of Long-term provisions of Employees Benefit expenses (refer note 6)		
Provision for Leave encashment	11.09	8.81
Provision for Gratuity payment	-	2.44
	11.09	11.25
<b>Other Provisions</b>		
Mark to market provision on derivative instruments	-	41.64
Proposed dividend	-	133.33
Tax on proposed dividend	-	27.14
	-	<b>202.11</b>
<b>Total short-term provisions</b>	<b>11.09</b>	<b>213.36</b>

11 Fixed Assets:												
Particulars	Gross Block				Depreciation & Amortisation					Net Book Value		
	As at 01-04-2016	Additions	Disposal	Transfer	As at 31-03-2017	As at 01-04-2016	For the period	Disposal / Discard	Transfer	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
<b>(a) Tangible Assets</b>												
<b>Own Assets :</b>												
Lease hold Land	938.46	-	-	-	938.46	41.73	9.86	-	-	51.59	886.87	896.73
Roads	505.41	-	-	-	505.41	198.26	59.46	-	-	257.72	247.69	307.15
Buildings	6,315.45	54.47	-	-	6,369.92	974.59	180.22	-	-	1,154.81	5,215.11	5,340.86
Plant and Machinery	12,758.49	1,188.96	(0.58)	(0.69)	13,946.18	6,678.69	1,046.79	(0.58)	(0.40)	7,724.50	6,221.68	6,079.80
Furniture & Fixtures	381.96	4.19	-	(1.00)	385.15	174.45	39.21	-	(0.20)	213.46	171.69	207.51
Office equipments	181.27	13.91	(2.46)	2.03	194.75	122.29	14.50	(2.22)	0.90	135.47	59.28	58.98
Computer Hardware	146.18	10.67	(7.69)	(0.34)	148.82	121.67	10.19	(7.38)	(0.30)	124.18	24.64	24.51
Vehicles	127.69	107.02	(0.38)	-	234.33	72.64	15.62	(0.36)	-	87.90	146.43	55.05
Material Handling Vehicles	-	35.48	-	-	35.48	-	1.68	-	-	1.68	33.80	-
<b>Total (a):</b>	<b>21,354.91</b>	<b>1,414.70</b>	<b>(11.11)</b>	<b>(0.00)</b>	<b>22,758.50</b>	<b>8,384.32</b>	<b>1,377.53</b>	<b>(10.54)</b>	<b>(0.00)</b>	<b>9,751.31</b>	<b>13,007.19</b>	<b>12,970.59</b>
<b>(b) Intangible Assets</b>												
<b>Own Assets :</b>												
Computer Software	217.62	-	-	-	217.62	160.24	18.77	-	-	179.01	38.61	57.38
Copyrights	11.06	-	-	-	11.06	1.60	1.10	-	-	2.70	8.36	9.46
<b>Total (b):</b>	<b>228.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.68</b>	<b>161.84</b>	<b>19.87</b>	<b>-</b>	<b>-</b>	<b>181.71</b>	<b>46.97</b>	<b>66.84</b>
<b>Total (a+b):</b>	<b>21,583.59</b>	<b>1,414.70</b>	<b>(11.11)</b>	<b>(0.00)</b>	<b>22,987.18</b>	<b>8,546.16</b>	<b>1,397.40</b>	<b>(10.54)</b>	<b>(0.00)</b>	<b>9,933.02</b>	<b>13,054.16</b>	<b>13,037.43</b>
Previous Year:	20,139.72	1,502.69	(58.82)	-	21,583.59	7,191.36	1,405.18	(50.38)	-	8,546.16	13,037.43	12,948.36
<b>(c) Capital Work-in-progress</b>												
Factory Building											11.61	12.13
Plant & Machinery											124.62	129.09
Other Assets											82.67	54.93
<b>Total (c):</b>											<b>218.90</b>	<b>196.15</b>
<b>Total fixed assets (net)</b>											<b>13,273.06</b>	<b>13,233.58</b>

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ₹ 10.90 lakhs (March 31, 2016 : ₹ 88.21 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 ₹ 28.72 lakhs (March 31, 2016 : ₹ 19.39 lakhs) being borrowing cost capitalised.
- (c) Interest earned on account of Principle only SWAP (POS) loan amounting to ₹ 5.33 lakhs (March 31, 2016 : ₹ 22.11 lakhs) has been reduced from the cost of the respective assets.
- (d) Vehicles include one car of the company acquired in the name of Director.
- (e) Depreciation & amortisation for the period include amortisation of leasehold land of ₹ 3.85 lakhs (March 31, 2016 : ₹ 3.85 lakhs) which has been capitalised to pre-operative expenses being project under construction stage.
- (f) During the year Plant & Machinery in capital work in progress is impaired to the extent of ₹ Nil (March 31, 2016 : ₹ 42.01 lakhs) and is reduced from capital work in progress.
- (g) The company has acquired land on lease at Dahej in Gujarat for setting up manufacturing unit. The amortisation and other borrowing cost of ₹ 32.76 lakhs (March 31, 2016 : ₹ 36.65 lakhs) incurred has been capitalised to pre-operative expenses under capital work in progress.

12 Non-current Investments:		As at 31-03-2017	As at 31-03-2016
<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, 2016 : 50,000) equity shares of ₹ 10/- each fully paid up held in Grip Polymers Ltd.		1.01	1.01
<b>Investment in Joint Ventures:</b>			
468,5350 (March 31, 2016 : NIL) equity shares of ₹ 1/- each fully paid up held in Marangoni GRP Pvt. Ltd.		46.85	-
<b>Other Investments (unquoted)</b>			
129,000 (March 31, 2016 : 129,000) equity shares of ₹ 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.		12.90	12.90
632,500 (March 31, 2016 : 532,500) equity shares of ₹ 10/- each fully paid up held in Iris Ecopower Venture Pvt. Ltd.		63.25	53.25
<b>Total non-current investment</b>		<b>124.01</b>	<b>67.16</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

(₹ in lakh)

<b>13 Long-term Loans and Advances:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Advances for Capital Expenditure	38.44	127.69
Other Advances & Deposits	228.90	278.83
Prepaid Expenses	24.09	4.98
Loan to Subsidiary company	408.00	140.00
MAT credit entitlement	223.49	280.53
<b>Total long-term loans and advances</b>	<b>922.92</b>	<b>832.03</b>
Prepaid expenses include current maturity amount of ₹ 51.85 lakhs (March 31, 2016 : ₹ 52.28 lakhs) (refer note no. 18)		
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.		
<b>14 Current Investments:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</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>15 Inventories:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Stores and Spares	208.50	133.61
Packing Materials	65.13	35.70
Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	2,320.31	1,693.69
Fuel materials	23.44	10.67
FMS License Stocks (at net realisable value)	-	8.44
MEIS License Stocks (at net realisable value)	14.16	5.41
Goods-in-process	428.63	366.41
Goods-in-transit	556.04	352.75
Finished Goods	884.60	707.29
<b>Total inventories</b>	<b>4,500.81</b>	<b>3,313.97</b>
<b>16 Trade Receivables:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
<b>Unsecured</b>		
Outstanding for more than six months		
- Considered Good	20.37	9.83
- Considered Doubtful	7.65	2.40
	28.02	12.23
- Less: Provision for bad & doubtful debts	(7.65)	(2.40)
	20.37	9.83
Others		
-Considered Good	4,802.90	5,435.50
<b>Total trade receivables</b>	<b>4,823.27</b>	<b>5,445.33</b>
<b>17 Cash &amp; Bank Balance</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	2.72	3.63
Balance with banks		
(a) In Current accounts	20.52	98.82
(b) In EEFC accounts	11.95	95.22
	35.19	197.67
<b>Other Bank Balances</b>		
In earmarked accounts		
- Unclaimed dividend accounts (Refer Note below)	10.61	11.08
- Margin money deposits	13.22	31.32
	23.83	42.40
<b>Total cash and bank balance</b>	<b>59.02</b>	<b>240.07</b>

**Notes:**

a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31-03-2017.

**b) Disclosure on Specified Bank Notes (SBNs)**

As required by the MCA vide notification no. GSR 308(E) dated 30th March, 2017, the details of Specified Bank Notes (SBNs) and other denomination notes held & transacted during the period from 8th November, 2016 to 30th December, 2016 is given below.

	Specified Bank Notes (SBN)	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	4.30	3.05	7.35
(+) Permitted receipts *	0.00	15.26	15.26
(-) Permitted payments	1.48	15.58	17.06
(-) Amount deposited in Banks	2.82	0.00	2.82
<b>Closing cash in hand as on 30.12.2016</b>	<b>0.00</b>	<b>2.73</b>	<b>2.73</b>

\* includes cash withdrawn from bank ₹ 11.91 lakhs

<b>18 Short-term Loans and Advances:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Advances recoverable in cash or in kind	210.55	212.71
Other Advances & Deposits	1.70	1.01
Deposit with Central Excise	101.14	71.02
Current maturity of Prepaid Expenses	51.85	52.28
Advance Income-tax & Wealth-tax - Net of provisions ₹ 2,493.75 lakhs (March 31, 2016 : ₹ 3,402.72 lakhs)	63.07	62.63
<b>Total short-term loans and advances</b>	<b>428.31</b>	<b>399.65</b>

<b>19 Other Current Assets:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Accrued Income	106.05	44.53
Receivable from LIC (Gratuity claim)	6.50	6.84
Forex Forward Contract (Net)	75.05	-
<b>Total other current assets</b>	<b>187.60</b>	<b>51.37</b>

<b>20 Revenue:</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
(i) Sale of products		
Manufactured goods	31,129.80	32,185.68
Less : Excise duty	1,177.12	1,128.29
Total:	<b>29,952.68</b>	<b>31,057.39</b>
(ii) Power generation from Windmill	76.28	74.97
<b>Total revenue</b>	<b>30,028.96</b>	<b>31,132.36</b>

<b>Manufactured Goods / Power Generation</b>		
- Reclaim Rubber	29,341.23	29,921.41
- Punch & Split Products	418.14	731.91
- Thermo Plastic Elastomers	193.31	404.07
- Power generation from Windmill	76.28	74.97

<b>21 Other operating income:</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
Export incentives	290.19	355.30
Other Sales	-	0.33
<b>Total other operating income</b>	<b>290.19</b>	<b>355.63</b>

22 Other income:	Year ended 31-03-2017	Year ended 31-03-2016
Interest Income	50.13	24.10
Rent Income	25.32	23.92
Income from Services rendered	18.00	-
Net Gain on foreign currency transactions and translation	172.20	-
Profit on sale of fixed assets	0.92	1.89
Sundry Income	42.24	-
<b>Total other income</b>	<b>308.81</b>	<b>49.91</b>

23 Cost of material consumed:	Year ended 31-03-2017	Year ended 31-03-2016
<b>Raw material consumed:</b>		
Opening inventories	1,693.69	1,342.57
Add : Purchases (including incidental expenses of ₹ 740.24 lakhs, March 31, 2016 : ₹ 843.94 lakhs)	14,935.57	15,250.17
	16,629.26	16,592.74
Less : Closing inventories	2,320.31	1,693.69
<b>Total cost of material consumed</b>	<b>14,308.95</b>	<b>14,899.05</b>
(a) <b>Products consumed</b>		
- Waste Rubber	13,248.96	13,630.80
- Process Oils	649.60	790.08
- Other Oils and Chemicals	410.38	478.16
	14308.94	14899.05
(b) <b>Import and Indigenous consumptions</b>		
- Imports	1,177.25	765.25
%	8.23%	5.14%
- Indigenous	13,131.69	14,133.80
%	91.77%	94.86%
	<b>14,308.94</b>	<b>14,899.05</b>

24 Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year ended 31-03-2017	Year ended 31-03-2016
<b>Stock at the end of the year:</b>		
Finished goods	884.60	707.29
Goods-in-transit (Finished Goods)	556.04	352.75
Work-in-progress	428.63	366.41
Total (A)	<b>1,869.27</b>	<b>1,426.45</b>
<b>Stock at the beginning of the year:</b>		
Finished goods	707.29	826.93
Goods-in-transit (Finished Goods)	352.75	386.64
Work-in-progress	366.41	242.41
Total (B)	<b>1,426.45</b>	<b>1,455.98</b>
<b>Increase / (Decrease) in Stock</b>	Total (A - B)	<b>442.82</b>
		<b>(29.53)</b>
<b>Finished Goods</b>		
- Reclaim Rubber	1,303.57	893.93
- Punch & Split Products	60.51	86.03
- Thermo Plastic Elastomers	76.57	80.08
	<b>1,440.65</b>	<b>1,060.04</b>
<b>Work-in-progress</b>		
- Reclaim Rubber	428.63	366.41
	<b>428.63</b>	<b>366.41</b>

25 Employee Benefits expenses:	Year ended 31-03-2017	Year ended 31-03-2016
Salaries, Wages and Bonus	4,674.17	4,330.52
Contribution to Provident fund and Pension fund	220.02	204.73
Gratuity fund	27.36	46.35
Contribution to other funds	84.80	63.17
Welfare and other benefits	290.96	266.17
<b>Total employee benefits expenses</b>	<b>5,297.31</b>	<b>4,910.94</b>

**(a) The disclosure required as per the revised AS 15 is as under:**

(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 :

	Year ended 31-03-2017	Year ended 31-03-2016
Provident and Pension fund	220.02	204.73

(iii) The liability for leave encashment and compensated absences (unfunded) as at year end is ₹ 73.07 lakhs (March 31, 2016 : ₹ 69.68 lakhs).

**(b) Disclosure for defined benefit plan based on actuarial report as on 31-03-2017**

	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
	Leave Encashment Unfunded		Gratuity Funded	
<b>(i) Change in Defined Benefit Obligation</b>				
Opening defined benefit obligation	69.68	80.31	521.55	475.45
Interest cost	5.63	6.39	41.72	38.04
Current service cost	25.86	32.94	32.87	34.95
Benefits paid	(21.32)	(47.30)	(20.12)	(44.20)
Actuarial loss / (gain)	(6.78)	(2.66)	(2.40)	17.32
Closing defined benefit obligation	<b>73.07</b>	<b>69.68</b>	<b>573.62</b>	<b>521.55</b>
<b>(ii) Change in Fair Value of Assets</b>				
Opening fair value of plan assets	-	-	540.94	530.39
Expected return on plan assets	-	-	43.28	43.95
Contributions by employer	-	-	19.80	10.80
Benefits paid	-	-	(20.12)	(44.20)
Actuarial gain / (loss)	-	-	(1.74)	-
Closing fair value of plan assets	-	-	<b>582.15</b>	<b>540.94</b>
<b>(iii) Amount recognized in the Balance Sheet</b>				
Fair value of plan assets as at beginning of the year	-	-	540.94	530.39
Actual return on plan assets	-	-	43.28	43.95
Contributions	-	-	19.80	10.80
Benefits paid	-	-	(20.12)	(44.20)
Fair value of plan assets as at end of the year	-	-	582.15	540.94
Funded status	-	-	(8.53)	(19.39)
Excess of Actual over estimated return on plan assets	-	-	<b>1.74</b>	-
<b>(iv) Actuarial (gain) / loss recognized</b>				
Actuarial (gain) / loss for the year - plan assets	-	-	(1.74)	-
Actuarial (gain) / loss on obligations	(6.78)	(2.66)	(2.40)	17.32
Actuarial (gain) / loss recognized in the year	<b>(6.78)</b>	<b>(2.66)</b>	<b>(0.66)</b>	<b>17.32</b>

	As at	As at	As at	As at
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	Leave Encashment		Gratuity	
	Unfunded		Funded	
<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	73.07	69.68	573.62	521.55
Fair value of plan assets as at the end of the year	-	-	582.15	540.94
Funded status				
Net (Assets) / Liabilities recognized in the Balance Sheet	73.07	69.68	(8.53)	(19.39)
Current service cost	25.86	32.94	32.87	34.95
Interest cost	5.63	6.39	41.72	38.04
Expected return on plan assets	-	-	(43.28)	(43.95)
Net Actuarial (gain) / loss recognised in the year	(6.78)	(2.66)	(0.66)	17.32
Expenses recognised in the statement of Profit & Loss account	<b>24.71</b>	<b>36.67</b>	<b>30.67</b>	<b>46.35</b>
<b>(vi) Actuarial Assumptions</b>				
Discount Rate	7.34%	8.08%	7.34%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	3.00%

	As at	As at	As at	As at	As at
	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Net asset / liability recognised in the Balance Sheet					
<b>Gratuity</b>					
Defined benefit obligation	573.62	521.55	475.45	413.74	392.48
Plan Assets	582.15	540.94	530.39	498.20	367.32
Deficit / (Surplus)	(8.53)	(19.39)	(54.94)	(84.46)	25.16

<b>26 Finance cost:</b>		<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
Interest on Term & Working Capital Loans		314.67	382.66
Interest on Other Loans		10.42	10.18
Financial Charges		45.82	53.47
<b>Total finance cost</b>		<b>370.91</b>	<b>446.31</b>
<b>27 Depreciation and Amortization expenses:</b>		<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
Depreciation on Tangible Assets		1,373.66	1,381.01
Depreciation on Intangible Assets		19.87	20.31
<b>Total depreciation and amortization expenses</b>		<b>1,393.53</b>	<b>1,401.32</b>
<b>28 Other expenses:</b>		<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2017</b>	<b>31-03-2016</b>
<b>Manufacturing Expenses</b>			
Packing Material consumed		882.44	771.32
Stores and Spare Parts Consumed		452.35	446.43
Power, Fuel & Water Consumed:-			
- Power Consumption		3,517.73	3,555.60
- Fuel Consumption		567.76	636.79
- Water Consumption		42.52	36.48
Repairs & Maintenance Expenses:-			
- Plant & Machineries		260.80	284.22
- Factory Buildings		20.57	19.66
		<b>5,744.17</b>	<b>5,750.50</b>

	Year ended 31-03-2017	Year ended 31-03-2016
<b>Sales &amp; Distribution expenses</b>		
Ocean Freight	846.83	1,088.04
Marine Insurance	2.09	4.20
Export clearing and Other charges	477.96	478.42
Local freight & Other charges	482.77	497.51
Other Selling and Distribution expenses	107.96	148.72
	<b>1,917.61</b>	<b>2,216.89</b>
<b>Administration &amp; Other Expenses</b>		
Insurance	43.69	38.00
Vehicle Expenses	48.16	44.63
Printing & Stationery	18.63	19.41
Advertisements	3.00	8.67
Rent, Lease Rent & Other Charges	48.66	44.90
Repairs to Other Assets	98.74	75.94
Retainer fees, Legal fees & Prof charges	139.27	144.87
Travelling & Conveyance	170.19	139.79
Postage & Telephones	46.26	48.71
Provision for Doubtful Debts	5.25	2.40
Net Loss on foreign currency transactions and translation	-	16.95
Payment to Auditors:-		
- Audit fee	7.07	7.04
- Tax Audit fee	2.28	2.26
- Taxation matters and other expenses	2.93	4.65
- Reimbursement of expenses	0.33	0.43
Board Meeting Fees	7.54	9.68
Commission to Director	14.19	13.00
Charity and donation	0.63	0.02
Corporate Social Responsibility Expense	30.59	35.93
Factory / Office Expenses	19.08	27.64
Office electricity expenses	13.77	15.69
Other Expenses	82.48	95.23
Loss on Sale of Assets / Assets Discarded / Impairment	0.43	43.84
Variation in CED on Stock of finished goods	22.54	(13.11)
	<b>825.71</b>	<b>826.57</b>
<b>Total other expenses</b>	<b>8,487.49</b>	<b>8,793.96</b>
<b>29 Contingent Liabilities and commitments (to the extend not provided for)</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
(a) Guaranteed by Banks not provided for (Net)	349.60	319.15
(b) Letter of Credit	4.96	207.51
(c) Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
- Sales Tax	0.02	0.62
- Excise Duty & Service Tax	144.88	135.62
- Income Tax liability	90.83	94.94
(d) Estimated amount of contracts remaining to be executed on capital account.	61.42	242.73
(e) Detention charges for container for import of rubber scrap	-	121.39



30 Disclosure in respect of Lease	As at 31-03-2017	As at 31-03-2016
<b>Vehicles taken on Operating Lease:</b>		
The company has entered into lease agreement for eight 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	26.28	35.08
(b) Later than 1 year but not later than 5 years	26.39	52.25
(c) Later than 5 years	-	-
<b>Premises given on Operating Lease:</b>		
The Company has given premises on operating lease to Halfen Moment India Pvt. Ltd. for 11 months.		
<b>Buildings</b>		
- Gross carrying amount as on balance sheet date	138.23	138.23
- Accumulated depreciation amount as on balance sheet date	24.02	21.70
- Net carrying amount as on balance sheet date	114.21	116.53
- Depreciation recognised in statement of profit and loss	2.32	2.25
The future minimum lease rental income is as follows		
(a) Not later than 1 year	10.80	12.36
(b) Later than 1 year but not later than 5 years	-	-
(c) Later than 5 years	-	-
<b>31 Related parties disclosure :</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>A) Relationships</b>		
1) <b><u>Subsidiary Company / LLP</u></b>		
- Grip Polymers Ltd. (100 % of total shareholdings held by GRP Ltd.)		
- Gripsurya Recycling LLP (Subsidiary LLP of subsidiary company (Grip Polymers Ltd.)) (w.e.f. 06 <sup>th</sup> July, 2016)		
2) <b><u>Joint Venture</u></b>		
- MARANGONI GRP Private Limited (50 % of total shareholdings held by GRP Ltd.)		
3) <b><u>Key Managerial Personnel</u></b>		
- Rajendra V Gandhi; Managing Director		
- Harsh R Gandhi; Executive Director		
- Ganesh A Ghangurde; President & Company Secretary		
- Sanjay B Bafna; Chief Financial Officer		
4) <b><u>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</u></b>		
- Nayna 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)		
- Harsh R. Gandhi HUF (Harsh R. Gandhi is Karta)		
- Enarjee Consultancy & Trading Company LLP (Rajendra V. Gandhi is Designated Partner & Harsh R. Gandhi is Partner)		
- Industrial Development and Investment Co. Pvt. Ltd. (Rajendra V. Gandhi & Mahesh V. Gandhi are Directors)		
- Ghatkopar Estate & Finance Corporation Pvt. Ltd. (Rajendra V. Gandhi & Mahesh V. Gandhi are Directors)		

**Related Parties Transactions**

	As at 31-03-2017	As at 31-03-2016
<b>B) Summary of transactions with related parties in the ordinary course of business</b>		
<b>1 Subsidiary Company:</b>		
Loan given	268.00	94.08
Loan outstanding	408.00	140.00
Interest charged	28.52	12.56
Interest outstanding (net of TDS)	36.97	11.30
Shareholding	1.01	1.01
<b>2 Joint Venture:</b>		
Aquisition of Shares	46.85	-
Purchase of goods & Services	18.00	-
Outstanding Receivable	20.94	-
<b>3 Key Management Personnel</b>		
Remuneration paid	350.15	308.00
Dividend paid	8.01	9.02
<b>4 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	662.14	667.83
Remuneration paid	13.85	7.13
Sitting Fees Paid	1.05	1.50
Dividend paid	37.21	41.86
Sale of Assets	-	1.75
Loans & Advances given	-	6.20
Outstanding Receivable	-	0.28
Outstanding Payable	3.80	-
<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>		
Gripsurya Recycling LLP	662.14	667.83
<b>2 Remuneration Paid</b>		
Rajendra V Gandhi	86.70	86.20
Harsh R Gandhi	130.14	131.19
Ganesh A Ghangurde	103.65	90.61
<b>3 Sitting Fees Paid</b>		
Mahesh V Gandhi	0.60	0.75
Nayna R. Gandhi	0.45	0.75
<b>4 Dividend paid</b>		
Harsh R Gandhi	5.75	6.47
Mahesh V Gandhi	7.40	8.33
Rajendra V Gandhi HUF	4.68	5.26
Enarjee Consultancy & Trading Company LLP	5.86	6.60
<b>5 Sale of Assets</b>		
Gripsurya Recycling LLP	-	1.75
<b>6 Loans &amp; Advances given</b>		
MARANGONI GRP Private Limited	-	5.00
Gripsurya Recycling LLP	-	1.20
<b>7 Outstanding Receivable</b>		
Gripsurya Recycling LLP	-	0.28
MARANGONI GRP Private Limited	20.94	-
<b>8 Outstanding Payable</b>		
Gripsurya Recycling LLP	3.80	-

<b>32 Research &amp; Development Expenditure:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Accounting for Research & Development expenditure incurred :		
(a) Capital Expenditure incurred on Equipments & Machinery	22.10	26.83
(b) Capital Expenditure incurred on Buildings, Furniture, office equipments & Computer Hardware	0.90	4.74
(c) Capital Work in Progress	9.02	5.25
(d) Revenue Expenditure incurred towards the R&D Projects	209.00	144.45
<b>33 Segment Reporting :</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</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) *	29,759.37	30,653.32
b) Power	76.28	74.97
c) Others **	193.31	404.07
d) Unallocable	-	-
<b>Net Segment Revenue</b>	<b>30,028.96</b>	<b>31,132.36</b>
* Reclaim Rubber includes crumb rubber, punch & split products		
** Others includes Thermo Plastic Elastomers		
<b>2 Segment Results Profit (+) / Loss (-) before Tax and interest from each segment</b>		
a) Reclaim Rubber	3,340.55	3,383.09
b) Power	45.11	44.35
c) Others	(175.27)	(224.62)
d) Unallocable	-	-
<b>Sub Total</b>	<b>3,210.39</b>	<b>3,202.82</b>
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)	1,997.81	2,146.03
<b>Profit Before Tax &amp; Extra Ordinary Item</b>	<b>1,212.58</b>	<b>1,056.79</b>
Less: Extra Ordinary Item	-	-
<b>Profit Before Tax</b>	<b>1,212.58</b>	<b>1,056.79</b>
Provision for Taxation:		
- Income Tax	308.00	317.60
- Deferred Tax	67.81	(62.45)
<b>Profit After Tax</b>	<b>836.77</b>	<b>801.64</b>
<b>3 Other Information</b>		
<b>I Segment Assets</b>		
a) Reclaim Rubber	19,987.02	19,408.02
b) Power	239.86	254.24
c) Others	1,350.61	1,423.68
d) Un-allocated Assets	3,482.88	2,975.77
Total	<b>25,060.37</b>	<b>24,061.71</b>
<b>II Segment Liabilities</b>		
a) Reclaim Rubber	2,275.95	3,304.06
b) Power	0.99	0.99
c) Others	89.37	141.99
d) Un-allocated Liabilities	9,923.56	8,726.43
Total	<b>12,289.87</b>	<b>12,173.47</b>
<b>III Capital Expenditure (Including Capital Work in Progress)</b>		
a) Reclaim Rubber	1,287.72	634.84
b) Power	-	-
c) Others	34.53	431.33
d) Unallocable	115.20	25.05
Total	<b>1,437.45</b>	<b>1,091.22</b>

	As at 31-03-2017	As at 31-03-2016
<b>IV Depreciation</b>		
a) Reclaim Rubber	1,237.93	1,231.84
b) Power	14.69	14.69
c) Others	57.68	58.47
d) Unallocable	83.23	96.32
Total	<b>1,393.53</b>	<b>1,401.32</b>
<b>V Non Cash Expenditure other than Depreciation</b>		
a) Reclaim Rubber	0.43	45.29
b) Power	-	-
c) Others	5.25	0.95
d) Unallocable	-	-
Total	<b>5.68</b>	<b>46.24</b>

#### 4 Information about Secondary Segments

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2016-17	2015-16	2016-17	2015-16
India	9,627.45	9,175.42	1,739.76	1,988.22
Outside India	20,401.51	21,956.94	3,083.51	3,457.11
Total	<b>30,028.96</b>	<b>31,132.36</b>	<b>4,823.27</b>	<b>5,445.33</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.

#### 34 Corporate Social Responsibility Expenditure :

	As at 31-03-2017	As at 31-03-2016	
a) Gross amount required to be spent by the company during the year.	30.57	34.82	
b) Amount Spent during the year on:	30.59	35.93	
	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	8.32	-	8.32
ii) On purposes other than (i) above	22.27	-	22.27

#### 35 Expenses / Earnings in foreign currency:

	As at 31-03-2017	As at 31-03-2016
(i) Raw Material	1,177.25	765.25
(ii) Capital Goods	500.98	180.97
(iii) Expenditure in foreign currency	436.83	493.28
(iv) Earning in foreign exchange in respect of Export of Goods ( F.O.B. value )	19,063.44	20,471.40

#### 36 Foreign currency exposures:

	As at 31-03-2017	As at 31-03-2016
(a) <b>Foreign currency exposures that are hedged as at 31st March</b>	(Amount in Foreign Currency (in lakh))	
Forward contracts		
USD	5.85	-
EURO	1.00	-
	-	379.67
	-	69.29

	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
(b) Foreign currency exposures that are not hedged as at 31st March	(Amount in Foreign Currency (in lakh))			
<b>Total Receivables includes sales proceedings</b>				
USD	18.46	23.95	1,197.31	1,586.76
EURO	19.78	25.72	1,370.50	1,939.35
GBP	-	1.38	-	131.33
JPY	23.35	25.90	13.55	15.28
<b>Total Payables includes imports, bank loans and interest payments</b>				
USD	25.35	33.38	1,644.09	2,211.82
EURO	30.44	30.43	2,109.38	2,294.31
GBP	-	0.23	-	21.83

### 37 Jointly Controlled Entity

Company investment in a jointly controlled entity

Name of the jointly controlled entity	Country of Incorporation	Proportion of ownership interest as on 31-03-2017
MARANGONI GRP Pvt. Ltd.	India	50%

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

	As at 31-03-2017	As at 31-03-2016
<b>I Assets</b>		
<u>Non-current Assets</u>		
a) Fixed Assets		
i) Tangible Assets	0.62	-
ii) Capital WIP	29.61	-
b) Other non current assets	0.13	-
<u>Current Assets</u>		
a) Cash & Bank Balance	23.43	-
b) Other Current Assets	0.15	-
<b>II Liabilities</b>		
<u>Current Liabilities</u>		
a) Other current liabilities	12.76	-
	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
<b>III Income</b>		
a) Other income	0.17	-
<b>IV Expenses</b>		
a) Depreciation and amortization expenses	0.05	-
b) Other expenses	3.73	-
<b>V Share of Contingent Liabilities</b> (Guarantee given if any)	-	-
<b>38 Earnings per share :</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
- Net Profit after tax for the year	827.53	801.64
- Excess Provision for tax for earlier years	(9.25)	-
- Net Profit attributable to Equity Shareholders	836.78	801.64
- Number of equity shares of ₹ 10/- each.	1,333,333	1,333,333
- Earnings per share - Basic	62.76	60.12
- Earnings per share -Diluted	62.76	60.12

**39 Disclosure as per Section 186 of the Companies Act, 2013:**

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of investment made are given in Note 12.

(ii) Details of loans given by the Company are as follows:

Name of the Entity	Relationship	As at 31-03-2017	As at 31-03-2016
Grip Polymers Limited	Wholly owned subsidiary	408.00	140.00

(iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

**40** Expenses debited to Profit & Loss account include prior period expenses ₹ 7.07 lakhs (March 31, 2016 : ₹ 12.61 lakhs)

**41** Closing stock of Finished Goods include excise duty of ₹ 91.57 lakhs (March 31, 2016 : ₹ 69.03 lakhs).

**42** 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.

**43** 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.

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

Place : Mumbai

Date : 30th May, 2017

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Company Secretary

Place : Mumbai

Date : 30th May, 2017

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of GRP Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of GRP Limited ("the Holding Company") and its subsidiary (Including a LLP in which it is a partner and hold majority share) and jointly controlled entity (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Board of Directors of the Company are responsible for 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; the selection and application of appropriate accounting policies; making judgments 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated financial statement 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 consolidated financial statements are free from material misstatement.
5. 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 Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. 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 sub paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, 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 March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matter

8. We did not audit the financial statement of (i) jointly controlled entity whose financial statements reflect total assets of Rs.107.89 lakhs and net assets of Rs.82.36 lakhs as at 31st March, 2017, total revenues of Rs.0.33 lakhs and net loss of Rs.7.21 lakhs for the year ended on that date, (ii) a LLP in which wholly owned subsidiary company is having majority share, whose financial statements reflect total assets of Rs.518.60 lakhs and net assets of Rs.239.08 lakhs as at 31st March, 2017, total revenues of Rs.667.54 lakhs and net loss Rs.110.98 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statement has 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 of Section 143(11)(3) of the Act, in so far as it relates to the aforesaid jointly controlled entity and an LLP in which Subsidiary of the Company is holding majority share is based solely on the reports of the other auditors.

Our Opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

9. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Company, its subsidiary included in the group and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Company, its subsidiary and joint venture company including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company and joint venture company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary and joint venture company, which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations as on March 31, 2017 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts as at March 31, 2017.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary and joint venture company incorporated in India during the year ended March 31, 2017.
  - iv. In the consolidated financial statements, holding as well as dealing in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December, 2016, by the Holding Company and its subsidiary and joint venture company, which are companies incorporated in India has been requisitely disclosed, on the basis of information available with the Company. Based on the audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary and joint venture company, which are companies incorporated in India and as produced to us by the Management and the report of the other auditors- Refer Note-18.

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

Rajesh S Shah  
Partner  
Membership No 017844

Place : Mumbai  
Mumbai : 30<sup>th</sup> May, 2017



## ANNEXURE - A TO THE AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of GRP Limited ("the Holding Company") and its subsidiary and jointly venture company, which are companies incorporated in India.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

8. In our opinion, the Holding Company, its subsidiary and joint venture company, which are companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajesh S Shah  
Partner  
Membership No 017844

Place : Mumbai  
Mumbai : 30<sup>th</sup> May, 2017

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

		(₹ in lakh)	
	Note	As at 31-03-2017	As at 31-03-2016
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	133.33	133.33
Reserves and surplus	3	12,514.88	11,772.21
		<b>12,648.21</b>	<b>11,905.54</b>
<b>Minority Interest</b>		<b>0.07</b>	<b>-</b>
<b>Non-current Liabilities</b>			
Long term borrowings	4	1,144.92	992.45
Deferred tax liabilities (net)	5	2,400.03	2,332.23
Long term provisions	6	61.99	102.51
		<b>3,606.94</b>	<b>3,427.19</b>
<b>Current Liabilities</b>			
Short term borrowings	7	5,063.93	4,653.91
Trade payables	8	2,144.71	1,878.78
Other current liabilities	9	932.37	1,632.69
Short term provisions	10	11.09	213.36
		<b>8,152.10</b>	<b>8,378.74</b>
<b>Total Equity &amp; Liabilities</b>		<b>24,407.32</b>	<b>23,711.47</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	11	13,364.69	13,161.98
- Intangible assets	11	57.00	66.84
- Capital work-in-progress	11	239.94	196.36
Non current investments	12	77.00	67.00
Long term loans and advances	13	553.84	698.79
Other non current assets	14	2.03	1.73
		<b>14,294.50</b>	<b>14,192.70</b>
<b>Current Assets</b>			
Current investments	15	0.08	0.08
Inventories	16	4,586.00	3,355.97
Trade receivables	17	4,836.65	5,450.77
Cash & Bank Balances	18	110.00	268.65
Short term loans and advances	19	430.20	401.83
Other current assets	20	149.89	41.47
		<b>10,112.82</b>	<b>9,518.77</b>
<b>Total Assets</b>		<b>24,407.32</b>	<b>23,711.47</b>
Significant Accounting policies and Notes on Financial Statements	1 - 41		

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

Place : Mumbai

Date : 30th May, 2017

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Company Secretary

Place : Mumbai

Date : 30th May, 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2017

		( ₹ in lakh)	
	Note	Year ended 31-03-2017	Year ended 31-03-2016
<b>Revenue :</b>			
Gross Sales	21	31,265.99	32,274.98
Less: Excise duty		1,177.12	1,128.29
Net Sales		30,088.87	31,146.69
Other operating income	22	290.19	355.63
Revenue from operations (net)		30,379.06	31,502.32
Other income	23	274.10	39.50
<b>Total revenue</b>		<b>30,653.16</b>	<b>31,541.82</b>
<b>Expenses :</b>			
Cost of materials consumed	24	14,274.07	14,894.70
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(410.74)	(14.68)
Employee benefits expenses	26	5,344.83	4,930.52
Finance costs	27	382.67	450.41
Depreciation and amortization expenses	28	1,434.33	1,419.30
Other expenses	29	8,563.48	8,814.67
<b>Total expenses</b>		<b>29,588.64</b>	<b>30,494.92</b>
<b>Profit before tax</b>		<b>1,064.52</b>	<b>1,046.90</b>
<b>Tax expense</b>			
Current tax		260.61	226.06
Mat credit entitlement		57.04	92.06
Deferred tax		67.81	(62.45)
(Excess) / Short provision of earlier years		(5.17)	(0.20)
<b>Profit after tax</b>		<b>684.23</b>	<b>791.43</b>
Minority Interest		(0.02)	-
<b>Profit /(Loss) for the period</b>		<b>684.25</b>	<b>791.43</b>
<b>Earnings per equity share of face value of ₹ 10/- each fully paid up</b>	37		
(1) Basic		51.32	59.36
(2) Diluted		51.32	59.36
Significant Accounting policies and Notes on Financial Statements	1 - 41		

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

**Rajendra V Gandhi**  
 Managing Director

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

**Harsh R Gandhi**  
 Executive Director

**Ganesh A Ghangurde**  
 President & Company Secretary

Place : Mumbai  
 Date : 30th May, 2017

Place : Mumbai  
 Date : 30th May, 2017

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	( ₹ in lakh)	
	Year ended 31-03-2017	Year ended 31-03-2016
<b>A Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	1,064.52	1,046.90
Adjustments for		
- Depreciation	1,434.33	1,419.30
- (Profit) / Loss on sale of assets (Net)	(0.92)	(1.89)
- Fixed Assets Discarded	0.43	43.84
- Interest (Net)	313.34	378.96
- Preliminary expenses	0.04	-
- Rent received	(25.32)	(23.92)
- Provision for Doubtful Debts	5.25	2.40
- Dividend received	-	(0.16)
- Income tax expense of earlier year	4.09	-
	<b>1,731.24</b>	<b>1,818.53</b>
<b>Operating Profit before working capital changes</b>	<b>2,795.76</b>	<b>2,865.43</b>
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	529.48	(74.86)
- (Increase)/Decrease in Inventories	(1,230.05)	(350.84)
- Increase/(Decrease) in Trade payable	222.78	(339.77)
	<b>(477.79)</b>	<b>(765.47)</b>
<b>Cash generated from operations</b>	<b>2,317.96</b>	<b>2,099.96</b>
Direct taxes paid	(260.13)	(325.64)
<b>Net cash from operating activities</b>	<b>2,057.83</b>	<b>1,774.32</b>
<b>B Cash flow from investing activities</b>		
- Interest received	25.53	16.04
- Sale proceeds of fixed assets	1.06	(33.52)
- Rent received	25.32	23.92
- Dividend Income	-	0.16
- Investment in Fixed Deposit	4.21	0.54
- Investments	(10.00)	(8.50)
- Purchase of fixed assets	(1,645.06)	(1,269.36)
<b>Net cash used in investing activities</b>	<b>(1,598.94)</b>	<b>(1,270.72)</b>
<b>C Cash flow from financing activities</b>		
- Loans borrowed (Net of repayment)	(103.54)	116.20
- Issue of share capital	(0.13)	-
- State Government Subsidy received	15.00	-
- Capital introduced by minority partner	0.09	-
- Interest paid	(345.89)	(405.84)
- Dividend & Dividend tax paid	(160.95)	(181.31)
<b>Net cash used in financing activities</b>	<b>(595.42)</b>	<b>(470.95)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>(136.52)</b>	<b>32.65</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>200.03</b>	<b>167.38</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>63.51</b>	<b>200.03</b>
<b><u>Cash and Bank Balances</u></b>		

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	(₹ in lakh)	
	Year ended 31-03-2017	Year ended 31-03-2016
<b>A Cash and cash equivalents</b>		
Cash on hand	4.07	4.41
Balance with banks		
(a) In Current accounts	27.49	100.40
(b) In EEFC accounts	11.95	95.22
(c) In Fixed Deposit accounts (Maturity less than 3 Months)	20.00	-
	<b>63.51</b>	<b>200.03</b>
<b>B Other Bank Balance (Refer note no. 18)</b>	46.49	68.62
	<b>110.00</b>	<b>268.65</b>

- Notes:**
- (i) Figures in brackets are outflows.
  - (ii) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement, prescribed under Section 133 of the Companies Act, 2013.
  - (iii) Previous year's figures have been re-grouped wherever necessary to conform to current year's classification.

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

**Rajendra V Gandhi**  
Managing Director

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

**Harsh R Gandhi**  
Executive Director

**Ganesh A Ghangurde**  
President & Company Secretary

Place : Mumbai  
Date : 30th May, 2017

Place : Mumbai  
Date : 30th May, 2017

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

Amounts in the financial statements are presented in ₹ 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 (I) 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 / Entity	Country of Incorporation	Proportion of Ownership Interest	
		FY 2016-17	FY 2015-16
<b>Subsidiary</b>			
Grip Polymers Limited	India	100.00%	100.00%
Gripsurya Recycling LLP (Subsidiary LLP of Grip Polymers Limited (w.e.f. 06-Jul-2016).	India	99.97%	-
<b>Joint Venture</b>			
Gripsurya Recycling LLP (Jointly controlled entity of Grip Polymers Limited upto 05-Jul-2016)	India	-	50.00%
Marangoni GRP Private Limited	India	50.00%	-

### **B** Principles of consolidation :

The consolidated Financial statements (CFS) are prepared on the following basis in accordance with Accounting standard on "Consolidated Financial Statements" (AS-21), and "Financial Reporting of Interest in Joint Ventures" (AS-27), notified under Section 133 of the Companies Act, 2013.

- 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 resulting unrealised profits or losses on intra-group transactions.
- ii) The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of the share in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii) The Company's interest in Jointly Controlled Entities (JV's) is consolidated on a proportionate consolidation basis by adding together the proportionate book values of assets, liabilities, income and expenses and eliminating material intra-group balances and intra-group transactions and resulting unrealised profits or losses on intra-group transactions.
- iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of subsidiaries when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's standalone financial statements.

### 1 (II) 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 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:

- (a) Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of the Companies Act, 2013.
- (b) 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.
- (c) Leasehold land is amortised over the period of lease.
- (d) The Subsidiary LLP (previously jointly controlled entity) accounts depreciation on fixed assets on written down value method using the rates specified under the Income Tax Act, 1961.

**(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 period of amortisation is as under :

Asset	Period of amortisation
Computer Software	6 years
Copyrights	10 years

**(D) Impairment of Assets :**

An asset including capital work in progress 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 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 is made at current tax rates based on assessable income. 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 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) Credits on account of Duty drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- (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) The company enters into forward contract on the basis of past performance or highly probable transactions of export of goods. 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.
- (iv) Exposure on account of Cross Currency swaps entered into by the company is accounted on basis of mark to market losses, if any.

**(L) Employees Benefits :**

**Long Term Employee Benefits :**

**(i) 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.

**(ii) Defined Benefit Plans :**

**(a) 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.

**(b) 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.

**(c) 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 ₹ 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 :**

All employee benefits payable wholly within twelve months of rendering the service are classified as 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:**

**As a lessee:**

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.

**As a lessor:**

The company has leased premises where the company has substantially retained all the risks & rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit & loss on a straight line basis over the lease term or other systematic basis which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit & loss in the period in which they are incurred.



**(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:** Provisions are recognised when there is a present obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent Assets:** Contingent Assets are neither recognised or 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. Earnings considered in ascertaining the company's earnings per share is the net profit for the period. For the purpose of calculating the diluted Earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(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 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

2 Share Capital:	As at 31-03-2017	As at 31-03-2016		
<b>Authorized</b>				
1,500,000 (March 31, 2016 : 1,500,000) equity shares of ₹ 10 each	150.00	150.00		
<b>Issued, Subscribed and Paid up</b>				
1,333,333 (March 31, 2016 : 1,333,333) Equity shares of ₹ 10 each fully paid-up	133.33	133.33		
	<b>133.33</b>	<b>133.33</b>		
<b>(a) Rights, preferences and restrictions attached to shares</b>				
(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>(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016, is set out below :</b>				
	As at 31-03-2017	As at 31-03-2016		
<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		
<b>(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company</b>				
	As at 31-03-2017		As at 31-03-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mrs. Meera Philip	81,666	6.12%	81,666	6.12%
<b>3 Reserves and Surplus:</b>			As at 31-03-2017	As at 31-03-2016
<b>Capital reserve</b>				
<b>Special capital incentive and subsidy</b>				
Balance at the beginning of the year			53.30	53.30
Add / (Less) : During the year			15.00	-
Balance as at the end of the year			68.30	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 / Joint Venture</b>				
Balance as per last Balance sheet			3.13	3.13
Add/(Less) : Adjustment for Net asset value at the time of acquisition			(2.07)	-
<b>Total Excess of Share in Net Assets of subsidiary company</b>			1.06	3.13
<b>Balance as at the end of the year</b>			<b>111.04</b>	<b>98.11</b>
<b>Cashflow Hedge Reserve</b>				
Balance at the beginning of the year			-	-
Add/(Less) : During the year			45.49	-
<b>Balance as at the end of the year</b>			<b>45.49</b>	-
<b>General Reserve</b>				
Balance as at beginning of the year			6,509.32	6,009.32
Add : Transferred from the statement of profit and loss account			-	500.00
<b>Balance as at the end of the year</b>			<b>6,509.32</b>	<b>6,509.32</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (₹ in lakh)

	As at 31-03-2017	As at 31-03-2016
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as at beginning of the year	5,164.78	5,033.82
Profit for the year	684.25	791.43
<b>Amount available for appropriation</b>	<b>5,849.03</b>	<b>5,825.25</b>
Less: Appropriations :		
- Dividend	-	133.33
- Dividend tax	-	27.14
- Amount transferred to general reserve	-	500.00
<b>Total appropriations</b>	<b>-</b>	<b>660.47</b>
<b>Balance as at end of the year</b>	<b>5,849.03</b>	<b>5,164.78</b>
<b>Total reserves and surplus</b>	<b>12,514.88</b>	<b>11,772.21</b>

4 Long Term Borrowings:	As at		As at	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	Current Maturity		Non-current portion	
<b>Secured:</b>				
<b>Term Loans from Banks:</b>				
Foreign Currency Loans from Banks	-	597.99	-	-
Rupee Loans from Banks	509.92	589.27	1,097.17	938.54
<b>Total Secured Borrowings</b>	<b>509.92</b>	<b>1,187.26</b>	<b>1,097.17</b>	<b>938.54</b>
<b>Unsecured:</b>				
Loans from Banks	8.17	-	18.28	-
Loan from Others (NBFC)	8.58	-	29.47	-
Deferred Sales Tax payments	-	0.73	-	-
<b>Total Unsecured Borrowings</b>	<b>16.75</b>	<b>0.73</b>	<b>47.75</b>	<b>-</b>
	<b>526.67</b>	<b>1,187.99</b>	<b>1,144.92</b>	<b>938.54</b>
Amount disclosed under the head "Other current liabilities" (refer note 9)	<b>(526.67)</b>	<b>(1,187.99)</b>	-	-
<b>Share in Jointly controlled entity</b>			-	53.91
<b>Total long-term borrowings</b>	<b>-</b>	<b>-</b>	<b>1,144.92</b>	<b>992.45</b>

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

- Foreign currency loan from Citi Bank N.A. of ₹ Nil (March 31, 2016 : ₹ 597.99 lakhs) for Perundurai factory, in Tamil Nadu**  
First exclusive charge by way of hypothecation of entire movable & immovable fixed assets of the Company located at Perundurai, Tamilnadu funded through Citi Bank term loan. Loan fully repaid on October 20, 2016 & charge satisfied on December 16, 2016.
- Rupee loan from HDFC Bank Ltd. of ₹ Nil (March 31, 2016 : ₹ 480.00 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. Loan fully repaid on August 3, 2016 & charge satisfied on September 26, 2016.
- Rupee loan from HDFC Bank Ltd. of ₹ 717.68 lakhs (March 31, 2016 : ₹ 1,047.81 lakhs) for Capex**  
First exclusive charge by way of hypothecation of plant & machinery finance from the term loans and by way of extension of equitable mortgage on office at 510, Kohinoor City, Kurla (West), Mumbai.  
Repayable in 12 equal quarterly installments beginning from May 13, 2016 along with interest @ 10.45% p.a. (March 31, 2016 : 10.50% p.a.)
- Rupee loan from Citi Bank N.A. of ₹ 784.00 lakhs (March 31, 2016 : ₹ Nil) for Capex**  
First exclusive charge by way of hypothecation on Plant & Machinery at all plants of the Company funded through Citi Bank term loan.  
Repayable in 16 equal quarterly installments beginning from July 11, 2017 along with interest @ 10.20% p.a.
- Rupee Term loan from HDFC Bank Ltd. of ₹ 105.42 lakhs (March 31, 2016 : ₹ 57.50 lakhs)**  
First exclusive charge by way of mortgage of immovable properties (including land & building) and hypothecation of all movable fixed assets (including plant & machinery) and current assets of the jointly controlled entity located at Pithampur, Dist. Dhar, Madhya Pradesh factory.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

### B Terms of repayment for unsecured borrowings:

#### 1 Loans from Bank

Vehicle loans is secured by vehicles under hypothecation with banks. Loan is repayable in 36 monthly installments beginning from April 2017.

#### 2 Loans from Others

Vehicle loans is secured by vehicles under hypothecation with NBFC. Loan is repayable in 48 monthly installments from March 2017.

#### 3 Deferred sales-tax payments

Deferred sales-tax payment is interest free loan and repayable from financial year 2006-07 to 2016-17. Fully repaid on April 18, 2016.

5 Deferred Tax Liabilities (Net):	As at 31-03-2017	As at 31-03-2016
<b>Deferred Tax Liabilities</b>		
- Depreciation	2,484.10	2,396.82
- Gratuity claimed on payment basis	2.95	7.22
	<b>2,487.05</b>	<b>2,404.04</b>
<b>Deferred Tax Assets</b>		
- Provision for employee benefit	85.28	71.81
- Provision for Bad & Doubtful Debts	1.74	-
<b>Total deferred tax liabilities (net)</b>	<b>2,400.03</b>	<b>2,332.23</b>

6 Long-term Provisions:	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
	Current Maturity		Non-current portion	
<b>Provision for Employees Benefit expenses:</b>				
Provision for Leave encashment	11.09	8.81	61.99	60.87
Provision for Gratuity payment	-	2.44	-	-
	<b>11.09</b>	<b>11.25</b>	<b>61.99</b>	<b>60.87</b>
Mark to market provision on derivative instruments	-	41.64	-	41.64
	<b>11.09</b>	<b>52.89</b>	<b>61.99</b>	<b>102.51</b>
Amount disclosed under the head "Short-term provisions" (refer note 10)	(11.09)	(52.89)	-	-
<b>Total Long-term provisions</b>	<b>-</b>	<b>-</b>	<b>61.99</b>	<b>102.51</b>

7 Short-term Borrowings:	As at 31-03-2017	As at 31-03-2016
<b>Secured:</b>		
<b>Working Capital Loan payable on demand from banks</b>		
Foreign Currency Loan	3,630.45	3,799.75
Rupee Loan	1,373.08	774.44
	<b>5,003.53</b>	<b>4,574.19</b>
<b>Unsecured:</b>		
Deposits from Others	60.40	60.40
	<b>60.40</b>	<b>60.40</b>
<b>Share in Jointly controlled entity</b>	-	19.32
<b>Total Short-term borrowings</b>	<b>5,063.93</b>	<b>4,653.91</b>

(a) **Working Capital Loan from HDFC Bank Ltd of ₹ 3,358.76 lakhs (March 31, 2016 : ₹ 2,828.94 lakhs)**

First pari passu charge by way of hypothecation of entire current assets, both present and future. First pari passu charge on entire fixed assets located at Ankleshwar & Panoli plant of the company.

(b) **Working Capital loan from Citi Bank N. A. of ₹ 1,597.12 lakhs (March 31, 2016 : ₹ 1,745.25 lakhs)**

Secured by first pari passu charge in favour of Citi Bank N.A. by way of hypothecation of stock & book debts at par with other banks. First Pari Passu charge on fixed assets situated at Ankleshwar & Panoli Plant, District Bharuch, Gujarat at par with other banks.

(c) **Working Capital Loan from HDFC Bank Ltd of ₹ 47.65 lakhs (March 31, 2016 : ₹ 19.32 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 LLP.

(d) Deposits from Others (unsecured) carry interest @ 10.00% p.a. with maturity period of 12 months from the date of deposit.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

<b>8 Trade Payables:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Trade payables	2,144.71	1,846.32
<b>Share in Jointly controlled entity</b>	-	32.46
<b>Total trade payables</b>	<b>2,144.71</b>	<b>1,878.78</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.

	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at the year end.	119.54	114.48
b) Interest due to suppliers registered under the MSMED Act and Remaining unpaid at the year end.	1.43	0.08
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.	4.95	2.75
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.

<b>9 Other Current Liabilities:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Current maturities of Long-term borrowings (refer note 4)	526.67	1,187.99
Interest accrued and due on borrowings	20.17	26.36
Unclaimed Dividend (refer note below)	10.61	11.08
Advances from customers	17.02	34.26
Vendors for Capital Goods & Services	132.37	195.33
Statutory dues	213.24	162.59
Others	10.00	10.37
	<b>930.08</b>	<b>1,627.98</b>
<b>Share in Jointly controlled entity</b>	<b>2.29</b>	<b>4.71</b>
<b>Total other current liabilities</b>	<b>932.37</b>	<b>1,632.69</b>

**Note:** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March, 2017.

<b>10 Short Term provisions:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Current maturities of Long-term provisions of Employees Benefit expenses (refer note 6)		
Provision for Leave encashment	11.09	8.81
Provision for Gratuity payment	-	2.44
	<b>11.09</b>	<b>11.25</b>
<b>Other Provisions</b>		
Mark to market provision on derivative instruments	-	41.64
Proposed dividend	-	133.33
Tax on proposed dividend	-	27.14
	<b>-</b>	<b>202.11</b>
<b>Total short-term provisions</b>	<b>11.09</b>	<b>213.36</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

### 11 Fixed Assets:

Particulars	Gross Block				Depreciation & Amortisation					Net Book Value		
	As at 01-04-2016	Additions	Disposal	Transfer	As at 31-03-2017	As at 01-04-2016	For the period	Disposal / Discard	Transfer	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
<b>(a) Tangible Assets</b>												
<b>Own Assets :</b>												
Lease hold Land	967.81	29.35	-	-	997.16	41.73	9.86	-	-	51.59	945.57	926.08
Roads	505.41	-	-	-	505.41	198.26	59.47	-	-	257.73	247.68	307.15
Buildings	6,365.46	103.86	-	-	6,469.32	979.58	188.59	-	-	1,168.17	5,301.15	5,385.88
Plant and Machinery	12,887.75	1,303.31	(0.58)	(0.92)	14,189.56	6,691.48	1,077.64	(0.58)	(0.36)	7,768.18	6,421.38	6,196.27
Furniture & Fixtures	381.95	14.48	-	(1.00)	395.43	174.45	39.97	-	(0.20)	214.22	181.21	207.50
Office equipments	181.73	15.72	(2.46)	2.03	197.02	122.33	14.83	(2.22)	0.90	135.84	61.18	59.40
Computer Hardware	146.49	11.07	(7.69)	(0.34)	149.53	121.85	10.48	(7.37)	(0.31)	124.65	24.88	24.64
Vehicles	127.69	107.13	(0.38)	-	234.44	72.63	15.62	(0.36)	-	87.89	146.55	55.06
Material Handling Vehicles	-	35.94	-	0.23	36.17	-	1.73	-	(0.03)	1.70	34.47	-
<b>Sub Total (a):</b>	<b>21,564.29</b>	<b>1,620.86</b>	<b>(11.11)</b>	<b>-</b>	<b>23,174.04</b>	<b>8,402.31</b>	<b>1,418.19</b>	<b>(10.53)</b>	<b>(0.00)</b>	<b>9,809.97</b>	<b>13,364.07</b>	<b>13,161.98</b>
Share in Jointly controlled entity	-	0.67	-	-	0.67	-	0.05	-	-	0.05	0.62	-
<b>Total (a):</b>	<b>21,564.29</b>	<b>1,621.53</b>	<b>(11.11)</b>	<b>-</b>	<b>23,174.71</b>	<b>8,402.31</b>	<b>1,418.24</b>	<b>(10.53)</b>	<b>(0.00)</b>	<b>9,810.02</b>	<b>13,364.69</b>	<b>13,161.98</b>
<b>(b) Intangible Assets</b>												
<b>Own Assets :</b>												
Computer Software	217.62	0.36	-	-	217.98	160.24	18.84	-	-	179.08	38.90	57.38
Copyrights	11.06	-	-	-	11.06	1.60	1.11	-	-	2.71	8.35	9.46
Goodwill	-	9.75	-	-	9.75	-	-	-	-	-	9.75	-
<b>Total (b):</b>	<b>228.68</b>	<b>10.11</b>	<b>-</b>	<b>-</b>	<b>238.79</b>	<b>161.84</b>	<b>19.95</b>	<b>-</b>	<b>-</b>	<b>181.79</b>	<b>57.00</b>	<b>66.84</b>
<b>Total (a+b):</b>	<b>21,792.97</b>	<b>1,631.64</b>	<b>(11.11)</b>	<b>-</b>	<b>23,413.50</b>	<b>8,564.15</b>	<b>1,438.19</b>	<b>(10.53)</b>	<b>(0.00)</b>	<b>9,991.81</b>	<b>13,421.69</b>	<b>13,228.82</b>
Previous Year:	20,169.07	1,682.71	(58.82)	-	21,792.96	7,191.37	1,423.15	(50.38)	-	8,564.14	13,228.82	12,977.70
<b>(c) Capital Work-in-progress</b>												
Factory Building											11.61	12.13
Plant & Machinery											125.05	129.09
Other Assets											82.67	54.93
<b>Sub Total (c):</b>											<b>219.33</b>	<b>196.15</b>
Share in Jointly controlled entity											20.61	0.21
<b>Total (c):</b>											<b>239.94</b>	<b>196.36</b>
<b>Total fixed assets (net)</b>											<b>13,661.63</b>	<b>13,425.18</b>

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ₹ 10.90 lakhs (March 31, 2016 : ₹ 88.21 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 ₹ 28.72 lakhs (March 31, 2016 : ₹ 19.39 lakhs) being borrowing cost capitalised.
- (c) Interest earned on account of Principle only SWAP (POS) loan amounting to ₹ 5.33 lakhs (March 31, 2016 : ₹ 22.11 lakhs) has been reduced from the cost of the respective assets.
- (d) Vehicles include one car of the company acquired in the name of Director.
- (e) Depreciation & amortisation for the period include amortisation of leasehold land of ₹ 3.85 lakhs (March 31, 2016 : ₹ 3.85 lakhs) which has been capitalised to pre-operative expenses being project under construction stage.
- (f) During the year Plant & Machinery in capital work in progress is impaired to the extent of ₹ Nil (March 31, 2016 : ₹ 42.01 lakhs) and is reduced from capital work in progress.
- (g) The company has acquired land on lease at Dahej in Gujarat for setting up manufacturing unit. The amortisation and other borrowing cost of ₹ 32.76 lakhs (March 31, 2016 : ₹ 36.65 lakhs) incurred has been capitalised to pre-operative expenses under capital work in progress.
- (h) Out of the total depreciation of ₹ 1,438.19 lakhs included in the consolidated balance sheet 2.83% is determined based on the Written down value method and the balance is based on Straight line method.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

12 Non-current Investments:	As at 31-03-2017	As at 31-03-2016
<b>Long term investments (valued at cost unless stated otherwise)</b>		
<b>Others (Quoted):</b>		
5,000 equity shares of ₹ 2/- each fully paid up held in Bank of Baroda (Market Value ₹ 8,64,750/- (March 31, 2016 : ₹ 7,35,500/-))	0.85	0.85
<b>Other Investments (unquoted)</b>		
129,000 (March 31, 2016 : 129,000) equity shares of ₹ 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
632,500 (March 31, 2016 : 532,500) equity shares of ₹ 10/- each fully paid up held in Iris Ecopower Venture Pvt. Ltd.	63.25	53.25
<b>Total non-current investment</b>	<b>77.00</b>	<b>67.00</b>
<b>13 Long-term Loans and Advances:</b>		
	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Advances for Capital Expenditure	38.44	127.69
Other Advances & Deposits	267.82	278.83
Prepaid Expenses	24.09	4.98
MAT credit entitlement	223.49	280.53
	<u>553.84</u>	<u>692.03</u>
<b>Share in Jointly controlled entity</b>	-	6.76
<b>Total long-term loans and advances</b>	<b>553.84</b>	<b>698.79</b>
Prepaid expenses include current maturity amount of ₹ 52.89 lakhs (March 31, 2016 : ₹ 52.28 lakhs) (refer note no. 18)		
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.		
<b>14 Other non-current assets:</b>		
	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Long term Deposit with Bank (Maturity more than 12 months)	1.57	1.54
Preliminary expenses	0.33	-
	<u>1.90</u>	<u>1.54</u>
<b>Share in Jointly controlled entity</b>	0.13	0.19
<b>Total other non-current assets</b>	<b>2.03</b>	<b>1.73</b>
Fixed Deposit with Bank include deposit of ₹ 0.29 lakhs (March 31, 2016 : ₹ 0.27 lakhs) lien with the Maharashtra Sales Tax Department.		
<b>15 Current Investments:</b>		
	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</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>16 Inventories:</b>		
	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
Stores and Spares	208.50	133.60
Packing Materials	65.13	35.70
Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	2,393.37	1,690.10
Fuel materials	23.44	10.67
FMS License Stocks (at net realisable value)	-	8.44
MEIS License Stocks (at net realisable value)	14.16	5.41
Goods-in-process	428.63	366.41
Goods-in-transit	556.04	352.75
Finished Goods	896.73	707.29
	<u>4,586.00</u>	<u>3,310.37</u>
<b>Share in Jointly controlled entity</b>	-	45.60
<b>Total inventories</b>	<b>4,586.00</b>	<b>3,355.97</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

17 Trade Receivables:	As at 31-03-2017	As at 31-03-2016
<b>Unsecured</b>		
Outstanding for more than six months		
-Considered Good	20.37	9.83
-Considered Doubtful	7.65	2.40
	28.02	12.23
-Less: Provision for bad & doubtful debts	(7.65)	(2.40)
	20.37	9.83
Others		
-Considered Good	4,816.28	5,435.50
	4,836.65	5,445.33
<b>Share in Jointly controlled entity</b>	-	5.44
<b>Total trade receivables</b>	<b>4,836.65</b>	<b>5,450.77</b>
<b>18 Cash &amp; Bank Balances:</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	4.07	3.68
Balance with banks		
(a) In Current accounts	24.06	99.98
(b) In EEFC accounts	11.95	95.22
	40.08	198.88
<b>Other Bank Balances</b>		
In earmarked accounts		
- Unclaimed dividend accounts (Refer Note below)	10.61	11.08
- Margin money deposits	13.22	31.32
- In Fixed Deposit accounts (Maturity more than 3 Months but less than 12 months)	22.66	26.22
	46.49	68.62
	86.57	267.50
<b>Share in Jointly controlled entity</b>	23.43	1.15
<b>Total cash and bank balance</b>	<b>110.00</b>	<b>268.65</b>

**Notes:** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31-03-2017

a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at 31-03-2017.

**b) Disclosure on Specified Bank Notes (SBNs)**

As required by the MCA vide notification no. GSR 308(E) dated 30th March, 2017, the details of Specified Bank Notes (SBNs) and other denomination notes held & transacted during the period from 8th November, 2016 to 30th December, 2016 is given below.

	Specified Bank Notes (SBN)	Other denomination notes	Total
<b>Closing cash in hand as on 08.11.2016</b>	7.64	4.68	12.32
(+) Permitted receipts *	0.00	19.11	19.11
(-) Permitted payments	1.48	19.90	21.38
(-) Amount deposited in Banks	6.16	0.00	6.16
<b>Closing cash in hand as on 30.12.2016</b>	<b>0.00</b>	<b>3.89</b>	<b>3.89</b>

\* includes cash withdrawn from bank ₹ 14.66 lakhs

19 Short-term Loans and Advances:	As at 31-03-2017	As at 31-03-2016
Advances recoverable in cash or in kind	211.37	211.99
Other Advances & Deposits	1.70	1.01
Deposit with Central Excise	101.14	71.02
Current maturity of Prepaid Expenses	52.89	52.28
Advance Income-tax & Wealth-tax - Net of provisions ₹ 2,495.19 lakhs (March 31, 2016 : ₹ 3,404.10 lakhs)	63.10	62.56
	430.20	398.86
<b>Share in Jointly controlled entity</b>	-	2.97
<b>Total short-term loans and advances</b>	<b>430.20</b>	<b>401.83</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

20 Other Current Assets:	As at 31-03-2017	As at 31-03-2016
Accrued Income	68.19	32.33
Receivable from LIC (Gratuity claim)	6.50	6.84
Forex Forward Contract (Net)	75.05	-
Others	-	2.30
	<b>149.74</b>	<b>41.47</b>
<b>Share in Jointly controlled entity</b>	<b>0.15</b>	<b>-</b>
<b>Total other current assets</b>	<b>149.89</b>	<b>41.47</b>

21 Revenue:	Year ended 31-03-2017	Year ended 31-03-2016
(i) Sale of products		
Manufactured goods	31,189.71	32,185.68
Less : Excise duty	1,177.12	1,128.29
Total:	<b>30,012.59</b>	<b>31,057.39</b>
(ii) Power generation from Windmill	76.28	74.97
	<b>30,088.87</b>	<b>31,132.36</b>
<b>Share in Jointly controlled entity</b>	<b>-</b>	<b>14.33</b>
<b>Total revenue</b>	<b>30,088.87</b>	<b>31,146.69</b>
<b>Manufactured Goods / Power Generation / Trading</b>		
- Reclaim Rubber	29,401.14	29,935.74
- Punch & Split Products	418.14	731.91
- Thermo Plastic Elastomers	193.31	404.07
- Power generation from Windmill	76.28	74.97

22 Other operating income:	Year ended 31-03-2017	Year ended 31-03-2016
Export incentives	290.19	355.30
Other Sales	-	0.33
<b>Total other operating income</b>	<b>290.19</b>	<b>355.63</b>

23 Other income:	Year ended 31-03-2017	Year ended 31-03-2016
Interest Income	23.57	13.88
Rent Income	25.32	23.92
Income from Services rendered	9.00	-
Net Gain on foreign currency transactions and translation.	172.20	-
Profit on sale of fixed assets	0.92	1.52
Sundry Income	42.92	0.16
	<b>273.93</b>	<b>39.48</b>
<b>Share in Jointly controlled entity</b>	<b>0.17</b>	<b>0.02</b>
<b>Total other income</b>	<b>274.10</b>	<b>39.50</b>

24 Cost of material consumed:	Year ended 31-03-2017	Year ended 31-03-2016
<b>Raw material consumed:</b>		
Opening inventories	1,695.08	1,342.57
Add : Purchases (including incidental expenses of ₹ 755.27 lakhs, March 31, 2016 : ₹ 843.94 lakhs)	14,972.37	14,936.08
	<b>16,667.45</b>	<b>16,278.65</b>
Less : Closing inventories	2,393.38	1,690.10
	<b>14,274.07</b>	<b>14,588.55</b>
<b>Share in Jointly controlled entity</b>	<b>-</b>	<b>306.15</b>
<b>Total cost of material consumed</b>	<b>14,274.07</b>	<b>14,894.70</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

<b>(a) Products consumed</b>		
- Waste Rubber	13,214.09	13,626.45
- Process Oils	649.60	790.08
- Other Oils and Chemicals	410.38	478.16
	<b>14,274.07</b>	<b>14,894.70</b>
<b>(b) Import and Indigenous consumptions</b>		
-Imports	1,177.25	765.25
%	8.25%	5.14%
- Indigenous	13,096.82	14,129.45
%	91.75%	94.86%
	<b>14,274.07</b>	<b>14,894.70</b>
<b>25 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
<b>Stock at the end of the year:</b>		
Finished goods	896.73	707.29
Goods-in-transit (Finished Goods)	556.04	352.75
Work-in-progress	428.63	366.41
Total (A)	<b>1,881.40</b>	<b>1,426.45</b>
<b>Stock at the beginning of the year:</b>		
Finished goods	751.50	826.93
Goods-in-transit (Finished Goods)	352.75	386.64
Work-in-progress	366.41	242.41
Total (B)	<b>1,470.66</b>	<b>1,455.98</b>
	<b>410.74</b>	<b>(29.53)</b>
<b>Share in Jointly controlled entity</b>	-	<b>44.21</b>
<b>Increase / (Decrease) in Stock</b>	<b>Total (A - B)</b>	<b>410.74</b>
<b>Finished Goods</b>		<b>14.68</b>
- Reclaim Rubber	1,315.70	938.14
- Punch & Split Products	60.51	86.03
- Thermo Plastic Elastomers	76.57	80.08
	<b>1,452.78</b>	<b>1,104.25</b>
<b>Work-in-progress</b>		
- Reclaim Rubber	428.63	366.41
	<b>428.63</b>	<b>366.41</b>
<b>26 Employee Benefits expenses:</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
Salaries, Wages and Bonus	4,717.00	4,330.52
Contribution to Provident fund and Pension fund	222.59	204.73
Gratuity fund	27.36	46.35
Contribution to other funds	86.52	63.17
Welfare and other benefits	291.36	266.17
	<b>5,344.83</b>	<b>4,910.94</b>
<b>Share in Jointly controlled entity</b>	-	<b>19.58</b>
<b>Total employee benefits expenses</b>	<b>5,344.83</b>	<b>4,930.52</b>
<b>27 Finance costs:</b>	<b>Year ended 31-03-2017</b>	<b>Year ended 31-03-2016</b>
Interest on Term & Working Capital Loans	326.43	382.66
Interest on Other Loans	10.42	10.18
Financial Charges	45.82	53.47
	<b>382.67</b>	<b>446.31</b>
<b>Share in Jointly controlled entity</b>	-	<b>4.10</b>
<b>Total finance cost</b>	<b>382.67</b>	<b>450.41</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

28 Depreciation and Amortization expenses:	Year ended 31-03-2017	Year ended 31-03-2016
Depreciation on Tangible Assets	1,414.41	1,381.01
Depreciation on Intangible Assets	19.87	20.31
	<b>1,434.28</b>	<b>1,401.32</b>
<b>Share in Jointly controlled entity</b>	<b>0.05</b>	<b>17.98</b>
<b>Total depreciation and amortization expenses</b>	<b>1,434.33</b>	<b>1,419.30</b>
<hr/>		
29 Other expenses:	Year ended 31-03-2017	Year ended 31-03-2016
<b>Manufacturing Expenses</b>		
Packing Material consumed	882.44	771.32
Stores and Spare Parts Consumed	452.71	446.43
Power, Fuel & Water Consumed:-		
- Power Consumption	3,550.14	3,555.60
- Fuel Consumption	567.76	636.79
- Water Consumption	43.39	36.48
Repairs & Maintenance Expenses:-		
- Plant & Machinerics	265.89	284.22
- Factory Buildings	20.57	19.66
	<b>5,782.90</b>	<b>5,750.50</b>
<b>Sales &amp; Distribution expenses</b>		
Ocean Freight	846.83	1,088.04
Marine Insurance	2.09	4.20
Export clearing and Other charges	477.96	478.42
Local freight & Other charges	482.77	497.51
Other Selling and Distribution expenses	108.63	148.72
	<b>1,918.28</b>	<b>2,216.89</b>
<hr/>		
<b>Administration &amp; Other Expenses</b>		
Insurance	44.27	38.00
Vehicle Expenses	53.64	44.63
Printing & Stationery	19.01	19.41
Advertisements	3.00	8.67
Rent, Lease Rent & Other Charges	51.72	44.90
Repairs to Other Assets	98.74	75.94
Retainer fees, Legal fees & Prof charges	142.85	144.87
Travelling & Conveyance	171.95	139.79
Postage & Telephones	47.30	48.95
Bad Debts written off	2.65	-
Provision for Doubtful Debts	5.25	2.40
Net Loss on foreign currency transactions and translation	-	16.95
Payment to Auditors:-		
- Audit fee	7.66	7.12
- Tax Audit fee	2.34	2.26
- Taxation matters and other expenses	2.93	4.71
- Reimbursement of expenses	0.33	0.43
Board Meeting Fees	7.54	9.68
Commission to Director	14.19	13.00
Charity and donation	0.63	0.02
Corporate Social Responsibility Expense	30.59	35.93
Factory / Office Expenses	21.99	27.64

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

Office electricity expenses	13.77	15.69
Other Expenses	93.25	95.51
Loss on Sale of Assets / Assets Discarded / Impairment	0.43	43.84
Variation in CED on Stock of finished goods	22.54	(13.11)
	<b>858.57</b>	<b>827.23</b>
	<b>8,559.75</b>	<b>8,794.61</b>
<b>Share in Jointly controlled entity</b>	<b>3.73</b>	<b>20.06</b>
<b>Total other expenses</b>	<b>8,563.48</b>	<b>8,814.67</b>
<b>30 Contingent Liabilities and commitments (to the extend not provided for):</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
(a) Guaranteed by Banks not provided for (Net)	349.60	319.15
(b) Letter of Credit	4.96	207.51
(c) Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
- Maharashtra Sales Tax	0.02	0.62
- Excise Duty & Service Tax	144.88	135.62
- Income Tax liability	90.83	94.94
(d) Estimated amount of contracts remaining to be executed on capital account.	61.42	242.73
(e) Detention charges for container for import of rubber scrap	-	121.39
<b>31 Disclosure in respect of Lease:</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>Vehicles taken on Operating Lease:</b>		
The company has entered into lease agreement for eight 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	26.28	35.08
(b) Later than 1 year but not later than 5 years	26.39	52.25
(c) Later than 5 years	-	-
<b>Premises given on Operating Lease:</b>		
The Company has given premises on operating lease to Halfen Moment India Pvt. Ltd. for 11 months.		
<b>Buildings</b>		
- Gross carrying amount as on balance sheet date	138.23	138.23
- Accumulated depreciation amount as on balance sheet date	24.02	21.70
- Net carrying amount as on balance sheet date	114.21	116.53
- Depreciation recognised in statement of profit and loss	2.32	2.25
The future minimum lease rental income is as follows		
(a) Not later than 1 year	10.80	12.36
(b) Later than 1 year but not later than 5 years	-	-
(c) Later than 5 years	-	-
<b>32 Related parties disclosure :</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
<b>A) Relationships</b>		
1) <b>Joint Venture</b>		
- MARANGONI GRP Private Limited (50 % 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 & Company Secretary		
- Sanjay B Bafna; Chief Financial Officer		
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, 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)		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

- Harsh R. Gandhi HUF (Harsh R. Gandhi is Karta)
- Enarjee Consultancy & Trading Company LLP (Rajendra V. Gandhi is Designated Partner and Harsh R. Gandhi is Partner)
- Industrial Development and Investment Co. Pvt. Ltd. (Rajendra V. Gandhi & Mahesh V. Gandhi are Directors)
- Ghatkopar Estate & Finance Corporation Pvt. Ltd. (Rajendra V. Gandhi & Mahesh V. Gandhi are Directors)
- Gripsurya Recycling LLP (Subsidiary LLP (previously Jointly controlled entity of Subsidiary) of subsidiary company (Grip Polymers Ltd.))

### B) Related Parties Transactions

	As at 31-03-2017	As at 31-03-2016
<b><u>Summary of transactions with related parties in the ordinary course of business</u></b>		
<b>1 Joint Venture:</b>		
Aquition of Shares	46.85	-
Purchase of goods & Services	18.00	-
Outstanding Receivable	20.94	-
<b>2 Key Management Personnel</b>		
Remuneration paid	350.15	308.00
Dividend paid	8.01	9.02
<b>3 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	N. A.	667.83
Remuneration paid	13.85	7.13
Sitting Fees Paid	1.05	1.50
Dividend paid	37.21	41.86
Sale of Assets	-	1.75
Loans & Advances given	-	6.20
Outstanding Receivable	-	0.28
<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>		
Gripsurya Recycling LLP	N. A.	667.83
<b>2 Remuneration Paid</b>		
Rajendra V Gandhi	86.70	86.20
Harsh R Gandhi	130.14	131.19
Ganesh A Ghangurde	103.65	90.61
<b>3 Sitting Fees Paid</b>		
Mahesh V Gandhi	0.60	0.75
Nayna R. Gandhi	0.45	0.75
<b>4 Dividend paid</b>		
Harsh R Gandhi	5.75	6.47
Mahesh V Gandhi	7.40	8.33
Rajendra V Gandhi HUF	4.68	5.26
Enarjee Consultancy & Trading Company LLP	5.86	6.60
<b>5 Sale of Assets</b>		
Gripsurya Recycling LLP	N.A.	1.75
<b>6 Loans &amp; Advances given</b>		
MARANGONI GRP Private Limited	-	5.00
Gripsurya Recycling LLP	N.A.	1.20
<b>7 Outstanding Receivable</b>		
Gripsurya Recycling LLP	N.A.	0.28
MARANGONI GRP Private Limited	20.94	-
N. A. = NOT APPLICABLE		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

33 Research & Development Expenditure:	As at 31-03-2017	As at 31-03-2016
Accounting for Research & Development expenditure incurred :		
(a) Capital Expenditure incurred on Equipments & Machinery	22.10	26.83
(b) Capital Expenditure incurred on Buildings, Furniture & office equipments	0.90	4.74
(c) Capital Work in Progress	9.02	5.25
(d) Revenue Expenditure incurred towards the R&D Projects	209.00	144.45
34 Segment Reporting:	As at 31-03-2017	As at 31-03-2016
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) *	29,819.28	30,981.74
b) Power	76.28	74.97
c) Others **	193.31	404.07
d) Unallocable	-	3,383.10
<b>Net Segment Revenue</b>	<b>30,088.87</b>	<b>34,843.88</b>
Less: Inter-segment elimination (Reclaim Rubber)	-	314.09
	<b>30,088.87</b>	<b>34,529.79</b>
* Reclaim Rubber includes crumb rubber, punch & split products		
** Others includes Thermo Plastic Elastomers		
<b>2 Segment Results Profit(+) / Loss(-) before Tax and interest from each segment)</b>		
a) Reclaim Rubber	3,242.71	3,406.00
b) Power	45.11	44.35
c) Others	(175.27)	(224.62)
<b>Sub Total</b>	<b>3,112.55</b>	<b>3,225.73</b>
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)	2,048.03	2,178.83
<b>Profit Before Tax &amp; Extra Ordinary Item</b>	<b>1,064.52</b>	<b>1,046.90</b>
Less: Extra Ordinary Item	-	-
<b>Profit Before Tax</b>	<b>1,064.52</b>	<b>1,046.90</b>
Provision for Taxation:		
- Income Tax	312.48	317.92
- Deferred Tax	67.81	(62.45)
<b>Profit After Tax</b>	<b>684.23</b>	<b>791.43</b>
<b>3 Other Information</b>		
<b>I Segment Assets</b>		
a) Reclaim Rubber	20,087.82	19,407.96
b) Power	239.86	254.24
c) Others	1,350.61	1,423.68
d) Un-allocated Assets	3,470.39	2,992.88
Total	<b>25,148.68</b>	<b>24,078.76</b>
<b>II Segment Liabilities</b>		
a) Reclaim Rubber	2,484.15	3,303.22
b) Power	0.99	0.99
c) Others	89.37	141.99
d) Un-allocated Liabilities	9,925.96	8,727.02
Total	<b>12,500.47</b>	<b>12,173.22</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

<b>III Capital Expenditure (Including Capital Work in Progress)</b>		
a) Reclaim Rubber	1,504.05	811.73
b) Power	-	-
c) Others	34.53	431.33
d) Unallocable	136.64	25.05
<b>Total</b>	<b>1,675.22</b>	<b>1,268.11</b>
<b>IV Depreciation</b>		
	<b>As at</b>	<b>As at</b>
	<b>31-03-2017</b>	<b>31-03-2016</b>
a) Reclaim Rubber	1,278.73	1,249.82
b) Power	14.69	14.69
c) Others	57.68	58.47
d) Unallocable	83.23	96.32
<b>Total</b>	<b>1,434.33</b>	<b>1,419.30</b>
<b>V Non Cash Expenditure other than Depreciation</b>		
a) Reclaim Rubber	3.08	45.29
b) Power	-	-
c) Others	5.25	0.95
d) Unallocable	-	-
<b>Total</b>	<b>8.33</b>	<b>46.24</b>

### 4 Information about Secondary Segments

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2016-17	2015-16	2016-17	2015-16
India	9,687.36	9,189.75	1,753.14	1,993.66
Outside India	20,401.51	21,956.94	3,083.51	3,457.11
<b>Total</b>	<b>30,088.87</b>	<b>31,146.69</b>	<b>4,836.65</b>	<b>5,450.77</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.

### 35 Disclosure mandated by schedule III of the Companies Act, 2013 by way of additional information

Name of the Entities	2016-17				2015-16			
	Net Assets i.e. total assets - total liabilities		Share in profit / (loss)		Net Assets i.e. total assets - total liabilities		Share in profit / (loss)	
	As a % of consolidated Net Assets	Amount	As a % of consolidated Net Assets	Amount	As a % of consolidated Net Assets	Amount	As a % of consolidated Net Assets	Amount
<b>Parent:</b>								
GRP Limited	100.97%	12,770.50	122.30%	836.78	99.85%	11,888.24	101.29%	801.64
<b>Subsidiary:</b>								
Grip Polymers Limited*	-0.80%	(101.28)	-20.26%	(138.62)	0.19%	22.32	-0.79%	(6.25)
<b>Joint Venture:</b>								
Marangoni GRP Private Limited	0.33%	41.18	-0.53%	(3.61)	-	-	-	-
<b>Sub Total</b>		<b>12,710.40</b>		<b>694.55</b>		<b>11,910.56</b>		<b>795.39</b>
<b>Inter-company Elimination &amp; Consolidation Adjustments</b>								
	-0.49%	(62.23)	-1.51%	(10.33)	-0.04%	(5.02)	-0.50%	(3.96)
<b>Grand Total</b>	<b>100.00%</b>	<b>12,648.17</b>	<b>100.00%</b>	<b>684.22</b>	<b>100.00%</b>	<b>11,905.54</b>	<b>100.00%</b>	<b>791.43</b>

\* Figures for Grip Polymers Limited are figures after consolidation with its subsidiary LLP, Gripsurya Recycling LLP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (₹ in lakh)

<b>36 Corporate Social Responsibility Expenditure:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
a) Gross amount required to be spent by the group during the year.	30.57	34.82
b) Amount Spent during the year on:	30.59	35.93
	<b>In cash</b>	<b>Yet to be paid in cash</b>
i) Construction/acquisition of any asset	8.32	-
ii) On purposes other than (i) above	22.27	-
		<b>Total</b>
		8.32
		22.27

<b>37 Earnings per share:</b>	<b>As at 31-03-2017</b>	<b>As at 31-03-2016</b>
- Net Profit after tax for the year	679.08	791.23
- Excess Provision for tax for earlier years	(5.17)	(0.20)
- Net Profit attributable to Equity Shareholders	684.25	791.43
- Number of equity shares of ₹ 10/- each.	13,33,333	13,33,333
- Earnings per share - Basic	51.32	59.36
- Earnings per share -Diluted	51.32	59.36

**38** Expenses debited to Profit & Loss account include prior period expenses ₹ 7.07 lakhs (March 31, 2016 : ₹ 12.61 lakhs)

**39** Closing stock of Finished Goods include excise duty of ₹ 91.57 lakhs (March 31, 2016 : ₹ 69.03 lakhs).

**40** 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.

**41** 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.

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

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

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

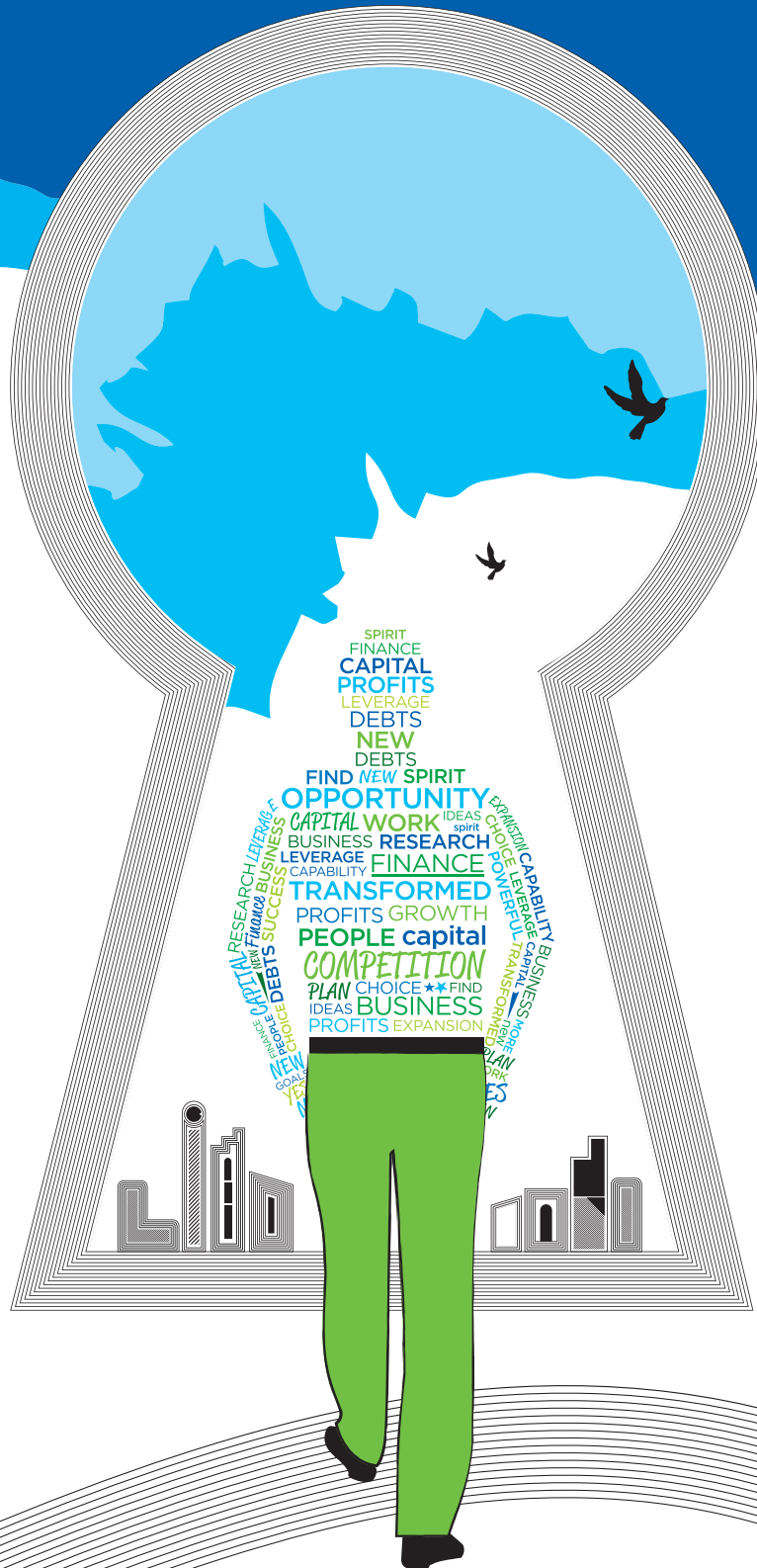
**Ganesh A Ghangurde**  
President & Company Secretary

Place : Mumbai  
Date : 30th May, 2017

Place : Mumbai  
Date : 30th May, 2017



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