



INFINITE FORCES  
WORKING TOGETHER.

GRP LIMITED  
ANNUAL REPORT 2017-18





GRP produces high quality reclaim rubber from end of life tyres, tread peelings, natural rubber and butyl tubes, moulded rubber products for use in both, tyre and non-tyre rubber products to deliver technical benefits and cost savings to its customers.



GRP pioneered the concept of recovery and reuse of nylon from end-of-life tyres. It also manufactures Thermoplastic Elastomers from devulcanised elastomers. These are used in Automotive, Industrial, Consumer, Electrical & Electronics and Construction Sectors.



GRP makes custom die forms engineered from end of life truck and bus bias tyres used in applications where low cost solutions are a necessity like door mats, impact resistance products and in conveyor chain assemblies for agro equipments.

# Committed to Growth in a Greener World.



Marangoni GRP Pvt. Ltd is a new venture in the Commercial Vehicle Tyre Retreading business in India brought by Marangoni from Italy and GRP from India. A unique technology that has been brought into India is Marangoni's Ring System Ringtread - Spliceless Retread. Ringtread delivers more mileage, better grip, is more reliable and eventually results in higher savings to fleets.



Composite material is produced using 100% recycled rubber and plastic. The products are eco-friendly and are stronger and more durable than wood. Products are tough and resistant to fluids, mud, oil and UV rays, making them exceptional replacements for wood and plastics in a variety of applications. The products are well suited for application in sectors such as logistics, construction, oil & gas, aviation, marine, industrial and agriculture.



EDUCATION



# IMPACT POSITIVE INITIATIVES



SUSTAINABLE LIVELIHOOD



HEALTHCARE



WOMEN EMPOWERMENT



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.



At GRP, life is about performing with passion to satisfy the needs of our customers and taking care of all our stakeholders. While doing this, we believe that people are individuals first and letting them be themselves at work and in play is central to having a healthy and productive work place.



# Life @ GRP



<b>Years ended 31<sup>st</sup> March</b>					
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Financial Highlights (₹ Lakh)</b>					
Total Income	31,199	34,638	31,508	32,237	29,914
Operating profit	3,021	2,574	2,458	2,594	1,583
Profit after tax	1,082	887	802	829	98
Net Worth	10,559	11,247	11,888	12,748	12,699
Borrowed Funds	8,498	6,722	6,760	6,582	5,665
Fixed Assets (Gross)	19,360	20,140	21,584	22,987	23,388
Net Current Assets	755	500	1,129	2,028	2,121
Book Value Per Share (₹)	792	844	892	956	952
Earning Per Share (₹)	81.20	66.51	60.12	62.20	7.37
Dividend (%)	160.00	112.50	100.00	100.00	12.50
<b>Key Indicators :</b>					
Debt Equity Ratio	0.80	0.60	0.57	0.52	0.45
Operating Profit To Sales Ratio	10%	7%	8%	9%	5%
Interest Coverage Ratio	5	6	7	8	5

<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 Alpana Parida Shah Nayna R. Gandhi Saurabh S. Shah (w.e.f. 12<sup>th</sup> September, 2017) Apurva R. Shah (up to 13<sup>th</sup> September, 2017)</b>
<b>AUDITORS</b>	<b>DKP &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>BSE 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 FOURTH 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, 16<sup>th</sup> day of August, 2018 at 12.30 p.m. to transact the following business :

### Ordinary Business:

- To consider and adopt the audited financial statement of the company for the financial year ended 31<sup>st</sup> March, 2018, the Reports of the Board of Directors and Auditors thereon.
  - To consider and adopt the audited consolidated financial statement of the company for the financial year ended 31<sup>st</sup> March, 2018.
- To declare dividend on equity shares for the financial year 2017 -18.
- To appoint a director in place of Harsh R. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

- 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 Sections 149, 150 and 152 and any 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) read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Saurabh S. Shah (DIN:02094645), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> September, 2017, and who holds office up to the date of forthcoming annual general meeting under Section 161 of the Companies Act, 2013, and in respect of whom Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Saurabh S. Shah as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 11<sup>th</sup> September, 2022, not liable to retire by rotation.”
- To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution :  
“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) subject to such sanctions as may be necessary, the approval of the Company be and is hereby accorded to the reappointment of Shri Harsh R. Gandhi (DIN : 00133091), as a Whole-time Director of the Company designated as Joint Managing Director for a period from 16<sup>th</sup> June, 2018 to 15<sup>th</sup> June, 2021 upon the terms and conditions as to remuneration, perquisites, allowances and benefits as set out in the draft agreement proposed to be entered into between the company and Shri Harsh R. Gandhi, a copy whereof is placed before this meeting and is hereby specifically approved.”  
“**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to vary / increase the remuneration as aforesaid to the extent the Nomination and Remuneration Committee and / or the Board of Directors may consider appropriate, provided however, that the remuneration payable to Shri Harsh R. Gandhi as Joint Managing Director shall be within the limits set out in that behalf in the said Act including Schedule V to the Act or any amendments thereto or any modifications or statutory re-enactment(s) thereof and / or any Rules or Regulations framed thereunder, and the terms of the said agreement shall be suitably modified to give effect to such variation or increase, as the case may be.”  
“**RESOLVED FURTHER THAT** during the currency of the tenure of Shri Harsh R. Gandhi as Joint Managing Director, where in any financial year, the company has no profits or its profits are inadequate, the company do pay to Shri Harsh R. Gandhi, Joint Managing Director, remuneration by way of salary, commission, perquisites and allowances as specified above as per the applicable provisions of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) including Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).”  
“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to execute all Agreements and other documents and take such steps expedient or necessary to give effect to the above resolutions.”
- 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, 2019, be and is hereby ratified.”

### NOTES :

- 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 10<sup>th</sup> August, 2018 to Thursday 16<sup>th</sup> August, 2018, 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 16<sup>th</sup> August, 2018.
- 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 9<sup>th</sup> August, 2018.
- 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 9<sup>th</sup> August, 2018.
- 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 Agent, Universal Capital Securities Pvt. Ltd. (UCS) to provide efficient and better services. Pursuant to SEBI circular dated 20<sup>th</sup> April, 2018, members holding shares in physical form are requested to provide latest bank account details along with original cancelled cheque leaf/ copy of bank passbook/statement attested by the bank and copy of PAN card 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, 1994 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, 2013, and rules made thereunder, 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, 2010 and unclaimed interim dividend for the financial year ended 31<sup>st</sup> March, 2011 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, 2011 and for the interim and final dividends for subsequent financial years, are requested to make their claims to the Company or to UCS.

Further as per the Act/ Rules, all shares in respect of which dividend has not been encashed or claimed for seven consecutive years or more are required to be transferred in the name IEPF suspense account in the prescribed manner.

With a view to comply with the requirements as set out in the Act/ Rules, Company shall initiate following action for transfer of shares to IEPF suspense account.

- i. In case member holds the shares in physical form and such shares are liable to be transferred to IEPF, please note that Company is required to issue duplicate share certificate(s) for the purpose of transfer of shares to the IEPF suspense account and upon issue of such duplicate share certificate(s) the original share certificate(s) which is/ are registered in member's name will stand automatically cancelled and be deemed non-negotiable as per Rules.
- ii. In case member holds the shares in demat form and such shares are liable to be transferred to IEPF, then such shares will be transferred directly to the demat account of IEPF Authority with the help of Depository Participant(s)/Depositories.

Upon transfer of member's shares/ dividend, member may claim from IEPF Authority both the unclaimed dividend amount and the shares by making an application in prescribed Form IEPF-5 online and by sending the physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents enumerated in the Form IEPF - 5.

Company shall with a view to comply with the requirements of the said Rules, transfer the shares to the IEPF suspense account by the due date as per procedure stipulated in the Rules. Please note that no claim shall lie against the Company or its Registrar & Share Transfer Agent in respect of unclaimed dividend amount and shares transferred to IEPF Authority pursuant to the said Rules.

The Rules and the application form (Form IEPF – 5), as prescribed by the MCA for claiming back the shares/ dividend, are available on the website of MCA at [www.iepf.gov.in](http://www.iepf.gov.in).

- 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	Harsh R. Gandhi	Saurabh S. Shah
Date of birth	17 <sup>th</sup> July, 1977	5 <sup>th</sup> December, 1965
Date of appointment	16 <sup>th</sup> June, 2009	12 <sup>th</sup> September, 2017
Experience in specific functional areas	Varied experience of more than 17 years in corporate management.	Varied experience of more than 20 years in the fields of public equity investments, private equity, capital markets, mergers and acquisition.
Qualification	Science graduate from Purdue University, USA.	MBA from Stern School of Business at New York University, Chartered Accountant
Directorship held in other public companies (excluding GRP Limited)	Grip Polymers Ltd.	Citicorp Finance (India) Limited
Memberships / Chairmanship of committees of all public companies	Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee of GRP Ltd.	<ul style="list-style-type: none"> <li>• Member of Audit committee of GRP Ltd.</li> <li>• Member of Audit committee and Nomination and Remuneration Committee of Citicorp Finance (India) Limited.</li> </ul>
No. of shares held in the company	45852	NIL

k. Electronic copy of the following documents : i) Annual Report for the financial year 2017-18 ii) Notice of the 44<sup>th</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 44<sup>th</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 44<sup>th</sup> Annual General meeting along with Route map and prominent land mark for easy location of the venue of this meeting, attendance slip, proxy form and the annual report for the financial year 2017-18 is also available on the website of the company [www.grpweb.com](http://www.grpweb.com).

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 44<sup>th</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 13<sup>th</sup> August, 2018 (9 am) and ends on 15<sup>th</sup> August, 2018 (5 pm). During this period, members of the company, as on the cut-off date of 9<sup>th</sup> August, 2018, 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 details of the process and manner for remote e-voting are explained herein below:**

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL either on a Personal Computer or on a mobile.

<https://www.evoting.nsdl.com/>

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' Section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)  
If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of GRP Ltd.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by 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)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need

to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) to reset the password.

- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the download Section of [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or call on toll free No.1800 222 990 or send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in).
- 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 9<sup>th</sup> August, 2018.
- 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. 9<sup>th</sup> August, 2018, may obtain the login ID and password by sending a request to email [ID.evoting@nSDL.co.in](mailto:ID.evoting@nSDL.co.in) or to email [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.nSDL.com](http://www.evoting.nSDL.com).
- xi. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- xii. Chetan R. Shah, Practicing Company Secretary (Membership No.FCS 2703) (email ID : [shah\\_cr@yahoo.co.in](mailto:shah_cr@yahoo.co.in)) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ballot paper voting process, in a fair and transparent manner.
- xiii. The 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 48 hours 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 : 26<sup>th</sup> May, 2018

Rajendra V. Gandhi  
Managing Director

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

### **Annexure to the Notice**

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

##### **Item No. 4**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Shri Saurabh S. Shah as an Additional Director with effect from 12<sup>th</sup> September, 2017, to hold office as Director till the date of the forthcoming Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹1,00,000/- proposing the candidature of Shri Saurabh S. Shah for the office of Independent Director.

Shri Saurabh S. Shah, being eligible, this resolution seeks the approval of the members for his appointment as an Independent Director, for a period of five years from 12<sup>th</sup> September, 2017 to 11<sup>th</sup> September, 2022, and that he shall not be liable to retire by rotation during this tenure.

The Company has received from Shri Saurabh S. Shah (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-Section (2) of Section 164 of the Companies Act, 2013 and (iii) A declaration to the effect that he meet the criteria of independence as provided in sub-Section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Shri Saurabh S. Shah, fulfills the conditions specified in the Companies Act, 2013, and Rules made thereunder for his appointment as an Independent Director of the Company, and is Independent of the Management. A copy of the draft letter for the appointment of Shri Saurabh S. Shah, as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Shri Saurabh S. Shah as an Independent Director.

Shri Saurabh S. Shah has more than 20 years of experience as advisor in the fields of public equity investments, private equity, capital markets and Merger & Acquisition (M&A) in India.

He is a Director of Citicorp Finance (India) Ltd., and Partner in AUM Fund Advisors LLP and AUM Asset Advisors LLP. Prior to founding AUM, Shri Saurabh Shah was a Partner and Member of the Board at 3i India from 2007 for more than 5 years. He was at different times, the head of Buyouts, responsible for Growth Capital and one of the partners of the \$1bn India Infrastructure Fund. Prior to 3i, Shri Saurabh Shah was a Senior Director and part of the founding team of Citigroup Investment Banking (formerly Salomon Smith Barney) in India for more than 12 years. He led the bank's relationship and transaction teams for many of the largest and most significant M&A and capital raising transactions at the time for Indian businesses both in India and overseas. Prior to Citigroup, Shri Saurabh Shah worked with Salomon Brothers, New York and ran his own accounting practice in Mumbai.

Shri Saurabh Shah has MBA degree from the Stern School of Business at New York University and an undergraduate degree from the University of Mumbai. He is also a member of the Institute of Chartered Accountants of India.

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

None of the Directors or Key Managerial Personnel or their respective relatives, except Shri Saurabh S. Shah, to whom the resolution relates, are in any way concerned or interested, financially or otherwise in this resolution.

#### Item No. 5

Harsh R. Gandhi has experience of about 17 years with the company in various senior managerial positions in the key areas of market promotion, material procurement, operations, projects, business development, corporate communications, strategic planning and corporate services. During this period, Harsh R. Gandhi has acquired good domain expertise. He is actively associated with International Rubber Study Group (IRSG) and also with All India Rubber Industries Association (AIRIA). This has helped him, in having good networking with the customers, the market and the suppliers. His association with Young President Organization (YPO) has helped him in getting macro economic exposure. He has completed Owner / President Management Program (of three year duration) with Harvard Business School, Boston, USA. This has helped him in acquiring in-depth knowledge about the business planning, business strategies and general skills of management. His education as a Bachelor of Science in Management (with specialization in finance) from Purdue University in USA and his working experience with Boston Consulting Group (BCG) prior to joining GRP Ltd., has been useful in acquiring knowledge about financial analytical tools.

Considering the business expertise, experience and in view of the substantial contribution made by him for the growth, progress and financial stability of the company, the Board of Directors at its meeting held on 26<sup>th</sup> May, 2018, on the recommendation of the Nomination and Remuneration Committee, has subject to the approval of the shareholders by way of a special resolution and subject to such other approval/s as may be necessary, decided to reappoint Harsh R. Gandhi as a Whole Time Director of the company designated as Joint Managing Director for the period from 16<sup>th</sup> June, 2018 to 15<sup>th</sup> June, 2021 upon the terms and conditions as to remuneration, perquisites, allowances and benefits as mentioned in the draft agreement proposed to be entered into between the company and Harsh R. Gandhi.

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

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

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

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

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

Term: From 16<sup>th</sup> June, 2018 to 15<sup>th</sup> June, 2021 (both days inclusive)

Remuneration :

**A) Salary :**

₹ 7,50,000/- to ₹ 15,00,000/- Per month

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

**B) Commission :**

Remuneration by way of commission not exceeding 1% of the net profits of the company as determined under Section 198 of the Companies Act, 2013 of a particular financial year, subject to a maximum of 12 months' salary of that particular financial year.

**C) Perquisites and Allowances :**

- i) In addition to salary and commission payable, Harsh R. Gandhi, Joint Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and other allowances, medical expenses reimbursement, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Nomination and Remuneration Committee and / or by the Board of Directors and Harsh R. Gandhi. However, such perquisites and allowances shall be subject to a maximum of 100% of the annual salary.
- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

- iii) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the aforesaid ceiling on perquisites and allowances to the extent these, either singly or together are not taxable under the Income-Tax Act.
- v) Leave as per the rules of the Company.
- vi) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of the limits for the perquisites and allowances as aforesaid.

**D) Minimum Remuneration**

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

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

**I. General Information:**

- 1. Nature of Industry  
The Company is engaged in the business of manufacture of reclaimed rubber, custom die forms, thermoplastic elastomer and polymer composite.
- 2. Date or expected date of commencement of commercial production : The company is manufacturing reclaimed rubber since December 1978, custom die forms since March 1999, thermoplastic elastomers since June, 2009 and polymer composite since December, 2017.
- 3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- 4. Financial Performance based on given indicators:

Significant Financial Indicators for last five years	Years ended 31 <sup>st</sup> March					(₹. In Lakh)
	2014	2015	2016	2017	2018	
	Total Income	31,199	34,638	31,508	32,237	29,914
Operating profit	3,021	2,574	2,458	2,594	1,583	
Profit after tax	1,082	887	802	829	98	
Net Worth	10,559	11,247	11,888	12,748	12,699	
Borrowed Funds	8,498	6,722	6,760	6,582	5,665	
Fixed Assets (Gross)	19,360	20,140	21,584	22,987	23,388	
Net Current Assets	755	500	1,129	2,028	2,121	
Book Value Per Share (₹)	792	844	892	956	952	
Earning Per Share (₹)	81.20	66.51	60.12	62.20	7.37	
Dividend (%)	160.00	112.50	100.00	100.00	12.50	
Ratios :						
Debt Equity	0.80	0.60	0.57	0.52	0.45	
Operating Profit To Sales	10%	7%	8%	9%	5%	
Interest Coverage	5	6	7	8	5	

- 5. Foreign Investments and Collaborations, if any : Nil

**II. Information about Harsh R. Gandhi :**

- 1. Background Details / Recognition or awards / job profile and suitability : Refer Para 1 of the Explanatory statement of item No.5 mentioned above.
- 2. Past remuneration: Remuneration (excluding exempt perquisites) for last three financial years is as under :

Financial Year	Remuneration (₹ Lakh)
2015-16	120.00
2016-17	120.00
2017-18	124.75

- 3. Remuneration proposed : Gross remuneration (excluding exempt perquisites) proposed to be paid to Harsh R. Gandhi in the financial year in which there will be a loss or inadequacy of profits, shall be not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013 as modified from time to time.
- 4. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:  
Taking into consideration the size of the Company, the nature of the industry, the profile, knowledge, skills and responsibilities shouldered

by Harsh R. Gandhi, the above proposed remuneration is commensurate and comparable with the remuneration drawn by managerial personnel in similar capacities in other companies in the rubber and related industry.

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

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

**III. Other Information:**

1. Reasons of loss or inadequate profits: Profits are likely to be inadequate, due to challenging business environment in the automobile industry in general and in the rubber goods manufacturing industry in particular.
2. Steps taken or proposed to be taken for improvement : Company under the dynamic leadership of Harsh R. Gandhi is constantly endeavoring for :
  - a) Revenue maximization through geographic expansion and industry outreach for improved asset turnover.
  - b) Profitability improvement through cost optimization and new technology adoption; and
  - c) Rationalization of capital employed by combining manufacturing locations and integrating the operations.

**Item No.6 :**

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 1<sup>st</sup> 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 2018-19 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 2018-19 at a remuneration of ₹1.45 Lakh 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 2018-19.

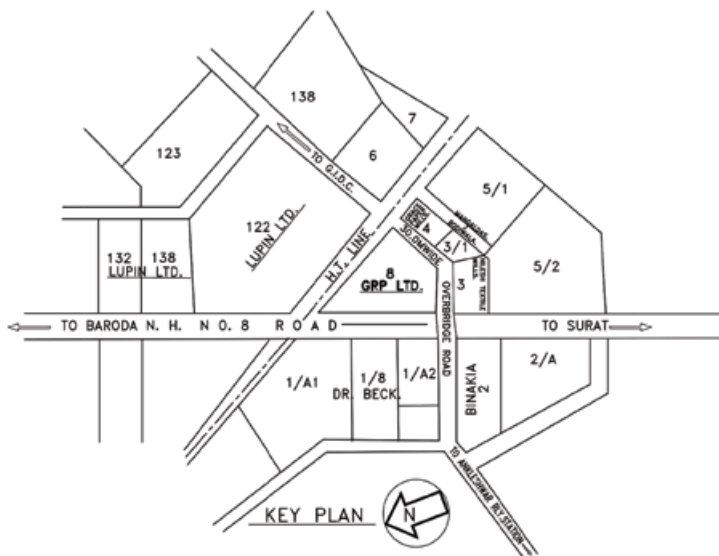
The Directors recommend the Resolutions for the approval of the Members.

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

**By Order of the Board of Directors**

Place : Mumbai  
Date : 26<sup>th</sup> May, 2018

Rajendra V. Gandhi  
Managing Director



Location Map of Registered office of GRP Ltd.  
PlotNo:8, GIDC Industrial Estate, Ankleshwar-393002  
Dist. Bharuch, Gujarat, India.

## Directors' Report to the Members,

Your Directors are pleased to present the **FORTY FOURTH ANNUAL REPORT & AUDITED ACCOUNTS** for the year ended 31<sup>st</sup> March, 2018.

Standalone Financial Results	Year ended 31 <sup>st</sup> March	
	2018	2017
Particulars	(₹ In Lakh)	(₹ In Lakh)
Sales & Other Income	30,297	31,794
Profit before depreciation & tax	1,583	2,594
Depreciation	1,336	1,393
Profit before tax and exceptional items	247	1,201
Provision for tax (net of MAT entitlement)	379	316
Deferred tax expenditure	(189)	65
(Short) provision of income tax (net) of earlier year	(41)	(9)
Profit after tax for the year	98	829
Other comprehensive income	13	31
Total comprehensive income	111	860
EPS:		
Basic (₹)	7.37	62.20
Diluted (₹)	7.37	62.20

### 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 ₹1.25/-per share (12.50%) for the year ended 31<sup>st</sup> March, 2018, resulting in total outflow of ₹20.09 Lakh, including the dividend distribution tax. [Previous year dividend was ₹10/- per share (100%)].

### FINANCIAL RESULTS, PERFORMANCE AND FUTURE OUTLOOK

The company has maintained a flat revenue for the year under review. There has been a marginal rise in volume sales. However, reclaim rubber prices have reduced. Your company's exports for the year have marginally increased compared with the previous year, which has been one of the highlight in an otherwise mixed year. The macro environment, specifically your company's key customer segments has witnessed an improvement in the year under review. The major change in the tax system in the country has helped your company in tapping a growing opportunity in segments where we didn't sell before. This improves potential of growing domestic volume in the years to come. Margins have dropped significantly on account of shift in sales to the domestic customers, a strong Rupee for most part of the year, changes in import policy around rubber raw materials. While input prices are linked closely to crude oil prices, a surge in oil prices towards the end of the year has also contributed in material prices moving up.

The Company has implemented several initiatives aimed at reducing manpower dependence, energy sourcing from IPP's, increased level of automation and alternate process to strengthen its commitment to a zero discharge manufacturing plant.

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

### AWARDS & ACCOLADES

The year under review saw GRP win accolades among its peers. GRP was again the recipient of the AIRIA award for Top Export in raw material sector, for its export performance. This award was 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

Shri Saurabh Shah, who was appointed as an Additional Independent Director on 12<sup>th</sup> September, 2017, holds the said office till the date of the conclusion of the ensuing 44<sup>th</sup> Annual General Meeting. A notice has been received from a member proposing his candidature for his reappointment as an Independent Director.

Apurva R. Shah has resigned as Director of the company w.e.f. 13<sup>th</sup> September, 2017. The Board places on record its appreciation and gratitude for the valuable services rendered by him during his tenure as Director of the company.

In accordance with the provisions of the Companies Act, 2013, Harsh R. Gandhi, retire by rotation at the ensuing 44<sup>th</sup> Annual General Meeting and being eligible offers himself for reappointment.

All the Independent Directors have submitted their declarations to the Board to the effect that they 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, 2018, 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, 2018 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

M/s. DKP & Associates (Firm Regn. No.126305W), Chartered Accountants, Mumbai, have been appointed as Statutory Auditors of the Company, as per the applicable provisions of the Companies Act, 2013, at the 43<sup>rd</sup> Annual General Meeting of the company held on 10<sup>th</sup> August, 2017, 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.

## COST AUDITORS

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 2018-19 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 2018-19.

## 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, 2018 is given in Note 39 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 (**Annexure 7**). The web link to access the Nomination and Remuneration policy hosted by the company on its website [www.grpweb.com](http://www.grpweb.com) is as follows:

<http://www.grpweb.com/pdf/nomination.pdf>

## **POLICY AGAINST SEXUAL HARASSMENT**

The Company has in place Policy for prevention of sexual harassment at workplace 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 2017-18.

## **ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 is attached herewith (**Annexure 8**)

## **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the financial year 2017-18.

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

The information as required under Section 197(12) of the Act read with applicable rules (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 appreciation for the contribution made and support provided to the Company by the shareholders, employees, bankers, suppliers and customers.

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

Place : Mumbai  
Date : 26<sup>th</sup> May, 2018

Rajendra V. Gandhi      Harsh R. Gandhi  
Managing Director      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	₹ ( 2,54,30,186)
7	Total assets (excluding investments)	₹ 1,62,34,806
8	Total liabilities	₹ 5,49,13,079
9	Investments	₹ 1,37,48,087
10	Turnover	₹ 13,49,025
11	Profit / (Loss) before taxation	₹ (1,36,93,741)
12	Provision for taxation	₹ 3,34,800
13	Profit / (Loss) after taxation	₹ (1,40,28,541)
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 Associate / Joint Venture	Gripsurya Recycling LLP (Associate)	Marangoni GRP Pvt. Ltd. (Joint Venture)
1. Latest audited Balance Sheet date	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2018
2. Shares of Joint Ventures held by the company on the year end		
Number	Not Applicable	₹ 60,34,075
Amount of Investment in Joint Venture	₹ 1,30,37,087	₹ 60,34,075
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	₹ 1,30,37,977	₹ 19,05,321
6. Profit / (Loss) for the year	₹ (94,67,556)	₹ (98,20,242)
i. Considered in Consolidation	₹ (94,64,716)	₹ (49,10,121)
ii. Not Considered in Consolidation	₹ (2,840)	₹ (49,10,121)

- Names of Joint ventures which are yet to commence operations: Nil
- 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 : 26<sup>th</sup> May, 2018

Rajendra V. Gandhi      Harsh R. Gandhi  
Managing Director      Executive Director

**Management Discussion and Analysis Report 2017-18**

During the year under review, the rubber industry in general and the tyre industry in particular has witnessed a strong revival. In India, the automotive OE segment has grown across most segments and there has been a revival in the replacement market across passenger & commercial vehicle sectors. The resultant impact on the tyre industry has been very favourable. The non-tyre industry in India too has grown on the back of structural reforms in sectors such as conveyor belts & automotive products. The GST introduction has spurred demand growth across organized industry segments across the rubber value chain and a trickle down impact of the same is being felt by your company. Globally, markets in most major geographies have seen positive economic activity. However prices of Natural Rubber (NR) & most Synthetic Rubbers (SR) have been flat compared with previous years leading to a subdued demand for Reclaim Rubber (RR). A rally in oil prices in the latter part of the fiscal year under view has done little to affect SR prices, due to large overcapacity in the Petrochemical value chain (Butadiene & styrene are key input to the Synthetic Rubber industry) globally. While the macro factors continue to pose headwinds for growth, there are positive off shoots arising out of a greater focus on use of sustainable solutions by producers, influenced by governments and consumers. Active interest in switching to and substituting virgin rubbers with alternate sources of rubber are leading to several ongoing projects with tyre & non-tyre manufacturers of rubber products. Your company has grown its domestic share in the industry on back of GST reforms and its ability to sell to the Cycle tyre & Tread rubber industries. Your company continues to maintain its dominant share of exports from India, although low SR prices have meant a reduced consumption of RR in North America & some key customers in Europe. Overall volume sales for GRP have been at 57630 MT compared with previous year at 56605 MT. Your company's export revenues have marginally increased from ₹ 20402 Lakh to ₹ 20785 Lakh.

<b>Key Parameters</b>	<b>2017-18</b>	<b>2016-17</b>
Net Sales (₹.Lakh)	29,570	29,953
Profit after Tax (₹.Lakh)	98	829
Profit after Tax to Turnover (%)	0.33	2.76
Sales to Fixed Assets Employed (ratio)	1.27 times	1.30 times
Current Ratio	1.28	1.25
Return on Capital Employed (%)	1.95	9.42
Market Value per share (₹.) (As on 31 <sup>st</sup> March) (BSE)	1180	1,622
Sales value- growth/(decline) in % over previous year	(1.28)	(3.79)
Sales volume – growth/(decline) in % over previous year	1.81	1.33
Domestic sales value – growth/(decline) in % over previous year	(8.03)	4.10
Export sales Value- growth/(decline) in % over previous year	1.88	(7.08)

**Segment wise Business overview :**

GRP's efforts at being a global sustainable material manufacturer has been positively reinforced with the company's thrust in new businesses as a means to de-risk its future and continue to play a pivotal role in saving virgin materials. The steps taken by the government in creation of policies around end of life (EOL) recycling has provided the impetus to GRP's focus on other EOL materials in its value chain and evaluate opportunities for growth. We believe these businesses have the potential to provide a significant boost to GRP's ambitions in the future. The new products are based on company's existing supply chain and/or customer segments. They continue to aid the industry in offering low cost sustainable alternatives to Natural Rubber (NR), Synthetic Rubber (SR), Polyamide 6, Wood, Concrete, apart from providing processing benefits, imparting superior strength, adhesion properties. As per the Indian Accounting Standards (Ind AS) – 108 on operating segments, the reclaim rubber operations have been identified as reportable segments and smaller business segments not separately reportable have been grouped under the heading "others" which includes Engineering Plastics, Custom Die-Forms, Polymer Composites and Windmill. A brief on each of these business segments is as follows :

**Reclaim Rubber (RR)** – This business is the backbone of the company's other businesses. It has helped GRP create a strong goodwill and brand in the sustainable materials space. It supports tyre manufacturers fulfil their producer responsibility towards the environment and also helps save virgin rubber resources for the global rubber industry. With advancement in technology and product enhancement, your company has had success in introducing RR in applications outside the tyre and automotive industry. While bulk of product sale is to the automotive segment (tyres & non-tyre auto), alternate applications present an exciting opportunity going forward. Revenue of ₹ 28954 Lakh was generated from this segment.

**Engineering Plastics (EP)** – The company has shifted its EP production facilities to Solapur, closer to the source of waste Polyamide (PA). This has helped the BU with greater pricing power. With a revival in prices of virgin PA, this business has witnessed growth traction during the year under review and now operates at a robust capacity utilization. This BU has moved from producing unfilled PA compounds to now also produce glass filled PA compounds with a larger market being catered to. Investments in enhancing capacity and purifying the quality of PA are on-going and should help your company build market share in an intensely competitive, yet fast growing PA compounding industry. Revenue of ₹ 224 Lakh was generated from this segment.

**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 life 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. Revenue of ₹ 354 Lakh was generated from this segment.

**Polymer Composites (PC)** – A plant with a technology tie-up with an American company to produce composite products from end of life tyre & plastic waste has commenced operation in December 2017. The products made are a proven substitute to wood & concrete in applications for the

transportation, oil & gas, defense, housing sectors. Raw material for this business is partly sourced from the RR operation. With an initial capacity suitable for our partner's captive needs, your company will evaluate appropriate time to grow this capacity for selling into the Indian markets. Revenue of ₹38 Lakh was generated from this segment.

Windmill (WM) - 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 ₹ 70 Lakh was contributed from the captive power generated by the windmill.

#### **Capital Expenditure :**

Your company's investment in the core business has been in automation and reducing labour dependency. We are glad to state that the process of a stage wise reduction in manpower across manufacturing operations has begun to bear fruit and your company is actively adding more lines to automate its processes. An added advantage of the automation capex has also led to enhanced product properties that is providing your company pricing power in its customer segments. Your company has successfully commissioned and witnessed energy savings by its investment in the solar power plant at its factory in Solapur. Your company now operates and uses a fair share of its energy needs from clean sustainable sources like wind (Panoli, Tamil Nadu), natural gas (Ankleshwar, Panoli), solar (Solapur). Your company aims to increase sustainable energy sources to 50% of its total power needs by 2020 and we're well on our way to achieve the same.

Your company has also made investments in capacity of the IP business and creation of the PC business, apart from statutory capex needs across all its plants.

#### **Joint Venture & Subsidiary :**

Marangoni GRP Private Limited (MGPL) has in a short span of time established a strong repute in the growing commercial vehicle (CV) tyre retreading business in the country. Radialization in the CV sector in India is rising rapidly than expected and it coincides favourably with the growth of MGPL franchise network in India.

By the end of 2017-18, MGPL operated 2 franchisees and 4 other franchisees are under various stages of plant commissioning. The franchisees are located in busy trucking hubs in the country and product acceptance has been encouraging. With time spent in understanding customer preferences and customization of product to suit Indian road conditions, trucker preferences, MGPL is poised for a sharp growth trajectory. During the year under review, MGPL has partnered with a domestic manufacturer of treads to offer locally produced tread rubber, has secured the relevant permissions to assemble and build key equipment for its proprietary Ringtread technology. This high level of localization is helping the JV set-up the franchisees for success. MGPL aims to build a national franchise chain spanning 30 centres of retreading excellence.

GRP investment in a tyre retreading franchise in Indore will be closed as its stated objective of serving as a reference franchise for the country has been completed. The unit will continue to operate its tyre recycling unit and support the GRP Ankleshwar and Panoli plants with material supply for reclaim rubber production needs.

#### **Industry Structure & Development :**

The financial year gone by has signalled in most parts of the world the start of an economic revival. The North American manufacturing sector has witnessed a record growth on the back of strong economic fundamentals and increased liquidity in the financial markets. After a long hiatus, capital spending has picked up in the automotive, infrastructure segments that has had a cascading effect on other sectors of the economy. While technology companies have attracted investments for most part of the last decade, several new projects have been committed in the sectors affecting your company. New tyre capacity has been commissioned by several of our customers in USA and while these plants stabilize, we expect long term benefits from our strong presence there. Europe has steadily returned to growth and albeit from a lower base, it has inspired confidence in consumption and hopefully will spur demand for our customers products. Your company's other major markets include Asia (Thailand, Japan, Korea, China), Latin America (Brazil, Peru) and all these countries have exhibited varying levels of economic growth. While stability and growth have been the mantra around the world, the year gone by has also been characterized by several trade barriers imposed by the above mentioned countries in our primary segment of operation (viz. Tyres, Raw materials for tyres). Imposition of anti-dumping duty (ADD) on Chinese tyres in several geographies of the world has led to a shift in production globally and it is expected that some emerging economies will emerge as the new hubs for production of key rubber products. While trade barriers hurt long term interests of global businesses, it remains to be seen the short & mid term impact of the same.

Closer home in India, the automotive industry has made record sales in the CV & PC segment. On the back of GST, government spending on road construction and the introduction of anti-dumping duty on Chinese commercial vehicle tyres, the domestic tyre industry has turned in a great performance. The resultant impact on rubber consumption has helped your company increase its sales in the domestic market as a percent of total sales. With capacity utilization increasing, we expect domestic demand to overshadow growth in the international markets. Basis available information, the tyre industry in India (with a revenue of approximately Rs 50,000 crore) is investing an equivalent of Rs 40,000 crore in new capacity expansion between 2017-2019. The resultant impact on rubber consumption should help your company grow its domestic share and take advantage to establish a strong presence in India. While the industry expects a demand surge, there are concerns around availability of certain input materials for the tyre & rubber industry. The imposition of ADD's on Chinese end products has been accompanied by closure of several large rubber chemical, carbon black, synthetic rubber plants. This is causing stress to manufacturing economies dependant on China for their end products. Key inputs like carbon black, rubber chemicals seem to be in short supply and likely to continue in this state for the medium term, this could be a key factor in the year to come in the way the industry copes with the shortage and the role of RR to partially offset this gap. The infrastructure spending embarked on by the government has resulted in a faster pace of radialization in India and this is helping tyre manufacturers in India shift to a more profitable portfolio of products for the CV sector.

With the developments leaning towards a positive industry dynamic, a major factor which maintained status quo was the price of input materials affecting your company. NR prices maintained their level with very little fluctuation during the year under review and while oil prices did move upward, the resultant impact of the same did not mirror prices of SR. And this is characterized by a partial oversupply of SR and its key petrochemical ingredients. The second half of the year under review witnessed price increases for non-rubber raw materials, but its impact has been limited.

The Industrial Polymers business has recently witnessed a resurgence, with Polyamide 6 prices rising and the industry looking for organized stable manufacturers of recycled sources. The engineering compounding industry in India has shifted from being a predominantly Indian dominated to now being dominated by global manufacturers having set-up manufacturing base. This has put pressure on domestic compounders and while the global manufacturers are seizing the market with OE, there is a large opportunity to supply materials to the Tier 2, 3 manufacturers of PA based products. With your company having taken active steps of widening its portfolio in PA to compounding of glass filled PA, the time is ripe to expand the market. Your company has relocated its manufacturing unit to its plant in Maharashtra to be in close proximity to the source of PA fibre generation and this should help the division improve margins in the current year.

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

Your company's stated goal has been to be a preferred supplier of sustainable materials based on recycling and to this end, the various BU's established are in line with this objective. The strategy to hedge the company's performance with products spanning multiple end markets, but based on the same material source should help your company improve margins in the current year and into the future. While some of the new business segments will have a gestation for maturity, your company is confident that the opportunities to leverage our position will far outweigh the risks associated with the new businesses that the company has entered into. With an increasing focus on EOL recycling impetus by the Indian government, the stated intent of tyre companies to use more RR (as given in the annual reports of the largest tyre companies), development pace of improved types of RR by your company, your company is confident of a resurgence in performance.

With the pace of radialization increasing in India, the pressure on the company to shift from bias to radial tyres as a source of raw material is increasing. While your company has the necessary equipment to address this risk, acceptance by customers of the new product will remain a key driver of this technology shift. The rise in oil prices on the other hand could lead to a revival in pyrolysis units across India and could lead to increased raw material prices for your company. A fine balance to mitigate the above two risks would be import of a part of its material requirement and your company has the relevant approvals in place to import its raw materials.

Risk Management continues to play an important role in the company's policy making decisions and your company actively manages risks across operational areas of energy cost control, pollution control, supply chain empowerment, manpower deployment, among others.

#### **Outlook :**

With majority of the business units of your company at a cusp of growth revival and product acceptance, your company is confident of turning in improved performance in the coming years. The RR business utilization is expected to cross 85% in the current year, helping improve revenues and margins. The performance drag contributed of the IP & CDF businesses from previous years are likely to reverse and both these businesses are expected to generate profits. The PC business should stabilize quickly given its single customer keen on increasing offtake from your company.

#### **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 :**

Your company has restructured to maintain a nimble and agile organization capable of faster decision making and increased empowerment across its hierarchy. With a conscious efforts at reducing average employee age, your company has been able to recruit and retain some energetic talent from across the country. Its performance management and rewards & recognition systems are redesigned to mirror industry best practices and maintain continued motivation. Recruitments from management & engineering colleges and training fresh recruits to take on managerial roles is helping infuse new ideas within the organization. Your company is undergoing a change in role of several key senior employees with a set of team members dedicated towards the long term initiatives and a team to focus on excellence in current business to deliver operational excellence and peak capacity utilization of its current business.

The GRP board continues to challenge the management and push for higher targets. The board's well rounded experience comprises individuals with experience in leading tyre industry, chemical industry, private equity, branding & marketing fields. The board continues to provide long term direction to the company and engages actively towards initiatives inputs on the company's long-term vision.

#### **Manufacturing operations :**

Your Company is upgrading its processes and is confident of being certified for IATF 16949 certification. With this in place, the company will be a recognized material supplier to the automotive industry. This should help the RR & IP businesses to gain approvals of major customers and a possible advantage over competition.

## **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 to identify, assess and mitigate the risks in the EHS area.

## **Raw Materials :**

All the businesses of your company rely predominantly on a single raw material – EOL tyres. Your company's ability to consume the same in either of its BU's lends it an advantage when volatility of prices could otherwise impact margins. With IP, PC, CDF businesses stabilised, your company expects any pressure emanating from material availability & price volatility to be absorbed by its ability to consume these materials.

## **Risk Management :**

Enterprise Risk Management (ERM) process is embedded in the organization's working methodologies and decision making process and is aligned to the Company's Strategic Planning Process. The process involves identification, evaluation, mitigation and review of risks and opportunities both at business and enterprise level.

ERM process is owned by the internal committee consist of functional heads and is a comprehensive process that ensures coverage of major strategic, marketing, finance, people related, environmental, economic and operational risks that could possibly derail achievement of the company's objectives and goals.

Risk owners, identified for each risk, prepare detailed mitigation plans which are formulated based on projects undertaken and in line with the company's goals, both short and long term.

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 enterprise risks and mitigation plans to the Audit Committee of the Board.

## **Sustainability practices :**

Your company has in place the process, equipment and know-how to operate each of its facility as a zero discharge facility. In times when the regulatory requirements for the industry we operate in require stringent norms, this is a huge advantage for customers' need for stability and to have a material producer without any risk of continuity. Your company has been conscious of its environmental sustainability obligations and has an active strategy around reduction in energy needs and switching to clean sources of energy. To this effect, the company has invested in low energy consuming lighting at all its locations and apart from operating its own solar power plant, has actively used wind energy and natural gas to generate power at its own manufacturing units.

## **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 : 26<sup>th</sup> May, 2018

Rajendra V. Gandhi      Harsh R. Gandhi  
Managing Director      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 2017-18. 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, 2018, 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	30 May 2017	12 Sept 2017	27 Nov 2017	1 Feb 2018
Board Strength	8	8	8	8
No. of Directors present	7	7	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, 2018 is as under :

Name of Director & Designation	Category	No. of Board Meetings		Attendance at Last AGM on 10.08.2017	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	Yes	5	1	0
Rajendra V. Gandhi (Managing Director)	Executive (Promoter)	4	4	Yes	2	2	1
Mahesh V. Gandhi	Non Executive (Promoter)	4	2	No	1	0	0
Rajeev M. Pandia	Non Executive and Independent	4	4	Yes	3	2	2
Saurabh S. Shah +	Non Executive and Independent	2	2	--	2	2	0
Nayna R. Gandhi	Non Executive and Non Independent	4	4	Yes	1	0	0
Alpana Parida	Non Executive and Independent	4	3	No	4	5	0
Harsh R. Gandhi (Executive Director)	Executive (Promoter Group)	4	4	Yes	1	1	0
Apurva R. Shah *	Non Executive and Independent	2	2	No	--	--	--

# 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.

+ Saurabh S. Shah was appointed as a Director w.e.f. 12<sup>th</sup> September, 2017.

\* Apurva R. Shah ceased to be a Director w.e.f. 13<sup>th</sup> September, 2017.

iii) Disclosure of relationship between directors inter-se :

- a) Rajendra V. Gandhi and Mahesh V. Gandhi are related to each other as brothers.
- b) Harsh R. Gandhi is the son of Rajendra V. Gandhi and Nayna R. Gandhi.
- c) 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, 2018

Name of the Non-executive Director	No. of shares held
Dr. Peter Philip	1333
Mahesh V. Gandhi	62550
Rajeev M. Pandia	Nil
Saurabh S. Shah	Nil
Nayna R. Gandhi	44405
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/pdf/Familiarization%20program%20for%20Independent%20Directors%202017-18.pdf>

### 3. Audit Committee

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.



14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

Name of Director	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
Saurabh S. Shah #	Member	Non Executive Independent	2	2
Alpana Parida	Member	Non Executive Independent	4	3
Apurva R. Shah *	Member	Non Executive Independent	2	2

# appointed as member of Audit Committee w.e.f. 12<sup>th</sup> September, 2017.

\* ceased to be a member of Audit Committee w.e.f. 13<sup>th</sup> September, 2017.

**iii) Meetings during the year**

Audit Committee met four times during the last financial year on 30<sup>th</sup> May, 2017; 12<sup>th</sup> September, 2017, 27<sup>th</sup> November, 2017 and 1<sup>st</sup> February, 2018.

**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	2	2
Dr.Peter Philip	Member	Non-Executive Non Independent	2	2
Alpana Parida	Member	Non-Executive Independent	2	1

**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 2017-18, the Company has made the following payments to the Non-executive Directors:**

Sr. No.	Name of Director	Sitting Fees (₹)	Commission (₹)
1	Dr. Peter Philip	1,12,000/-	Nil
2	Mahesh V. Gandhi	30,000/-	Nil
3	Rajeev M. Pandia	1,24,000/-	4,50,000/-
4	Alpana Parida	87,000/-	Nil
5	Saurabh S. Shah	50,000/-	Nil
6	Nayna R. Gandhi	60,000/-	Nil
7	Apurva R. Shah	56,000/-	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

**iii) Details of Remuneration paid to the Managing Director and Executive Director for the year ended 31<sup>st</sup> March 2018.**

Total remuneration paid to the Managing Director and Executive Director during the financial year 2017-18 was as under :

Name	Designation	Salary (₹)	Commission (₹)	Contribution to Provident and Pension Fund (₹)
Rajendra V. Gandhi	Managing Director	84,00,000	Nil	9,42,000/-
Harsh R. Gandhi	Executive Director	1,24,75,000	Nil	10,71,000/-

**6. Stakeholders Relationship Committee:**

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

Name of Director	Category	Current position held in the committee	Stakeholders Relationship Committee Meeting	
			Held	Attended
Apurva R. Shah *	Non Executive Independent	Chairperson	1	1
Rajeev M. Pandia #	Non Executive Independent	Chairperson	--	--
Rajendra V. Gandhi	Executive Non Independent	Member	1	1
Harsh R. Gandhi	Executive Non Independent	Member	1	1

# appointed as member of the Committee w.e.f. 12<sup>th</sup> September, 2017.

\* ceased to be a member of the Committee w.e.f. 12<sup>th</sup> September, 2017.

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

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

**iii) A Statement of various complaints received and cleared by the Company during the financial year 2017-18 is given below:**

Nature of Complaints	Received	Cleared	Pending
Non receipt of Annual report	1	1	Nil
Total	1	1	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 15<sup>th</sup> March, 2018, 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, 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>
31 <sup>st</sup> March, 2017	10 <sup>th</sup> August, 2017	12.30 P.M.	AGM	<ul style="list-style-type: none"> <li>• Ratification of remuneration payable to Cost Auditor for the financial year 2016-17</li> <li>• Ratification of remuneration payable to Cost Auditor for the financial year 2017-18</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 2017-18 under review, no resolution was passed by the shareholders through postal ballot.

**10. Disclosures**

- i) During the financial year 2017-18, 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. Transactions with related parties, as per requirements of Ind AS 24, are disclosed in Note No.39 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 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.
- 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:

- a) <http://www.grpweb.com/pdf/Related%20Party%20Transaction%20Policy.pdf>  
 b) <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, 16 <sup>th</sup> August, 2018; 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

10<sup>th</sup> August, 2018 to 16<sup>th</sup> August, 2018 (both days inclusive).

### iv) Dividend payment date

Date of payment of dividend for the financial year 2017-18, shall be within 30 days from 16<sup>th</sup> August, 2018.

### v) Listing on Stock Exchanges :

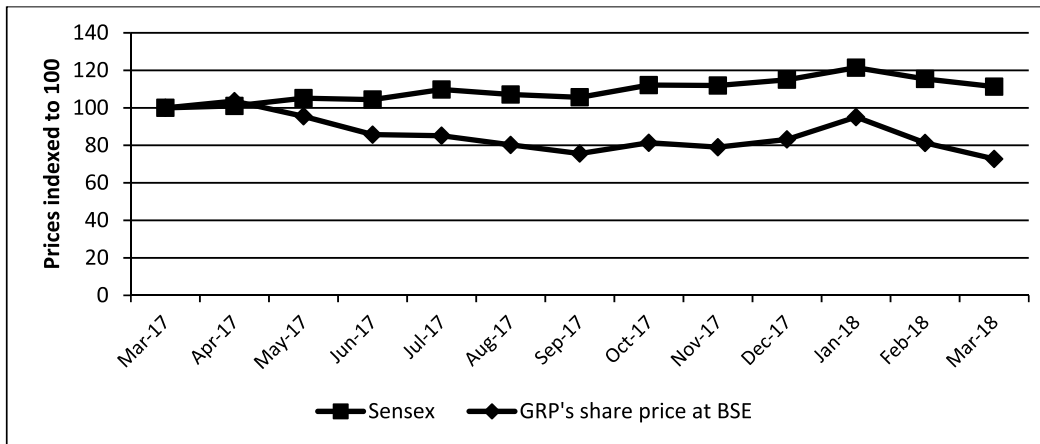
Name of Stock Exchange	ISIN No.	Scrip Code
BSE Ltd.	INE137I01015	BSE 509152
National Stock Exchange of India Limited	INE137I01015	GRPLTD

The listing fees have been paid to both the above Exchanges for the financial year 2018-19.

- vi) **Market Price Data: High, low during each month during the financial year 2017-18. 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, 2018 is as under :**

Month	BSE		NSE	
	Highest Rate (₹)	Lowest Rate (₹)	Highest Rate (₹)	Lowest Rate (₹)
April-17	1802.00	1588.00	1799.90	1570.00
May-17	1790.00	1505.10	1802.90	1512.00
June-17	1588.00	1350.10	1573.00	1339.95
July-17	1570.00	1350.90	1626.00	1350.00
August-17	1475.00	1293.00	1453.40	1275.00
September-17	1324.00	1160.50	1334.95	1162.00
October-17	1399.80	1161.00	1384.35	1175.00
November-17	1420.00	1260.05	1416.00	1275.00
December-17	1419.60	1275.50	1431.00	1261.10
January-18	1768.00	1386.25	1800.00	1376.00
February-18	1600.00	1110.00	1597.80	1245.25
March-18	1363.75	1120.00	1364.00	1110.05

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, 2018 :

No. of shares held		Shareholders		Shareholding		Share Amount	
From	To	Number	% to Total	Holdings	% to Total	₹	% to Total
1	500	3275	92.75	192700	14.45	1927000	14.45
501	1,000	111	3.14	85704	6.43	857040	6.43
1,001	2,000	63	1.78	92513	6.94	925130	6.94
2,001	3,000	24	0.68	63615	4.77	636150	4.77
3,001	4,000	11	0.31	38680	2.90	386800	2.90
4,001	5,000	12	0.34	56974	4.27	569740	4.27
5,001	10,000	9	0.26	60006	4.50	600060	4.50
10,001	And above	26	0.74	743141	55.74	7431410	55.74
<b>Total</b>		<b>3531</b>	<b>100.00</b>	<b>1333333</b>	<b>100.00</b>	<b>13,333,330</b>	<b>100.00</b>

(2) Shareholding pattern as on 31<sup>st</sup> March, 2018

Categories	No. of Shares	Amount in ₹	% to total
Promoter and Promoter Group holding	558401	5584010	41.88
<b>Public holding</b>			
Mutual Funds	50	500	0.00
Foreign Portfolio Investors	2600	26000	0.20
Individual shareholders holding nominal share capital upto ₹2 lakh	494551	4945510	37.09
Individual shareholders holding nominal share capital in excess of ₹2 lakh	166849	1668490	12.52
NBFCs registered with RBI	50	500	0.00
Others	110832	1108320	8.31
<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 & Akkalkot Road, 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 2017-18, pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Mumbai

Date : 26<sup>th</sup> May, 2018

Rajendra V. Gandhi

Managing Director

**14. Managing Director and CFO 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 31<sup>st</sup> March, 2018 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 changes in accounting policies during the year on account of 'Ind AS' adoption and the same have been disclosed in the notes to the financial statements; and
  - (3) that there are no instances of significant fraud of which we have become aware..

Ganesh A. Ghangurde

President & Chief Financial Officer & Company Secretary

Rajendra V. Gandhi

Managing Director

Mumbai, 26<sup>th</sup> May, 2018

The above certificate was placed before the meeting of Board of Directors held on 26<sup>th</sup> May, 2018.

**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. DKP & 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 report to be filed by the company.

**Annexure 3****INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of GRP Limited**

1. This certificate is issued in accordance with the terms of our engagement with **GRP Limited** ('the Company').
2. This report contains details of compliance of conditions of Corporate Governance by **GRP Limited** ('the Company') for the year ended 31 March 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

**Managements' Responsibility**

3. The compliance with conditions of Corporate Governance is the responsibility of the Management of the company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For DKP & Associates**  
Chartered Accountants  
Registration No. 126305W

D. K. Doshi  
Partner  
Membership No.037148

Place: Mumbai  
Date : 26<sup>th</sup> May, 2018

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 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; **[Not applicable as the Company has not issued any further capital under the regulations during the financial year under review]**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **[Not applicable as the Company has not implemented any Share Based Employee Benefits scheme under the regulations]**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued and listed any debt securities.]**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **[Not applicable as the Company is not registered as a Registrars to an Issue or Share Transfer Agent during the financial year under review]**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as the Company has not delisted / proposed to delist its Equity Shares from any Stock Exchange during the financial year under review]**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable as the Company has not bought back / proposed to bought back its Equity Shares during the financial year under review]**
  - (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 with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE 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, 2017.
- 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, Independent Directors and Woman Director.

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 / Committee 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.

Place: Ahmedabad

Date: 9<sup>th</sup> May, 2018

Chetan R. Shah

Company Secretary in Practice :

F.C.S. No.: 2703

C. P. No.: 4253

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

**1. Brief outline of the company's CSR policy:**

Company's CSR policy is to -

- contribute towards social and economic development of the communities where it operates.
- in addition, Company wants to build a sustainable way of life for all Sections of society,
- with emphasis and focus on Education, Health Care, Sustainable Livelihood and Empowerment of Women.

**2. An 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)
2016-17	1437.25
2015-16	1300.99
2014-15	1207.20
<b>Total</b>	<b>3945.44</b>
Average profit	1315.15

**6. Threshold Limit - (2% of the amount as mentioned in 5 above) - ₹ 26.30 Lakh.**

**7. Details of CSR activities undertaken during the year (2017-18):**

- a. Total amount to be spent for the financial year – ₹ 26.30 lakh.
- 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 / Programs 1. Local area / others 2. specify the state and district where Project/program was undertaken	Amount outlay (budget) project/ program wise (₹ lakh)	Amount spent on the project / program <u>Subheads:</u> 1. Direct expenditure on project, 2. Overheads (₹ lakh)	Cumulative expenditure upto the reporting period. (₹ lakh)	Amount spent: Direct/through implementing agency *
1 23.06.2017 & 12.03.2018	Scholarship to girl students	Education	Udaipur, Rajasthan	11.00	11.00	11.00	Shri Kund Kund Kahan Shashwat Parmarthik Trust
2 28.06.2017	Distribution of school bags	Education	Local, Ankleshwar, Gujarat	0.03	0.03	0.03	Local School
3 24.08.2017	Flood Relief Fund	Sustainable Livelihood	Local, Ankleshwar, Gujarat	0.48	0.48	0.48	Ankleshwar Industries Association - Community Trust
4 02.11.2017	Training to women	Empowerment of Women	Local, Mumbai, Maharashtra	2.50	2.50	2.50	Shree Siddhakshetra Shrivakashram
5 30.12.2017	Distribution of school bags	Education	Local, Solapur, Maharashtra	0.06	0.06	0.06	Solapur Zilla Parishad School
6 03.01.2018	Mobile Education Van	Education	Local, Ankleshwar, Gujarat	1.00	1.00	1.00	Ankleshwar Industrial Dev. Society
7 03.01.2018	Sports Complex	Education	Local, Ankleshwar, Gujarat.	1.00	1.00	1.00	Ankleshwar Industrial Dev. Society
8 03.01.2018	Scholarship to girl students	Education	Local, Ankleshwar, Gujarat.	0.76	0.76	0.76	Shree Gattu Vidyalaya
9 03.01.2018	Fire Prevention Awareness	Health care	Local, Ankleshwar, Gujarat	0.25	0.25	0.25	Ankleshwar Environmental Preservation Society
10 01.02.2018 & 09.03.2018	Project Toybank	Education	Local, Solapur, Maharashtra.	4.17	4.17	4.17	The Opentree Foundation
11 03.02.2018	Tree Plantation	Sustainable Livelihood	Local, Solapur, Maharashtra	0.28	0.28	0.28	Solapur Zilla Parishad School
12 05.02.2018	Distribution of computers	Education	Udaipur, Rajasthan	0.65	0.65	0.65	Gyan Mandir Samiti
13 16.02.2018	Scholarship to girl students	Education	Udaipur, Rajasthan	0.36	0.36	0.36	Gyan Mandir Samiti
14 14.03.2018	Scholarship to students	Education	Local, Mumbai, Maharashtra	4.00	4.00	4.00	Ghatkopar Education Society
15 30.03.2018	Construction of work	Education	Local Chincholi Solapur Maharashtra	2.38	2.38	2.38	Zilla Parishad School
<b>Total</b>				<b>28.92</b>	<b>28.92</b>	<b>28.92</b>	

\*Give details of implementing Agency:

8. The company has spent two per cent 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 CSR Committee)

Rajeev M. Pandia  
(Chairperson CSR Committee)

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

**Particulars of loans and investments as on 31<sup>st</sup> March, 2018 made under Section 186 of the Companies Act, 2013**

Sr. No.	Particulars	₹ (Lakh)	₹ (Lakh)
1	Loans (A) : Loans to Grip Polymers Ltd., (wholly owned subsidiary)		467.25
2	Investments (B) :		
	a) Trade investment (unquoted) Investment in subsidiaries 50000 equity shares of ₹10/- each fully paid up held in Grip Polymers Ltd.		1.01
	Investment in joint venture 4685350 equity shares of ₹1/- each fully paid up held in Marangoni GRP Pvt. Ltd.		73.83
	b) Other investment (unquoted)		
	i) 129000 equity shares of ₹10/- each fully paid up in Bharuch Eco Aqua Infrastructure Ltd.	12.90	
	ii) 632500 equity shares of ₹10/- each fully paid up in IRIS Ecopower Venture Pvt. Ltd.	41.25	
	iii) OPGS Power Gujarat Pvt.Ltd.	0.56	54.71
	Sub Total : B		129.55
	Total : (A+B)		596.80

**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 thereunder 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 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.
    - 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.

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### **Annexure - A**

#### **Familiarization Programme for Independent Directors**

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

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### **Annexure- B**

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

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

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

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

**FORM NO.MGT 9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

[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	38300	97.69

**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),
2.	CIN/GLN	U37100MH2015PTC271260
3.	Holding/ Subsidiary / Associate	Associate (Joint Venture)
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 (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a) Individual/ HUF	470880	0	470880	35.31	471994	0	471994	35.40	0.09
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	85957	0	85957	6.45	86407	0	86407	6.48	0.03
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1):-	556837	0	556837	41.76	558401	0	558401	41.88	0.12
<b>2. Foreign (A) (2):-</b>	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	556837	0	556837	41.76	558401	0	558401	41.88	0.12
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	50	50	0.00	50	0	50	0.00	0.00
b) FII's / Foreign Portfolio Investor	2400	0	2400	0.18	2600	0	2600	0.20	0.02
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	2400	50	2450	0.18	2650	0	2650	0.20	0.02
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	44101	2167	46268	3.47	48002	467	48469	3.64	0.17
(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	367916	50259	418175	31.36	373991	45110	419101	31.43	0.07
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	234748	17499	252247	18.92	224800	17499	242299	18.17	-0.75
c) NBFCs	0	0	0	0	50	0	50	0.00	0.00
d) Others(Specify)									
i) Clearing Members	3033	0	3033	0.23	6478	0	6478	0.49	0.26
ii) NRI's	24445	0	24445	1.83	18087	0	18087	1.36	-0.47
iii) LLP/ partnership firm	14575	0	14575	1.09	14619	0	14619	1.10	0.01
iv) HUF	15303	0	15303	1.15	19529	0	19529	1.46	0.31
v) IEPF Suspense A/c	0	0	0	0.00	3650	0	3650	0.27	0.27
Sub-total (B) (2)	704121	69925	774046	58.05	709206	63076	772282	57.92	-0.13
Total Public Shareholding (B)= (B) (1) + (B) (2)	706521	69975	776496	58.24	711856	63076	774932	58.12	-0.12
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	
Grand Total (A+B+C)	1263358	69975	1333333	100.00	1270257	63076	1333333	100.00	0.00



**ii. Shareholding of Promoters**

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% 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	24369	1.83	0.00	25594	1.92	0.00	0.09
2.	Mahesh V. Gandhi	62500	4.69	0.00	62550	4.69	0.00	0.00
3.	Nikhil M. Desai	5	0.00	0.00	5	0.00	0.00	0.00
	Total	86874	6.52	0.00	88149	6.61	0.00	0.09

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

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares (- denotes sale)	% of total shares of the company	No. of Shares	% of total Shares of the company
<b>A</b>	At the beginning of the year (01.04.2017)				
	Rajendra V. Gandhi	24369	1.83		
	Mahesh V. Gandhi	62500	4.69		
	Nikhil M. Desai	5	0.00		
<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):				
	Mahesh V. Gandhi			62500	4.69
	25/07/2017	50	0.00	62550	4.69
	Rajendra V. Gandhi			24369	1.83
	25/07/2017	50	0.00	24419	1.83
	28/02/2018	375	0.03	24794	1.86
	08/03/2018	800	0.06	25594	1.92
<b>C</b>	At the End of the year (31.03.2018)				
	Rajendra V. Gandhi			25594	1.92
	Mahesh V. Gandhi			62550	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.	Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		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 (01.04.2017)</b>				
1	Meera Philip	81666	6.12		
2	Enarjee Consultancy & Trading Company LLP	58624	4.40		
3	Rashmi M Gandhi	50209	3.77		

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares (- denotes sale)	% of total shares of the company	No. of Shares	% of total Shares of the company
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	Koushik Sekhar	26317	1.97		
9	Harsh R Gandhi HUF	22000	1.65		
10	Anil Kumar Goel	20600	1.55		
<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	Divya Atul Desai	-15862	1.19	17193	1.29
2	Koushik Sekhar	450	0.03	26767	2.00
3	Harish V Gandhi	50	0.00	32608	2.44
4	Rajendra V Gandhi HUF	375	0.02	47125	3.53
5	Enarjee Consultancy & Trading Company LLP	450	0.03	59074	4.43
<b>C</b>	<b>At the End of the year (31.03.2018)</b>				
1	Meera Philip			81666	6.12
2	Enarjee Consultancy & Trading Company LLP			59074	4.43
3	Rashmi M Gandhi			50209	3.77
4	Rajendra V Gandhi HUF			47125	3.53
5	Mammen Philip			37816	2.84
6	Harish V Gandhi			32608	2.44
7	Koushik Sekhar			26767	2.00
8	Harsh R Gandhi HUF			22000	1.65
9	Anil Kumar Goel			20600	1.55
10	Divya Atul Desai			17193	1.29

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

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		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 (01.04.2017)</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	Apurva R. Shah *	0	0.00		
6	Rajeev M. Pandia	0	0.00		
7	Alpana Parida	0	0.00		

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares (- denotes sale)	% of total shares of the company	No. of Shares	% of total Shares of the company
8	Saurabh Shah **	0	0.00		
9	Nayna R. Gandhi	44105	3.31		
10	Ganesh A. Ghangurde (KMP)	266	0.02		
<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	Mahesh V. Gandhi			62500	4.69
	25/07/2017	50	0.00	62550	4.69
2	Rajendra V. Gandhi			24369	1.83
	25/07/2017	50	0.00	24419	1.83
	28/02/2018	375	0.03	24794	1.86
	08/03/2018	800	0.06	25594	1.92
3	Harsh R. Gandhi			57952	4.35
	28/02/2018	500	0.03	58452	4.38
4	Nayna R. Gandhi			44105	3.31
	28/02/2018	300	0.02	44405	3.33
<b>C</b>	<b>At the End of the year (31.03.2018)</b>				
1	Rajendra V. Gandhi			25594	1.92
2	Harsh R. Gandhi			58452	4.38
3	Mahesh V. Gandhi			62550	4.69
4	Dr. Peter Philip			1333	0.10
5	Apurva R. Shah *			0	0.00
6	Rajeev M. Pandia			0	0.00
7	Alpana Parida			0	0.00
8	Saurabh Shah **			0	0.00
9	Nayna R. Gandhi			44405	3.33
10	Ganesh A. Ghangurde (KMP)			266	0.02

\* Ceased to be a Director w.e.f. 13.09.2017

\*\* Appointed as a Director w.e.f. 12.09.2017

## VI. INDEBTEDNESS

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

(₹ Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
i) Principal Amount	6,457.56	64.50	60.40	6,582.46
ii) Interest due but not paid	20.17	0.00	0.00	20.17
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
Change in Indebtedness during the financial year				
- Addition	0.00	0.00	0.00	0.00

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
- Reduction	(909.54)	(16.75)	0.00	(926.29)
Net Change	(909.54)	(16.75)	0.00	(926.29)
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	5,556.73	47.75	60.40	5,664.88
ii) Interest due but not paid	11.46	0.00	0.00	11.46
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	5,568.19	47.75	60.40	5,676.34

**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
1.	Gross salary	R. V. Gandhi	H. R. Gandhi	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	84,00,000	1,24,75,000	2,08,75,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961.	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
6.	Total (A)	84,00,000	1,24,75,000	2,08,75,000
	Ceiling as per the Act			4,80,00,000

**B. Remuneration to other directors :**

Sr. No.	Particulars of Remuneration	Fee for attending board/committee meetings	Commission	Others	Total
1	<u>Independent Directors</u>				
	Rajeev M. Pandia	1,24,000	4,50,000	--	5,74,000
	Alpana Parida	87,000	--	--	87,000
	Saurabh Shah **	50,000	--	--	50,000
	Apurva R. Shah *	56,000	--	--	56,000
	Total (1)	3,17,000	4,50,000		7,67,000
2	<u>Other Non-Executive Directors</u>				
	Dr. Peter Philip	1,12,000	--	--	1,12,000
	Mahesh.V. Gandhi	30,000	--	--	30,000
	Nayna R. Gandhi	60,000	--	--	60,000
	Total (2)	2,02,000	--	--	2,02,000
	Total (B)=(1+2)	5,19,000	4,50,000	--	9,69,000
	Total Managerial Remuneration		2,13,25,000		
	Overall Ceiling as per the Act		4,84,65,556		

\*\* Appointed as a Director w.e.f. 12.09.2017

\* Ceased to be a Director w.e.f. 13.09.2017

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

Sr. No.	Particulars of Remuneration	Ganesh A. Ghangurde President & Chief Financial Officer & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	78,10,371/-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	Nil
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961.	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
	- as % of profit	
	- others, specify...	
5.	Others, please specify	Nil
6.	Total	78,10,371/-

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

During the year under review there is no instance of any penalty / punishment / compounding of offence under the Companies Act, 2013 against company, any director and other officers in default.

**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 2017-18 :

Name of director	Ratio of remuneration of each director to Median remuneration
Rajendra Gandhi	51.85
Harsh Gandhi	77.00
Rajeev Pandia	3.54
Dr. Peter Philip	0.69
Saurabh Shah	0.31
Mahesh V.Gandhi	0.19
Alpana Parida	0.54
Apurva Shah	0.35
Nayana R.Gandhi	0.37

2. Percentage increase in remuneration of each director and Key Managerial personnel in the financial year 2017-18.

Name	Percentage increase in remuneration in F.Y.2017-18
Rajendra Gandhi	7.69
Harsh Gandhi	3.96
Dr. Peter Philip	5.66
Alpana parida	12.99
Nayana R. Gandhi	33.33

3. Increase in the median remuneration of employees in the financial year 2017-18 is 1.88%.
4. Number of permanent employees on the rolls of the company as on 31.03.2018 : 1214
5. a) Average percentage increase already made in the salaries of employees, other than the managerial personnel, in the financial year 2017-18 : 5.77%.
- b) Average percentage increase in the managerial remuneration in the financial year 2017-18 : 5.43%
- c) The above percentage increase in the salaries of employees in the financial year 2017-18 is commensurate with the past trend, nature of the industry and overall performance of the company.
6. The Company affirms that the remuneration is as per the remuneration policy of the Company.
7. Statement for the financial year 2017-18 pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Harsh Gandhi
Designation	Executive Director
Remuneration received (₹)	1,24,75,000
Nature of employment	Contractual
Qualifications	Science Graduate
Experience (Years)	20
Date of commencement of employment	1 <sup>st</sup> October, 2001
Age (Years)	40
Last employment held	Boston Consulting Group
Equity shares held (%)	4.38
Names of Related directors	Rajendra Gandhi & Nayna Gandhi

**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 on individual equipment and continuous monitoring of power factor at each location above 0.95 and improving the power utilisation in the plant.
- b. Provision of automatic power factor control panel to maintain the same at desired levels of above 0.95. This is being done for all the new projects as well as the old plants.
- c. Savings in water consumption by using sewage treatment plant at Ankleshwar, Panoli and Chincholi (Solapur) plants. Treated water from such treatment is being used for gardening at all the locations.
- d. Regular maintenance of steam condensate traps and safety valves to avoid leakages. This is a continuous process and was recently completed in Ankleshwar plant.
- 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. Maintaining the cleanliness and timely planned repairs for the boilers and heaters at all locations resulting into less emissions and better thermal efficiencies. This has also resulted into fuel savings.
- g. Installation of turbo ventilators in the factory roofs. This is ensuring the required air changes in the plant leading to better ambient conditions.
- h. Installation of energy meters on the high capacity 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 green house emissions.
- m. 400KWp Solar rooftop power plant installed in Chincholi Solapur will help save 6 Lakh energy units annually.

**Impact of above measures:**

- Optimization of energy consumption.
- Savings in energy consumption
- Received power factor incentive from State Electricity Board
- Savings in energy and fuel cost.
- Solar plant at Solapur has generated ₹ 3.87 Lakh of energy units in the year 2017-18 and a cumulative of ₹ 5.65 Lakh units till date amounting to a total savings of ₹ 42 Lakh.
- Solar plant at Chincholi Solapur have reduced our carbon footprint by 300 metric tonnes till date.
- Procurement of wind energy in Tamilnadu have yielded a cumulative saving of 1.34 Cr till date

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 poly blends

b. Expenditure on R&D

During the financial year 2017-18 your company has spent ₹178.40 Lakh on revenue items debited to respective accounts in the Profit & Loss account and ₹20.02 Lakh on Capital WIP & Plant & Machinery.

3. Foreign Exchange Earnings & Outgo

	<u>₹ in Lakh</u>
Earnings in foreign exchange towards export of goods	19,413.76
Foreign exchange outgo on account of imports, commission on exports and other expenses	1,471.90

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 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**

We have audited the accompanying Standalone Financial Statements of **GRP Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "Standalone Ind AS Financial Statements")

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone Ind AS 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 Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 state of affairs of the Company as at March 31, 2018, and its profit (including comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Other Matters**

The comparative figures for the previous year ended 31<sup>st</sup> March, 2017 included in the financial statement, is based on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who have expressed an unmodified opinion vide their report dated 30<sup>th</sup> May, 2017. The adjustment to those financial statements for the difference in the accounting principles adopted by the Company on transition to Ind AS have been audited by us. Our opinion on the standalone financial statements is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our 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 information and according to the explanations given to us :
  - 1. The Company disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its Standalone Ind AS Financial Statements-Refer Note No.36.
  - 2. The Company has made provision, as at March 31, 2018 as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
  - 3. There has been no delay in transferring the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**For DKP & Associates**  
Chartered Accountants  
(Firm Registration no. 126305W)

Place : Mumbai  
Date: 26<sup>th</sup> May 2018

D K Doshi  
Partner  
Membership No.037148

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GRP LIMITED**

**(Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)**

- i. In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of the company .
- ii. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.
- iii. The Company has granted unsecured Loans to a wholly owned Subsidiary Company which is covered in 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 grant of loans are not prima facie prejudicial to the interest of the company.
  - b) In respect of the aforesaid loan to wholly owned Subsidiary Company, as per revised terms, there were no amounts due for repayment of principal and interest during the year. The above loan to wholly owned subsidiary is repayable after 3 years and interest thereon is charged annually.
  - c) In respect of the aforesaid loan to wholly owned Subsidiary Company, there are no overdue amounts at the end of the year.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 with respect of loans and investments made. We are informed that company has not provided any guarantee or securities during the year.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company
- vi. Pursuant to Rules made by 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, prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of records with a view to determine whether they are adequate or complete.
- vii. In respect of Statutory dues :
  - a. According to information and explanation given to us and the records of the Company, examined by us, in our opinion undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and any other statutory dues have been regularly deposited with appropriate authorities by the company According to information and explanation given to us, no undisputed amount in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.
  - b. According to the information and explanations given to us and the records of the Company examined by us particulars of dues of income tax, sales tax including value added tax, service tax, duty of customs, duty of excise, goods and service tax, cess as at March 31, 2018 which have not been deposited on account of dispute are as follows:

Name of The Statute	Nature of Dues	Period to which the amount relates	Amount (₹ in Lakh)	Forum Where Dispute is pending
Gujarat Value Added Tax	Sales Tax	F.Y. 2013-14	46.03	Joint Commissioner (Appeal)
Maharashtra Value Added Tax	Sales Tax	F.Y. 2011-12	92.14	Joint Commissioner (Appeal)
Maharashtra Value Added Tax	Sales Tax	F.Y. 2013-14	55.37	Joint Commissioner (Appeal)
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	ITAT-Mumbai
Income Tax Act,1961	Income Tax	F.Y. 2014-15	84.84	CIT(A)-Mumbai
Income Tax Act,1961	Income Tax	F.Y. 2015-16	20.11	CIT(A)-Mumbai
Finance Act, 1944	Central Excise	January 2005 to March 2012	131.85	CESTAT
Finance Act, 1944	Service Tax	July 2012 to September 2016	13.03	Commissioner (Appeal)-Pune
<b>Total</b>			<b>480.87</b>	

- viii. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to Banks or Financial institution.
- ix. In our opinion and according to the information and explanation given to us term loans have been applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer during the year.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, company is not a Nidhi company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act and their details of such transactions have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under Section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For DKP & Associates**  
Chartered Accountants  
(Firm Registration no. 126305W)

Place : Mumbai  
Date: 26<sup>th</sup> May 2018

D K Doshi  
Partner  
Membership No.037148

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GRP LIMITED**

**(Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)  
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Control over financial reporting of **GRP LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year then ended.

**Management Responsibility for the 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 (the “Guidance Note”) 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 Act.

**Auditor’s 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 issued by ICAI and the Standards on auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 Standalone Ind AS Financial Statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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 issued by the ICAI.

**For DKP & Associates**  
Chartered Accountants  
(Firm Registration no. 126305W)

Place : Mumbai  
Date: 26<sup>th</sup> May 2018

D K Doshi  
Partner  
Membership No.037148

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	2A	12,114.66	12,887.24	12,847.87
Capital work in progress	2B	221.72	205.64	177.87
Investment Property	2C	111.88	114.21	116.53
Other Intangible assets	2D	27.94	46.97	66.85
Intangible assets under development	2E	14.10	13.25	18.28
Financial Assets				
Investments	3	129.55	124.01	67.16
Loans	4	373.17	362.08	140.00
Other Non-current assets	5	358.72	519.64	698.23
		<b>13,351.73</b>	<b>14,273.05</b>	<b>14,132.78</b>
<b>CURRENT ASSETS</b>				
Inventories	6	3,334.66	4,500.83	3,313.97
Financial Assets				
Investments	7	-	0.08	0.08
Trade receivables	8	5,124.71	4,823.27	5,445.33
Cash and cash equivalents	9	89.52	35.18	197.67
Other Bank balances	10	23.91	23.84	42.40
Loans	11	94.08	45.92	-
Others	12	94.73	117.60	27.72
Current Tax Assets (Net)	13	-	65.54	62.63
Other Current Assets	14	941.71	424.29	360.66
		<b>9,703.32</b>	<b>10,036.56</b>	<b>9,450.46</b>
<b>Total Assets</b>		<b>23,055.06</b>	<b>24,309.60</b>	<b>23,583.24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	15	133.33	133.33	133.33
Other Equity	16	12,565.50	12,615.04	11,915.35
		<b>12,698.84</b>	<b>12,748.37</b>	<b>12,048.69</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	17	504.88	1,077.84	938.54
Other Financial liabilities	18	-	-	41.64
Provisions	19	71.52	61.99	60.87
Deferred Tax Liabilities (Net)	20	2,197.22	2,412.69	2,332.23
		<b>2,773.62</b>	<b>3,552.51</b>	<b>3,373.28</b>

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	21	4,526.64	4,955.88	4,574.19
Trade Payables	22	1,549.75	1,560.06	1,360.41
Other Financial liabilities	23	722.10	721.91	1,533.17
Other Current Liabilities	24	459.21	548.50	486.76
Provisions	25	289.20	222.37	206.73
Current Tax Liabilities (Net)	26	35.70	-	-
		<b>7,582.60</b>	<b>8,008.72</b>	<b>8,161.27</b>
<b>Total Equity and Liabilities</b>		<b>23,055.06</b>	<b>24,309.60</b>	<b>23,583.24</b>
Significant Accounting policies	1			
See accompanying Notes to the Financial Statements	2-50			

As per our Report of even date

**For DKP & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**  
Partner  
Membership no. 037148

Place : Mumbai,  
Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

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

Place : Mumbai  
Date : 26<sup>th</sup> May, 2018

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ in Lakh)

	Notes	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>INCOME</b>			
Revenue from Operations	27	31,416.15	31,496.26
Less: Goods and Service Tax		1,225.94	-
Revenue from Operations (Net)		30,190.21	31,496.26
Other Income	28	106.80	297.88
<b>Total Income</b>		<b>30,297.01</b>	<b>31,794.14</b>
<b>EXPENSES</b>			
Cost of Materials consumed		13,421.68	14,308.94
Changes in inventories of finished goods and work-in-progress	29	382.87	(442.83)
Excise duty		244.78	1,177.12
Employee benefits expenses	30	5,199.27	5,297.98
Finance Costs	31	429.60	370.91
Depreciation & amortisation expense	32	1,335.69	1,393.08
Other Expenses	33	9,036.02	8,487.92
<b>Total Expenses</b>		<b>30,049.91</b>	<b>30,593.12</b>
<b>Profit before Exceptional items and Tax</b>		<b>247.10</b>	<b>1,201.02</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>247.10</b>	<b>1,201.02</b>
<b>Tax Expense</b>			
- Current Tax	34	378.51	257.74
- MAT Credit entitlement		-	58.06
- Short / (Excess) Provision for earlier years		(40.92)	(9.25)
- Deferred Tax		(188.77)	65.20
<b>Total Tax Expenses</b>		<b>148.82</b>	<b>371.75</b>
<b>Profit for the year</b>		<b>98.28</b>	<b>829.27</b>
<b>Other Comprehensive Income</b>			
A) Items that will not be reclassified to statement of profit and loss			
- Remeasurement benefit of defined benefit plans		96.50	0.66
- Income tax expense on remeasurement benefit of defined benefit plans		(33.40)	(0.22)
B) Items that will be reclassified to statement of profit and loss			
- Cashflow Hedge Reserve		(77.14)	45.49
- Income tax expense on Cashflow Hedge Reserve		26.70	(15.04)
Total Other Comprehensive Income (A + B)		12.66	30.89
<b>Total Comprehensive Income for the year</b>		<b>110.94</b>	<b>860.16</b>
Earning Per Equity share of Face value of ₹ 10/- each	43		
(1) Basic (in ₹)		7.37	62.20
(2) Diluted (in ₹)		7.37	62.20
Significant Accounting policies	1		
See accompanying Notes to the Financial Statements	2-50		

As per our Report of even date

**For DKP & Associates**  
 Chartered Accountants  
 Firm Registration No. 126305W

**D. K. Doshi**  
 Partner  
 Membership no. 037148

Place : Mumbai,  
 Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
 Managing Director

**Harsh R Gandhi**  
 Executive Director

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

Place : Mumbai  
 Date : 26<sup>th</sup> May, 2018

**CASHFLOW STATEMENT FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

	(₹ in Lakh)	
	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	247.10	1,201.02
Adjustments for		
- Depreciation	1,335.69	1,393.08
- (Profit) / Loss on sale of assets (Net)	9.99	(0.92)
- Fixed Assets Discarded	-	0.43
- Interest (Net)	367.51	274.96
- Rent Income	(4.32)	(25.32)
- Provision for Doubtful Debts	1.50	5.25
- Employee benefits expenses	9.81	0.66
- Income tax expense of earlier year	-	4.09
<b>Operating Profit before working capital changes</b>	<b>1,967.29</b>	<b>2,853.24</b>
Adjustments for		
- (Increase) / Decrease in Trade and other receivables	(803.90)	539.69
- (Increase) / Decrease in Inventories	1,166.17	(1,186.86)
- Increase / (Decrease) in Trade and other payable	24.32	239.98
<b>Cash generated from operations</b>	<b>2,353.88</b>	<b>2,446.06</b>
Direct taxes paid (net of refund)	(46.19)	(255.49)
<b>Net cash generated from operating activities (A)</b>	<b>2,307.69</b>	<b>2,190.56</b>
Cash flow from investing activities		
- Interest received	21.05	23.57
- Sale proceeds of fixed assets	39.86	1.06
- Rent Income	4.32	25.32
- Investments	(5.46)	(56.85)
- Loans to Subsidiary company	(59.25)	(268.00)
- Purchase of fixed assets	(737.40)	(1,407.24)
<b>Net cash used in investing activities (B)</b>	<b>(736.88)</b>	<b>(1,682.15)</b>
Cash flow from financing activities		
- Loans repaid (Net of borrowings)	(917.58)	(178.68)
- Interest paid	(438.30)	(331.28)
- Dividend & Dividend tax paid	(160.60)	(160.95)
<b>Net cash used in financing activities (C)</b>	<b>(1,516.48)</b>	<b>(670.90)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>54.34</b>	<b>(162.48)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>35.18</b>	<b>197.67</b>
<b>Cash and cash equivalents at the closing of the period</b>	<b>89.52</b>	<b>35.18</b>



**CASHFLOW STATEMENT FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Year Ended 31-Mar-2018	Year Ended 31-Mar-2017
<b>Cash and Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	1.65	2.72
Balance with banks		
- In Current accounts	12.56	20.52
- In EEFC accounts	75.31	11.95
	<b>89.52</b>	<b>35.18</b>
<b>Other Bank Balance (Refer note No. 10)</b>	23.91	23.84

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) - Statement of Cashflow

As per our Report of even date

**For DKP & Associates**

Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**

Partner  
Membership no. 037148

Place : Mumbai,

Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Chief Financial Officer & Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2018

**STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

<b>A) Equity Share Capital</b>		<b>Year Ended 31-Mar-2018</b>	<b>Year Ended 31-Mar-2017</b>	<b>Year Ended 1-Apr-2016</b>
Balance at the beginning of the reporting year		133.33	133.33	133.33
Changes in Equity Share capital during the year		-	-	-
Balance at the end of the reporting year		133.33	133.33	133.33

<b>B) Other Equity</b>	<b>Reserves and Surplus</b>					<b>Other comprehen- sive Income</b>	<b>Total</b>
	<b>Special capital incentive and Subsidy</b>	<b>Profit on re-issue of forfeited shares</b>	<b>Securities Premium account</b>	<b>General Reserve</b>	<b>Retained Earnings</b>		
Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2016 (a)	53.30	0.01	41.67	6,500.00	5,320.38	-	11,915.35
Profit for the year	-	-	-	-	829.27	-	829.27
<b>Items of OCI for the year, net of tax</b>							
Remeasurement gain/(loss) of defined benefit plans	-	-	-	-	-	0.44	0.44
Fair value changes on cash flow hedge, net of tax	-	-	-	-	-	30.45	30.45
<b>Total Comprehensive Income (b)</b>	-	-	-	-	<b>829.27</b>	<b>30.89</b>	<b>860.16</b>
Appropriation during the year							
Dividends	-	-	-	-	(133.33)	-	(133.33)
Tax on dividend	-	-	-	-	(27.14)	-	(27.14)
<b>Total of Appropriations (c)</b>	-	-	-	-	<b>(160.48)</b>	-	<b>(160.48)</b>
<b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March, 2017 (a+b+c)=(d)</b>	<b>53.30</b>	<b>0.01</b>	<b>41.67</b>	<b>6,500.00</b>	<b>5,989.17</b>	<b>30.89</b>	<b>12,615.04</b>
Profit for the year	-	-	-	-	98.28	-	98.28
<b>Items of OCI for the year, net of tax</b>							
Remeasurement gain / (loss) of defined benefit plans	-	-	-	-	-	63.11	63.11
Fair value changes on cash flow hedge, net of tax	-	-	-	-	-	(50.44)	(50.44)
<b>Total Comprehensive Income (e)</b>	-	-	-	-	<b>98.28</b>	<b>12.66</b>	<b>110.94</b>
Appropriation during the year							
Dividends	-	-	-	-	(133.33)	-	(133.33)
Tax on dividend	-	-	-	-	(27.14)	-	(27.14)
<b>Total of Appropriations (f)</b>	-	-	-	-	<b>(160.48)</b>	-	<b>(160.48)</b>
<b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March, 2018 (d+e+f)</b>	<b>53.30</b>	<b>0.01</b>	<b>41.67</b>	<b>6,500.00</b>	<b>5,926.97</b>	<b>43.55</b>	<b>12,565.50</b>

As per our Report of even date

**For DKP & Associates**

Chartered Accountants

Firm Registration No. 126305W

**D. K. Doshi**

Partner

Membership no. 037148

Place : Mumbai,

 Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President &amp; Chief Financial Officer &amp; Company Secretary

Place : Mumbai

 Date : 26<sup>th</sup> May, 2018

**CORPORATE INFORMATION**

GRP Limited (the 'Company') is a public limited Company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is situated at Plot No.8, GIDC Estate, Ankleshwar - 393 002, Dist. Bharuch, Gujarat, India.

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

**1 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**  
**SIGNIFICANT ACCOUNTING POLICIES:**

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

**1.1 Basis of preparation and presentation of financial statements:**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

For all periods up to and including the year ended 31<sup>st</sup> March, 2017, the Company had prepared its financial statements in accordance with Indian Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These financial statements are company's first Ind AS standalone financial statements. Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and financial performance is given in Note 50.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements. These financial statements are presented in Indian Rupees, which is also its functional currency.

**1.2 Current / Non-current classification:**

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**1.3 Summary of Significant Accounting policies**
**(A) Property, Plant and Equipment**
**Tangible assets:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Expenses directly attributable to new manufacturing facility during its construction period including borrowing costs are capitalized, if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Gains or losses arising from derecognition of 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.

**Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

**Depreciation:**

Depreciation on 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 and 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.

**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

**(B) Finance Costs:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss for the period in which they are incurred.

**(C) Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company for its business, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable its borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss for the period in which they are incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Asset Category	Useful life	Basis for charging Depreciation
Office Building	60	Life as prescribed under Schedule-II of the Companies Act, 2013

Though the company measures investment property using cost based measurement, the fair value of investment property is disclosed in the note 2C. Fair values are determined based on an annual evaluation performed by an external independent valuer.

**(D) Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(E) 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.

**(F) Tax Expenses:**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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.

**Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

**(G) 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.

**(H) Financial Instruments:**

**1 Financial Assets**

**a Initial recognition and measurement:**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

**b Subsequent measurement**

**I Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**II Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**III Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**c Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**2 Financial Liabilities**

**a Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings, net of directly attributable cost. Cost of recurring nature are directly recognised in profit or loss as finance cost.

**b Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**3 Derivative Financial Instruments**

The Company uses various derivative financial instruments such as currency swaps and forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**4 Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(I) Fair Value:**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**(J) Investment in Subsidiary and Associate Companies:**

The Company has elected to recognize its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 3.

**(K) Revenue Recognition:**

- (i) Revenue from Domestic Sales is 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) Credits on account of Duty drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- (v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable
- (vi) Dividend income is recognized when the right to receive dividend is established.

**(L) Foreign currency transactions and translation:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

**(M) Employees Benefits:****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.

Post Employment Employee Benefits :

**(i) Defined Contribution Plans :****(a) Provident Fund:**

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

**(b) 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 ₹ 1.50 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.

**(ii) Defined Benefit Plans:****(a) Gratuity:**

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

**(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 and loss.

**(N) Lease:****As a lessee:**

Lease agreements where the risk & rewards, incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the profit and loss statement on straight line basis over the lease term.

Leasehold land where the period of lease is upto 20 years is classified as operating lease. All other lease of land are classified as Financial Lease

**As a lessor:**

The company has leased premises where the company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit and 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 and loss in the period in which they are incurred.

**(O) Research and Development:**

Revenue expenditure on Research and Development is charged in the period in which it is incurred. Capital Expenditure for Research and Development is capitalised when commissioned and included in the Plant, Property and Equipment and depreciated in accordance with the policies stated for Property, Plant and Equipment.

**(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 nor disclosed in the financial statements.

**(Q) Segment reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**(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 original maturity of three months or less.

#### 1.4 Key accounting estimates and judgements

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a) Depreciation/amortisation and useful lives of property plant and equipment/intangible assets**

Property, plant and equipment/intangible assets are depreciated/amortised over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**c) Defined benefit obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 38, 'Employee benefits'.

**d) Income Tax:**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer Note 34).

**e) Impairment of financial assets:**

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

#### 1.5 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

**(A) Issue of Ind AS 115 - Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

**(B) Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- (i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- (ii) Ind AS 40 - Investment Property
- (iii) Ind AS 12 - Income Taxes



NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

(iv) Ind AS 28 - Investments in Associates and Joint Ventures and

(v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

**2 PROPERTY, PLANT AND EQUIPMENT****2 A TANGIBLE ASSETS**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2017	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Lease hold Land	929.46	-	-	-	929.46	48.33	9.41	-	-	57.75	871.71	881.13
Roads	505.41	8.54	-	-	513.95	257.72	51.19	-	-	308.91	205.04	247.69
Buildings	6,231.69	47.14	-	-	6,278.83	1,130.78	179.42	-	-	1,310.20	4,968.63	5,100.91
Plant and Machinery	13,946.19	481.67	(107.11)	(5.77)	14,314.96	7,724.51	988.42	(76.25)	(5.75)	8,630.94	5,684.03	6,221.67
Furniture & Fixtures	385.15	4.45	-	-	389.60	213.46	35.62	-	-	249.07	140.53	171.69
Office equipments	194.75	12.71	(0.24)	-	207.23	135.47	15.43	(0.12)	-	150.77	56.46	59.28
Computer Hardware	148.82	3.84	-	-	152.66	124.18	9.18	-	-	133.36	19.30	24.64
Vehicles	234.33	1.78	(77.97)	-	158.14	87.89	21.77	(59.09)	-	50.57	107.57	146.43
Material Handling Vehicles	35.48	35.31	-	5.77	76.57	1.68	7.74	-	5.75	15.17	61.40	33.80
<b>Total</b>	<b>22,611.27</b>	<b>595.45</b>	<b>(185.32)</b>	<b>-</b>	<b>23,021.40</b>	<b>9,724.02</b>	<b>1,318.18</b>	<b>(135.46)</b>	<b>-</b>	<b>10,906.74</b>	<b>12,114.66</b>	<b>12,887.24</b>

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2016	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
Lease hold Land	929.46	-	-	-	929.46	38.92	9.41	-	-	48.33	881.13	890.54
Roads	505.41	-	-	-	505.41	198.25	59.47	-	-	257.72	247.69	307.16
Buildings	6,177.24	54.45	-	-	6,231.69	952.88	177.90	-	-	1,130.78	5,100.91	5,224.36
Plant and Machinery	12,758.48	1,188.97	(0.58)	(0.69)	13,946.19	6,678.73	1,046.75	(0.58)	(0.39)	7,724.51	6,221.67	6,079.75
Furniture & Fixtures	381.96	4.19	-	(1.00)	385.15	174.44	39.22	-	(0.20)	213.46	171.69	207.52
Office equipments	181.28	13.90	(2.46)	2.03	194.75	122.28	14.51	(2.22)	0.90	135.47	59.28	59.00
Computer Hardware	146.17	10.67	(7.69)	(0.34)	148.82	121.67	10.19	(7.38)	(0.30)	124.18	24.64	24.50
Vehicles	127.70	107.01	(0.38)	-	234.33	72.65	15.61	(0.36)	-	87.89	146.43	55.05
Material Handling Vehicles	-	35.48	-	-	35.48	-	1.68	-	-	1.68	33.80	-
<b>Total</b>	<b>21,207.69</b>	<b>1,414.67</b>	<b>(11.10)</b>	<b>-</b>	<b>22,611.27</b>	<b>8,359.83</b>	<b>1,374.73</b>	<b>(10.54)</b>	<b>-</b>	<b>9,724.02</b>	<b>12,887.24</b>	<b>12,847.87</b>

**Notes:**

1 Addition to property, plant and equipment includes exchange difference arising on revaluation of foreign currency term loan and principal only swap (POS) rupee loans.

Particulars	FY 2017-18	FY 2016-17
Buildings	-	4.48
Plant and Machinery	-	6.42
<b>Total</b>	<b>-</b>	<b>10.90</b>

2 Refer to note 17 for information on Property, plant & equipment pledged as security by the Company.

3 Refer to note 36 for disclosure of contractual commitments for the acquisition of Property, plant & equipment.

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

**2 B CAPITAL WORK IN PROGRESS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Factory Building	4.67	11.61	12.13
Plant & Machinery	136.20	124.62	129.09
Other Assets	80.85	69.42	36.65
<b>Total</b>	<b>221.72</b>	<b>205.64</b>	<b>177.87</b>

**Notes:**

1. Addition to capital work in progress includes exchange difference arising on revaluation of foreign currency term loan and principal only swap (POS) rupee loans.

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Plant and Machinery	-	-	0.88

2. Addition to capital work in progress includes borrowing cost on Term Loan.

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Plant and Machinery	7.25	14.03	9.95
Other Assets	-	14.69	9.44
<b>Total</b>	<b>7.25</b>	<b>28.72</b>	<b>19.39</b>

**2 C INVESTMENT PROPERTY**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value		
	As at 01-04-2017	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017	
Buildings	138.23	-	-	-	138.23	24.02	2.32	-	-	26.35	111.88	114.21	

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value		
	As at 01-04-2016	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016	
Buildings	138.23	-	-	-	138.23	21.70	2.32	-	-	24.02	114.21	116.53	

Information regarding Income & Expenditure of Investment Property

	FY 2017-18	FY 2016-17
Rental Income derived from Investment Property	4.32	25.32
Direct Operating expenses (including repairs and maintenance) generating rental income	(0.22)	(1.23)
Direct Operating expenses (including repairs and maintenance) that did not generate rental income	(1.71)	-
<b>Profit from investment properties before depreciation</b>	<b>2.38</b>	<b>24.09</b>
Depreciation	(2.32)	(2.32)
<b>Profit from investment properties</b>	<b>0.06</b>	<b>21.77</b>

As at 31 March 2018, 31 March 2017 and 1 April 2016, the fair values of the properties are based on valuations performed by an independent valuer.

The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**Fair Value of the Investment Property is as under :**

Fair Value	Office Building
Balance as at 1 April 2016	260.05
Fair value difference for the year	14.86
Purchases	-
Balance as at 31 March 2017	274.91
Fair value difference for the year	22.29
Purchases	-
Balance as at 31 March 2018	297.20

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

Particulars	Valuation Techniques	Significant unobservable inputs	Range of change in fair value per 5% (+/-) change in rate per sq. mtr.		
			As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Office Building	Sale Comparison Technique	Sales price of similar properties adjusted for peculiar factors of the property valued	14.86	13.75	13.00

Leasing arrangements

Investment property is leased to tenant under operating lease with rentals payable on monthly basis.

The future minimum estimated lease rental income is as follows	FY 2017-18	FY 2016-17	FY 2015-16
Not later than 1 year	-	10.80	12.36
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-

**2 D INTANGIBLE ASSETS**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2017	Additions	Deduction	Adjustments / Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments / Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Computer Software	217.62	-	-	-	217.62	179.01	17.93	-	-	196.94	20.69	38.61
Copyrights	11.06	-	-	-	11.06	2.70	1.11	-	-	3.81	7.25	8.36
<b>Total</b>	<b>228.69</b>	-	-	-	<b>228.69</b>	<b>181.71</b>	<b>19.03</b>	-	-	<b>200.75</b>	<b>27.94</b>	<b>46.97</b>

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2016	Additions	Deduction	Adjustments / Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments / Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
Computer Software	217.62	-	-	-	217.62	160.24	18.77	-	-	179.01	38.61	57.38
Copyrights	11.06	-	-	-	11.06	1.60	1.11	-	-	2.70	8.36	9.47
<b>Total</b>	<b>228.69</b>	-	-	-	<b>228.69</b>	<b>161.84</b>	<b>19.87</b>	-	-	<b>181.71</b>	<b>46.97</b>	<b>66.85</b>

**2 E INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Trademark, Brand and Patents	14.10	13.25	18.28

**3 NON CURRENT FINANCIAL ASSETS : INVESTMENT**

	Face Value (in ₹)	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)
<b>At Cost</b>							
<b>Investment in Unquoted Equity instruments, Fully paid up</b>							
<b>Investment in subsidiaries</b>							
Grip Polymers Ltd.	10	50,000	1.01	50,000	1.01	50,000	1.01
<b>Investment in Joint Ventures</b>							
Marangoni GRP Pvt. Ltd.	1	60,34,075	73.83	46,85,350	46.85	-	-
<b>Other Investments</b>							
Narmada Clean Tech (Formerly known as Bharuch Eco-aqua Infrastructure Ltd.)	10	1,29,000	12.90	1,29,000	12.90	1,29,000	12.90
Iris Ecopower Venture Pvt. Ltd.	10	4,12,500	41.25	6,32,500	63.25	5,32,500	53.25
OPGS Power Gujarat Pvt. Ltd.	0.1	2,80,000	0.56	-	-	-	-
<b>Total</b>			<b>129.55</b>		<b>124.01</b>		<b>67.16</b>

Notes

**Category-wise Non current investment**

Aggregate amount of unquoted investments (at cost)	129.55	124.01	67.16
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**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

4 NON CURRENT FINANCIAL ASSETS : LOANS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Unsecured Considered Good</b>			
Loan to Subsidiary Company (Refer Note 11 & 39)	373.17	362.08	140.00
<b>Total</b>	<b>373.17</b>	<b>362.08</b>	<b>140.00</b>

Nature of loans given to subsidiary	As at 31-03-2018	Maximum Balance during the year	As at 31-03-2017	Maximum Balance during the year
<b>Non Current</b>				
Grip Polymers Ltd	373.17	373.17	362.08	362.08
<b>Current</b>				
Grip Polymers Ltd	94.08	94.08	45.92	45.92
<b>Total</b>	<b>467.25</b>	<b>467.25</b>	<b>408.00</b>	<b>408.00</b>

All the above loans and advances have been given for business purposes

Loans and Advances shown above, fall under the category of Non-Current Financial Assets : Loans are re-payable within 3 years

5 OTHER NON CURRENT ASSETS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Leasehold Land	5.29	5.74	6.19
Capital Advances	51.61	38.44	127.69
Advances other than capital advances			
- Security Deposits	278.77	227.35	277.28
- Other Advances & Deposits	1.96	1.55	1.55
Prepaid Expenses (Refer note 14)	21.09	24.09	4.98
MAT credit entitlement	-	222.47	280.53
<b>Total</b>	<b>358.72</b>	<b>519.64</b>	<b>698.23</b>

6 INVENTORIES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Raw Materials	1,528.34	2,320.31	1,693.69
Work-in-progress	401.35	428.63	366.41
Finished goods			
- In hand	535.06	884.60	707.29
- In transit	550.00	556.04	352.75
Stores and spares	228.62	208.50	133.60
Fuel Materials	17.58	23.44	10.67
Packing Materials	55.62	65.13	35.70
Stock of Others	18.09	14.16	13.85
<b>Total</b>	<b>3,334.66</b>	<b>4,500.83</b>	<b>3,313.97</b>

Note : Inventories written down to net realisable value during the year 2017-2018 ₹ 61.02 Lakh (2016-2017 ₹ 89.02 & 2015-2016 ₹ 68.12 Lakh).

7 CURRENT FINANCIAL ASSETS : INVESTMENTS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
7 years National Savings Certificates (Deposited with Central Excise Authority)	-	0.08	0.08
<b>Total</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>

Notes

Aggregate amount of unquoted investments (at amortised cost) - 0.08 0.08

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

8	CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Unsecured, considered good	5,124.71	4,823.27	5,445.33
	Unsecured, considered doubtful	7.70	7.65	2.40
		5,132.41	4,830.92	5,447.73
	Less: Allowance for unsecured bad and doubtful debts	(7.70)	(7.65)	(2.40)
	<b>Total</b>	<b>5,124.71</b>	<b>4,823.27</b>	<b>5,445.33</b>

Movement of Impairment Allowance (allowance for bad and doubtful debts)

Particulars	FY 2017-18	FY 2016-17
<b>Impairment Allowance</b>		
Opening Balance	7.65	2.40
Provided during the year	2.30	5.25
Amount Written back	(0.79)	-
Amount Written Off	(1.45)	-
Closing Balance	7.70	7.65

9	CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Balances with Banks			
	- In Current Accounts	12.56	20.52	56.36
	- In Cash Credit Accounts	-	-	42.45
	- In EEFC Accounts	75.31	11.95	95.22
	Cash on hand	1.65	2.72	3.63
	<b>TOTAL</b>	<b>89.52</b>	<b>35.18</b>	<b>197.67</b>

10	CURRENT FINANCIAL ASSETS : OTHER BANK BALANCES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	<b>Other Bank Balances</b>			
	Unclaimed dividend accounts	10.50	10.61	11.08
	Term deposits held as margin money against bank guarantee and other commitments	13.41	13.22	31.32
	<b>TOTAL</b>	<b>23.91</b>	<b>23.84</b>	<b>42.40</b>

11	CURRENT FINANCIAL ASSETS : LOANS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	<b>Unsecured Considered Good</b>			
	Loan to Subsidiary company (Refer note 4 & 39)	94.08	45.92	-
	<b>TOTAL</b>	<b>94.08</b>	<b>45.92</b>	<b>-</b>

12	CURRENT FINANCIAL ASSETS : OTHERS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Accrued Interest Income	94.73	53.50	27.72
	Forex Forward Contract (Net)	-	64.10	-
	<b>TOTAL</b>	<b>94.73</b>	<b>117.60</b>	<b>27.72</b>

13	CURRENT TAX ASSETS (NET)	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Opening Balance	-	62.63	(36.98)
	Add: Provision for Income-tax for the year	-	(257.74)	(225.54)
	Less: Advance Tax Paid	-	260.65	325.15
	<b>Closing Balance</b> (refer note 26)	<b>-</b>	<b>65.54</b>	<b>62.63</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

14 OTHER CURRENT ASSETS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Advances other than capital advances	321.51	210.55	212.69
Security Deposits	9.38	1.70	1.01
Deposit with Central Excise	15.13	101.14	71.02
Input GST Credit	498.11	-	-
Prepaid Expenses (Refer note 5)	50.17	51.85	52.28
Receivable from LIC (Gratuity claim)	5.82	6.50	6.84
Duty drawback Receivable	41.59	52.56	16.81
<b>Total</b>	<b>941.71</b>	<b>424.29</b>	<b>360.66</b>

15 EQUITY	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Authorized			
15,00,000 equity shares of ₹ 10 each	150.00	150.00	150.00
Issued, Subscribed and fully Paid up			
13,33,333 equity shares of ₹ 10 each	133.33	133.33	133.33
<b>Total</b>	<b>133.33</b>	<b>133.33</b>	<b>133.33</b>

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)
At the beginning of the year	13,33,333	133.33	13,33,333	133.33	13,33,333	133.33
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	13,33,333	133.33	13,33,333	133.33	13,33,333	133.33

**Rights, preferences and restrictions attached to shares**

- 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.
- 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.

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

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Shares (Nos)	% of Holding	Shares (Nos)	% of Holding	Shares (Nos)	% of Holding
Mrs. Meera Philip	81,666	6.12%	81,666	6.12%	81,666	6.12%

16 OTHER EQUITY	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Capital reserve</b>			
<b>Special capital incentive and subsidy</b>			
Balance as per last Balance sheet	53.30	53.30	53.30
<b>Profit on re-issue of forfeited shares</b>			
Balance as per last Balance sheet	0.01	0.01	0.01
<b>Securities Premium account</b>			
Balance as per last Balance sheet	41.67	41.67	41.67
<b>General Reserve</b>			
Balance as at beginning of the year	6,500.00	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>6,500.00</b>

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

OTHER EQUITY	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Retained Earnings</b>			
As per last Balance sheet	5,989.17	5,320.38	5,018.73
Add: Profit for the year	98.28	829.27	801.65
Less: Appropriations :			
Dividend on Equity Shares (Dividend per Share ₹ 10, Previous year ₹ 10)	(133.33)	(133.33)	-
Tax on Dividend	(27.14)	(27.14)	-
Transfer to general reserve	-	-	(500.00)
<b>Balance as at the end of the year</b>	<b>5,926.97</b>	<b>5,989.17</b>	<b>5,320.38</b>
<b>Other Comprehensive Income (OCI)</b>			
As per last Balance sheet	30.89	-	-
Add: Movement in OCI (Net) during the year	12.66	30.89	-
<b>Balance as at the end of the year</b>	<b>43.55</b>	<b>30.89</b>	<b>-</b>
<b>Total</b>	<b>12,565.50</b>	<b>12,615.04</b>	<b>11,915.35</b>

**Description of nature and purpose of each reserve**

**General Reserve** - General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Capital Reserve** - Capital reserve represents Special Capital subsidy received and profit on re-issue of forfeited shares

**Securities Premium Reserve** - Securities premium reserve is used to record the premium on issue of shares.

17 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Current Maturity			Non - Current portion		
<b>Secured - At Amortised Cost</b>						
Term Loans from Banks						
- Foreign Currency Loan	-	-	597.99	-	-	-
- Rupee Loan	554.84	471.59	589.27	475.25	1,030.09	938.54
	<b>554.84</b>	<b>471.59</b>	<b>1,187.26</b>	<b>475.25</b>	<b>1,030.09</b>	<b>938.54</b>
<b>Unsecured - At Amortised Cost</b>						
Deferred Payment Liability	18.12	16.75	-	29.63	47.75	-
Deferred Sales Tax payments	-	-	0.73	-	-	-
	<b>18.12</b>	<b>16.75</b>	<b>0.73</b>	<b>29.63</b>	<b>47.75</b>	<b>-</b>
	<b>572.96</b>	<b>488.34</b>	<b>1,187.99</b>	<b>504.88</b>	<b>1,077.84</b>	<b>938.54</b>
<b>Amount disclosed under the head Current Financial Liabilities : Others (refer note 23)</b>	(572.96)	(488.34)	(1,187.99)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>504.88</b>	<b>1,077.84</b>	<b>938.54</b>

1 Borrowings are measured at amortised Cost

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

- Foreign currency loan from Citi Bank, N.A. of ₹ Nil (31-Mar-2017: ₹ Nil; 01-Apr-2016 : ₹ 597.99 Lakh) for Perundurai factory, in Tamil Nadu**  
First exclusive charge by way of hypothecation of entire movable & immovable property, plant and equipment 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 (31-Mar-2017 : ₹ Nil; 01-Apr-2016 : ₹ 480.00 Lakh) for Factory (Phase II) at Chincholi, Solapur**  
First exclusive charge by way of hypothecation of entire movable property, plant and equipment 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 ₹ 358.84 Lakh (31-Mar-2017: ₹ 717.68 Lakh; 01-Apr-2016: ₹ 1047.81 Lakh) for Capex**  
First exclusive charge by way of hypothecation of plant & machinery acquired 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 instalments beginning from May 13, 2016 along with interest @ 10.05% p.a. (31-Mar-2017: 10.45% p.a., 01-Apr-2016: 10.50% p.a.).

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

**5 Rupee loan from Citi Bank, N.A. of ₹ 671.25 Lakh (31-Mar-2017: ₹ 784.00 Lakh; 01-Apr-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 instalments beginning from July 11, 2017 along with interest @ 10.20% p.a.

**6 Deferred Payment Liability**

- (a) Vehicle loan of ₹ 18.28 Lakh (31-Mar-2017: ₹ 26.45 Lakh; 01-Apr-2016: ₹ Nil) is secured by vehicles under hypothecation with bank. Loan is repayable in 36 monthly instalments beginning from April 2017 along with interest @ 8.51% p.a.
- (b) Vehicle loan of ₹ 29.47 Lakh (31-Mar-2017: ₹ 38.05 Lakh; 01-Apr-2016: ₹ Nil) is secured by vehicles under hypothecation with NBFC. Loan is repayable in 48 monthly instalments from March 2017 along with interest @ 8.27% p.a.

**7 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.

**8 For explanation on the company's Interest risk and foreign currency risk refer Note 46**

18 NON CURRENT FINANCIAL LIABILITIES : OTHERS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Mark to market on derivative instruments	-	-	41.64
<b>Total</b>	<b>-</b>	<b>-</b>	<b>41.64</b>

19 NON CURRENT LIABILITIES : PROVISIONS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for Leave encashment (Refer note 25)	71.52	61.99	60.87
Provision for Gratuity payment (Refer note 25)	-	-	-
<b>Total</b>	<b>71.52</b>	<b>61.99</b>	<b>60.87</b>

20 DEFERRED TAX LIABILITIES (NET):	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
At the start of the year	2,412.69	2,332.23	2,394.69
Charge/(credit) to Statement of Profit and Loss	(188.77)	65.20	(62.46)
Charge/(credit) to Other Comprehensive Income	(26.70)	15.26	-
At the end of year	<b>2,197.22</b>	<b>2,412.69</b>	<b>2,332.23</b>

Component of Deferred tax liabilities / (asset)	As at 31-03-2017	Charge / (credit) to Profit and Loss	Charge / (credit) to Other Compre- hensive Income	As at 31-03-2018
Deferred tax liabilities / (asset) in relation to:				
Property, plant and equipment	2,484.23	(179.66)	-	2,304.58
Financial assets	12.65	(32.40)	-	(19.74)
Loan and advances	2.82	17.51	-	20.33
Provisions	(87.02)	5.77	-	(81.25)
Others	-	-	(26.70)	(26.70)
<b>Total</b>	<b>2,412.69</b>	<b>(188.77)</b>	<b>(26.70)</b>	<b>2,197.22</b>

21 CURRENT FINANCIAL LIABILITIES : BORROWINGS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Secured - At Amortised Cost			
Working Capital Loan payable on demand from banks			
Foreign Currency Loan	3,223.26	3,630.45	3,799.75
Rupee Loan	1,303.37	1,325.43	774.44
<b>Total</b>	<b>4,526.64</b>	<b>4,955.88</b>	<b>4,574.19</b>



NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

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

## 1 Working Capital Loan from HDFC Bank Ltd of ₹ 2,889.29 Lakh (31-Mar-2017: ₹ 3,358.76 Lakh; 01-Apr-2016: ₹ 2,828.94 Lakh)

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

## 2 Working Capital loan from Citi Bank N. A. of ₹ 1,637.34 Lakh (31-Mar-2017: ₹ 1,597.12 Lakh; 01-Apr-2016: ₹ 1,745.25 Lakh)

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 property, plant and equipment situated at Ankleshwar & Panoli Plant, District Bharuch, Gujarat at par with other banks.

## 3 For explanation on the company's Interest risk and foreign currency risk refer Note 46

22	CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Due to Micro, Small and Medium Enterprises	154.72	119.54	114.48
	Due to Others	1,395.03	1,440.52	1,245.92
	<b>Total</b>	<b>1,549.75</b>	<b>1,560.06</b>	<b>1,360.41</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 31-03-2018	As at 31-03-2017	As at 01-04-2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount outstanding (whether due or not) to micro and small enterprises	154.72	119.54	114.48
- Interest due thereon	0.17	1.36	0.08
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006.	-	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-	-
Amount of interest due and payable on delayed payments	6.65	2.19	2.75
Amount of interest accrued and remaining unpaid as at year end	13.20	6.38	2.83
The amount of further interest due and payable even in the succeeding year	-	-	-

23	CURRENT FINANCIAL LIABILITIES : OTHERS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Current maturities of Long-term borrowings (Refer note 17)	572.96	488.34	1,187.99
	Interest accrued and due on borrowings	11.46	20.17	26.36
	Unclaimed Dividend (refer note below)	10.50	10.61	11.08
	Creditors for Capital Goods & Services	20.54	132.39	195.33
	Forex Forward Contract (Net)	45.99	-	-
	Mark to market provision on derivative instruments	-	-	41.64
	Deposit from Dealers	60.40	60.40	60.40
	Security Deposit for Let out property	0.25	10.00	10.37
	<b>Total</b>	<b>722.10</b>	<b>721.91</b>	<b>1,533.17</b>

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31<sup>st</sup> March, 2018.

24	OTHER CURRENT LIABILITIES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Advances from customers	58.79	17.02	34.26
	Statutory dues	79.34	209.06	162.24
	Others	321.08	322.42	290.26
	<b>Total</b>	<b>459.21</b>	<b>548.50</b>	<b>486.76</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

25	<b>CURRENT LIABILITIES : PROVISIONS</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Current maturities of Long-term provisions of Employees Benefit expenses (Refer note 19)			
	- Provision for Leave encashment	11.37	11.09	8.81
	- Provision for Gratuity payment	-	-	2.44
	Other Provisions	277.83	211.28	195.49
	<b>Total</b>	<b>289.20</b>	<b>222.37</b>	<b>206.73</b>
26	<b>CURRENT TAX LIABILITIES (NET)</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Opening Balance (Refer note 13)	(65.54)	-	-
	Add: Provision for Income-tax for the year	378.51	-	-
	Add : Tax on defined benefit plans	33.40	-	-
	Less: MAT credit adjusted	(264.47)	-	-
	Less: Advance Tax Paid	(46.19)	-	-
	<b>Closing Balance</b>	<b>35.70</b>	<b>-</b>	<b>-</b>
27	<b>REVENUE FROM OPERATIONS:</b>	Year ended 31-03-2018	Year ended 31-03-2017	
	Revenue from Operations (Gross)	31,040.47	31,129.80	
	Less: Goods & Service Tax	1,225.94	-	
	Revenue from Operations	29,814.53	31,129.80	
	Power generation from Windmill	69.78	76.28	
	Export incentives	305.90	290.19	
	<b>Total</b>	<b>30,190.21</b>	<b>31,496.26</b>	
	Consequent to introduction of Goods and Service Tax (GST) w.e.f. 1 <sup>st</sup> July 2017, Revenue for the year ended 31-Mar-2018 is presented net of GST in compliance with Indian Accounting Standard (Ind AS) -18 Revenue. The Revenue from Operations for the year ended 31-Mar-2017 are inclusive of excise duty and accordingly those are not comparable with the Revenue from Operations for the year ended 31-Mar-2018 to that extent.			
28	<b>OTHER INCOME:</b>	Year ended 31-03-2018	Year ended 31-03-2017	
	Interest Income	62.09	50.13	
	Rent Income	4.32	25.32	
	Royalty Income	0.24	-	
	Income from Services rendered	-	18.00	
	Net Gain on foreign currency transactions and translation	-	161.26	
	Net Gain on Sale of Property, Plant and Equipment	-	0.92	
	Others	40.15	42.24	
	<b>Total</b>	<b>106.80</b>	<b>297.88</b>	
29	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:</b>	Year ended 31-03-2018	Year ended 31-03-2017	
	<b>Stock at the beginning 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	
	<b>A)</b>	<b>1,869.28</b>	<b>1,426.45</b>	
	<b>Stock at the end of the year:</b>			
	Finished goods	535.06	884.60	
	Goods-in-transit (Finished Goods)	550.00	556.04	
	Work-in-progress	401.35	428.63	
	<b>B)</b>	<b>1,486.41</b>	<b>1,869.28</b>	
	<b>Total (A) - (B)</b>	<b>382.87</b>	<b>(442.83)</b>	

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

	Year ended 31-03-2018	Year ended 31-03-2017
<b>30 EMPLOYEE BENEFITS EXPENSES:</b>		
Salaries and Wages	4,581.72	4,682.39
Contribution to Provident fund and Other funds	400.49	328.98
Staff Welfare and other benefits	217.06	286.61
<b>Total</b>	<b>5,199.27</b>	<b>5,297.98</b>
<b>31 FINANCE COST:</b>		
Interest on Term & Working Capital Loans*	366.59	314.67
Interest on Other Loans	17.60	10.42
Financial Charges	45.41	45.82
<b>Total</b>	<b>429.60</b>	<b>370.91</b>
* Interest Expenses are net of Interest Capitalised of ₹ 7.25 Lakh (Previous year ₹ 28.72 Lakh) (Refer note 2B-2)		
<b>32 DEPRECIATION AND AMORTIZATION EXPENSES:</b>		
Depreciation on Property, Plant & Equipment	1,314.33	1,370.88
Depreciation on Investment Property	2.32	2.32
Amortisation of Intangible Assets	19.03	19.87
<b>Total</b>	<b>1,335.69</b>	<b>1,393.08</b>
<b>33 OTHER EXPENSES:</b>		
<b>Manufacturing Expenses</b>		
Packing Material consumed	868.15	882.44
Stores and Spare Parts Consumed	554.25	451.90
Power, Fuel & Water Consumed:-		
- Power Consumption	3,492.53	3,517.73
- Fuel Consumption	645.08	567.76
- Water Consumption	40.76	42.52
Repairs & Maintenance Expenses:-		
- Plant & Machineries	325.76	254.28
- Factory Buildings	47.05	20.57
<b>Sales &amp; Distribution expenses</b>		
Freight & Forwarding expenses	2,170.34	1,809.64
Other Selling and Distribution expenses	56.16	110.26
<b>Administration &amp; Other Expenses</b>		
Insurance	37.13	43.69
Vehicle Expenses	94.76	83.39
Printing & Stationery	17.52	18.63
Advertisements	3.20	3.00
Rent, Lease Rent & Other Charges	0.62	0.62
Repairs to Other Assets	103.06	105.27
Legal & Professional charges	175.92	139.27
Travelling & Conveyance	158.38	170.19
Postage & Telephones	28.89	27.91
Provision for Doubtful Debts	1.50	5.25
Net Loss on foreign currency transactions and translation	42.26	-
Auditors Remuneration (Refer note 35)	1.28	12.62

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

<b>OTHER EXPENSES:</b>	<b>Year ended 31-03-2018</b>	<b>Year ended 31-03-2017</b>
Directors' Sitting Fees	5.20	7.54
Commission to Director	4.50	14.19
Rate and Taxes	15.18	13.26
Corporate Social Responsibility Expense (Refer note 42)	28.92	30.59
Factory / Office Expenses	41.43	28.69
Office electricity expenses	14.69	13.77
Other Expenses	143.07	90.43
Net Loss on Sale of Property, Plant and Equipment	9.99	-
Variation in CED on Stock of finished goods	(91.57)	22.54
<b>Total</b>	<b>9,036.02</b>	<b>8,487.92</b>

**34 INCOME TAX:**

A The note below details the major components of income tax expenses for the year ended 31-Mar-18 and 31-Mar-17. The note further describes the significant estimates made in relation to company's income tax position and also explains how the income tax expense is impacted by non-assessable and non-deductible items.

<b>Particulars</b>	<b>Year ended 31-03-2018</b>	<b>Year ended 31-03-2017</b>
<b>Current Tax</b>	<b>337.59</b>	<b>306.55</b>
Current Tax	378.51	257.74
MAT Credit Utilised	-	58.06
(Excess) / Short Provision for earlier years	(40.92)	(9.25)
<b>Deferred Tax</b>	<b>(188.77)</b>	<b>65.20</b>
Deferred Tax	(188.77)	65.20
<b>Income tax expense reported in the statement of profit and loss</b>	<b>148.82</b>	<b>371.75</b>
<b>Other Comprehensive Income (OCI)</b>		
Income tax relating to items that will not be reclassified to profit or loss	33.40	0.22
Deferred tax relating to items that will be reclassified to profit or loss	(26.70)	15.04

B Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31-Mar-2018 and 31-Mar-2017.

**Current Tax**

	<b>Year ended 31-03-2018</b>	<b>Year ended 31-03-2017</b>
Accounting profit before income tax expense	247.10	1,201.02
<b>Income tax expense calculated at 34.608% (31 March 2017 : 33.063%)</b>	<b>85.52</b>	<b>397.09</b>
Tax effect of adjustments in calculating taxable income		
- Amortisation of Leasehold land	0.16	0.15
- Corporate Social Responsibility expenses / Donation (net)	5.72	4.50
- Interest on MSMED	2.36	1.17
- Interest/Penalty under Income Tax (TDS/TCS)	0.01	2.20
- (Profit) / Loss On Sale Of Assets	3.46	(0.31)
- Weighted deduction of research & development expenditure (net)	(20.50)	(55.48)
- Effect of difference in tax rates	99.28	-
- (Excess) / Short Provision for earlier years	(40.92)	(9.25)
- Other (allowances) / disallowances	13.74	31.67
	<b>63.30</b>	<b>(25.34)</b>
At the effective Income Tax rate of 60.23% (31 March 2017 : 30.95%)	<b>148.82</b>	<b>371.75</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

35	DETAILS OF PAYMENT TO AUDITORS EXCLUDING TAXES:	Year ended 31-03-2018	Year ended 31-03-2017
	Statutory Audit fees	-	7.07
	Limited Review fees	0.75	-
	Tax Audit fees	-	2.28
	Taxation Matters	-	2.93
	Reimbursement of expenses	0.53	0.33
	<b>Total</b>	<b>1.28</b>	<b>12.62</b>

36	CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :	As at 31-03-2018	As at 31-03-2017
	Guaranteed by Banks not provided for (Net)	350.55	349.60
	Letter of Credit	43.65	4.96
	Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
	- Sales Tax	193.54	0.02
	- Excise Duty & Service Tax	144.88	144.88
	- Income Tax liability	142.45	90.83
	Estimated amount of contracts remaining to be executed on capital account towards PPE	37.63	61.42
	<b>Total</b>	<b>912.69</b>	<b>651.71</b>

37	LEASES:	Year ended 31-03-2018	Year ended 31-03-2017
	<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	51.44	26.28
	(b) Later than 1 year but not later than 5 years	83.10	26.39
	(c) Later than 5 years	-	-
	<b>Premises given on Operating Lease: Refer note 2C</b>		
	<b>Total</b>	<b>134.53</b>	<b>52.66</b>

**38 EMPLOYEE BENEFITS :**

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

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.

**A Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under

	Year ended 31-03-2018	Year ended 31-03-2017
i Employer's Contribution to Provident & Pension Fund	228.29	220.02
ii Employer's Contribution to Superannuation Fund	23.69	19.86

**B Defined Benefit Plans**

Disclosure Statement as Per Indian Accounting Standard 19

**Defined Benefit Gratuity Plan (Funded)**

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 Lakh to 20 Lakh. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

**Defined Benefit Privilege Leave Plan (Unfunded)**

The company operates a defined Privilege Leave plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Management.

	As at	As at	As at	As at
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	Leave Encashment		Gratuity	
	Unfunded		Funded	
<b>i) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	73.07	69.68	573.62	521.55
Current Service Cost	33.26	25.86	50.16	32.87
Past Service Cost	-	-	33.45	-
Interest Cost	5.36	5.63	42.10	41.72
Actuarial (Gain) / Loss	5.93	(6.78)	(122.33)	(2.40)
Benefits Paid	(34.74)	(21.32)	(65.71)	(20.12)
Defined Benefit Obligation at year end	<b>82.89</b>	<b>73.07</b>	<b>511.29</b>	<b>573.62</b>
<b>ii) Reconciliation of opening and closing balances of fair value of Plan Assets</b>				
Fair value of Plan Assets at beginning of year	-	-	582.15	540.94
Expected Return on Plan Assets	-	-	42.73	43.28
Employer Contribution	-	-	36.70	19.80
Benefits Paid	-	-	(65.71)	(20.12)
Actuarial (Gain) / Loss	-	-	(25.82)	(1.74)
Fair value of Plan Assets at year end	-	-	<b>570.05</b>	<b>582.15</b>
<b>iii) Reconciliation of fair value of Assets and Obligations</b>				
Present Value of Benefit Obligation at the end of the Period	-	-	511.29	573.62
Fair value of plan assets as at end of the year	-	-	570.05	582.15
Funded status (Surplus/ (Deficit))	-	-	58.75	8.53
Net (Liability)/Asset Recognized in the Balance Sheet	-	-	<b>58.75</b>	<b>8.53</b>
<b>iv) Expenses recognised during the year</b>				
Current service cost	33.26	25.86	50.16	32.87
Past service cost	-	-	33.45	-
Actuarial (Gains)/Losses on Obligation For the Period	5.93	(6.78)	-	-
Net Interest cost	5.36	5.63	(0.63)	(1.55)
<b>Expenses recognised in the statement of profit and loss account</b>	<b>44.55</b>	<b>24.71</b>	<b>82.98</b>	<b>31.32</b>
Actuarial (Gains)/Losses on Obligation For the Period	-	-	(122.33)	(2.40)
Return on Plan Assets, Excluding Interest Income	-	-	25.82	1.74
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	-	-	<b>(96.50)</b>	<b>(0.66)</b>
<b>v) Actuarial Assumptions</b>				
Discount Rate	7.85%	7.34%	7.85%	7.34%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

**C Sensitivity Analysis**

The key assumption and sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:			
Particulars	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 01-04-2016
Expected Return on Plan Assets	7.85%	7.34%	8.00%
Rate of Discounting	7.85%	7.34%	8.00%
Rate of Salary Increase	5.00%	5.00%	3.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)		

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Delta Effect of +1% Change in Rate of Discounting	(38.26)	(43.92)
Delta Effect of -1% Change in Rate of Discounting	45.09	51.19
Delta Effect of +1% Change in Rate of Salary Increase	45.07	51.89
Delta Effect of -1% Change in Rate of Salary Increase	(38.79)	(45.23)
Delta Effect of +1% Change in Rate of Employee Turnover	11.60	9.43
Delta Effect of -1% Change in Rate of Employee Turnover	(13.38)	(10.78)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**39 RELATED PARTIES DISCLOSURE:**

Sr. No.	Name of Related Party	% Share	Relationship
1	Grip Polymers Ltd. (100 % of total shareholdings held by GRP Ltd.)	100.00%	Direct Subsidiary
2	Grip Surya Recycling LLP (Subsidiary of Grip Polymers Ltd.)	99.97%	Stepdown Subsidiary
3	MARANGONI GRP Private Limited	50.00%	Joint Venture
4	Rajendra V Gandhi; Managing Director		Key Managerial Personnel (KMP)
5	Harsh R Gandhi; Executive Director		
6	Ganesh A Ghangurde; President & Chief Financial Officer & Company Secretary		
7	Nayna R. Gandhi		Relatives of Key Managerial Personnel (KMP)
8	Hemal H. Gandhi		
9	Vaishali R. Gandhi		
10	Nehal R. Gandhi		
11	Mahesh V. Gandhi		
12	Harish V. Gandhi		
13	Mrudula J. Shah		
14	Rekha A. Kothari		
15	Devyani C. Tolia		
16	Varsha H. Shah		
17	Anant G. Ghangurde		
18	Rajendra V. Gandhi HUF		Enterprises over which Key Managerial Personnel are able to exercise significant influence
19	Harsh R. Gandhi HUF		
20	Enarjee Consultancy & Trading Company LLP		
21	Industrial Development and Investment Co. Pvt. Ltd.		
22	Ghatkopar Estate & Finance Corporation Pvt. Ltd.		
23	Alphanso Netsecure Pvt. Ltd.		
24	GRP Employees Group Gratuity Trust		Post Employment Benefit Plans
25	GRP Employees Group Superannuation Scheme		

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

Sr. No.	Particulars	Subsidiaries		Joint Venture		Key Managerial Personnel	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Loan given	59.25	268.00	-	-	-	-
2	Loan outstanding	467.25	408.00	-	-	-	-
3	Interest charged	45.60	28.52	-	-	-	-
4	Interest outstanding (net of TDS)	78.91	37.86	-	-	-	-
5	Shareholding	1.01	1.01	73.83	46.85	-	-
6	Shares subscribed during the year	-	-	26.97	-	-	-
7	Purchase of Goods	623.68	662.14	-	-	-	-
8	Sale of Services	-	-	0.24	18.00	-	-
9	Sale of Scrap / Assets	19.19	-	-	-	-	-
10	Contributions during the year	-	-	-	-	-	-
11	Outstanding Receivable	-	-	21.25	20.94	-	-
12	Outstanding Payable	31.66	3.80	-	-	-	-
13	Remuneration paid	-	-	-	-	312.81	350.15
14	Dividend paid	-	-	-	-	8.26	8.01
15	Sitting Fees Paid	-	-	-	-	-	-

Sr. No.	Particulars	Relatives of Key Managerial Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Post Employment Benefit plans	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Loan given	-	-	-	-	-	-
2	Loan outstanding	-	-	-	-	-	-
3	Interest charged	-	-	-	-	-	-
4	Interest outstanding (net of TDS)	-	-	-	-	-	-
5	Shareholding	-	-	-	-	-	-
6	Shares subscribed during the year	-	-	-	-	-	-
7	Purchase of Goods	-	-	0.67	-	-	-
8	Sale of Services	-	-	-	-	-	-
9	Sale of Scrap / Assets	-	-	-	-	-	-
10	Contributions during the year	-	-	-	-	60.39	39.67
11	Outstanding Receivable	-	-	-	-	-	-
12	Outstanding Payable	-	-	-	-	-	-
13	Remuneration paid	14.86	13.85	-	-	-	-
14	Dividend paid	20.77	21.74	15.47	15.47	-	-
15	Sitting Fees Paid	0.90	1.05	-	-	-	-

## Disclosure in respect of material transactions of the same type with related parties during the year

Sr. No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
1	<b>Loan given</b> - Grip Polymers Ltd	59.25	268.00
2	<b>Loan Outstanding</b> - Grip Polymers Ltd	467.25	408.00
3	<b>Interest charged</b> - Grip Polymers Ltd	45.60	28.52
4	<b>Interest outstanding (net of TDS)</b> - Grip Polymers Ltd	78.91	37.86
5	<b>Shareholding</b>		
	- Grip Polymers Ltd	1.01	1.01
	- MARANGONI GRP Private Limited	73.83	46.85
6	<b>Shares subscribed during the year</b> - MARANGONI GRP Private Limited	26.97	-
7	<b>Purchase of Goods</b> - Gripsurya Recycling LLP	623.68	662.14



**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

Sr. No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
8	<b>Sale of Services</b> - MARANGONI GRP Private Limited	0.24	18.00
9	<b>Sale of Scrap / Assets</b> - Gripsurya Recycling LLP	19.19	-
10	<b>Contributions during the year</b>		
	GRP Employees Group Gratuity Trust	36.70	19.80
	GRP Employees Group Superannuation Scheme	23.69	19.86
11	<b>Outstanding Receivable</b> - MARANGONI GRP Private Limited	21.25	20.94
12	<b>Outstanding Payable</b> - Gripsurya Recycling LLP	31.66	3.80
13	<b>Remuneration paid</b>		
	- Rajendra V Gandhi	93.42	86.70
	- Harsh R Gandhi	135.46	130.14
	- Ganesh A Ghangurde	83.93	103.65
14	<b>Dividend paid</b>		
	- Harsh R Gandhi	5.80	5.75
	- Mahesh V Gandhi	7.41	7.40
	- Rajendra V Gandhi HUF	4.68	4.68
	- Enarjee Consultancy & Trading Company LLP	5.86	5.86
15	<b>Sitting Fees Paid</b>		
	- Mahesh V Gandhi	0.30	0.60
	- Nayna R. Gandhi	0.60	0.45

**Terms and conditions of transactions with related parties**

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

<b>Compensation of Key management personnel</b>			
Sr. No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
1	Short-term employee benefits	286.85	338.43
2	Post-employment benefits	25.96	11.73
3	Other long-term benefits	-	-
4	Termination benefits	-	-
5	Share-based payments	-	-
<b>Total Compensation paid to Key Management personnel</b>		<b>312.81</b>	<b>350.15</b>

40	<b>RESEARCH &amp; DEVELOPMENT ELIGIBLE FOR DEDUCTION UNDER Section 35 (2AB) OF INCOME TAX ACT, 1961</b>	Year ended 31-03-2018	Year ended 31-03-2017
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Accounting for Research & Development expenditure incurred :

(a) Capital Expenditure incurred on Equipments & Machinery	2.90	22.10
(b) Capital Expenditure incurred on Buildings, Furniture, office equipments & Computer Hardware	2.33	0.90
(c) Capital Work in Progress	14.79	9.02
(d) Revenue Expenditure incurred towards the R&D Projects	178.40	209.00

**41 SEGMENT REPORTING:**

The Group has only one principal operating and reporting segment; viz. Reclaim Rubber.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

Sr.	Particulars	Reclaim Rubber		Others		Unallocable		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>1</b>	<b>Segment Revenue</b>								
	Gross Revenue from Operations	30,670.96	30,758.41	745.19	737.86	-	-	31,416.15	31,496.26
	Less: Goods & Service Tax	1,195.88	-	30.06	-	-	-	1,225.94	-
	Net Revenue from Operations	29,475.08	30,758.41	715.13	737.86	-	-	30,190.21	31,496.26
<b>2</b>	<b>Segment Results before Interest &amp; Tax</b>	2,923.29	3,219.33	(117.62)	(86.34)	(2,128.98)	(1,561.07)	676.70	1,571.92
	Less: Interest Expenses	-	-	-	-	429.60	370.91	429.60	370.91
	<b>Profit before Tax</b>	2,923.29	3,219.33	(117.62)	(86.34)	(2,558.58)	(1,931.97)	247.10	1,201.02
	Current Tax	-	-	-	-	337.59	306.55	337.59	306.55
	Deferred Tax	-	-	-	-	(188.77)	65.20	(188.77)	65.20
	<b>Profit After Tax</b>	2,923.29	3,219.33	(117.62)	(86.34)	(2,707.40)	(2,303.72)	98.28	829.27
<b>3</b>	<b>Other Information</b>								
	Segment Assets	18,520.92	20,035.16	2,099.21	1,618.48	2,434.93	2,655.97	23,055.06	24,309.60
	Segment Liabilities	2,275.19	2,246.20	82.56	120.11	7,998.47	9,194.93	10,356.22	11,561.23
	Capital Expenditure	406.10	1,287.68	202.46	34.53	3.81	115.20	612.37	1,437.42
	Depreciation / Amortisation Expenses	1,171.04	1,235.22	77.29	74.63	87.36	83.23	1,335.69	1,393.08

1 The reportable Segments are further described below

- Reclaim Rubber segment includes production and marketing of Reclaim rubber products
- Others segment includes Windmill, Custom Die Forms, Engineering Plastics and Polymer Composite Products.

2 There are transactions with a single external customer which amounts to 10% or more of the Company's revenue.

<b>42 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-03-2018</b>	<b>31-03-2017</b>

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

26.30

30.57

B Amount Spent during the year on:

Particulars	Year 2017-18			Year 2016-17		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	3.03	-	3.03	8.32	-	8.32
ii) On purposes other than (i) above	25.90	-	25.90	22.27	-	22.27
	<b>28.92</b>	<b>-</b>	<b>28.92</b>	<b>30.59</b>	<b>-</b>	<b>30.59</b>

<b>43 EARNINGS PER SHARE:</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31-03-2018</b>	<b>31-03-2017</b>

- Net Profit after tax for the year

98.28

829.27

- Number of equity shares of ₹ 10/- each.

13,33,333

13,33,333

- Earnings per share - Basic

7.37

62.20

- Earnings per share -Diluted

7.37

62.20

- Face value per equity share

10.00

10.00

**44 DISCLOSURE REQUIRED UNDER Section 186(4) 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 3

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

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

Name of the Entity	Relationship	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Grip Polymers Limited	Wholly owned subsidiary	467.25	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.

**45 FAIR VALUATION MEASUREMENT HIERARCHY**
**A CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	Refer Note	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Forward Contract (Net)	12	-	64.10	-
<b>Financial assets measured at amortised cost</b>				
Loan to Subsidiary company	4 & 11	467.25	408.00	140.00
7 years National Savings Certificates	7	-	0.08	0.08
Trade Receivables	8	5,124.71	4,823.27	5,445.33
Cash and cash equivalents	9	89.52	35.18	197.67
Bank balances other than mentioned above	10	23.91	23.84	42.40
Accrued Interest Income	12	94.73	53.50	27.72
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward Contract (Net)	23	45.99	-	-
Currency Swap	18 & 23	-	-	83.27
<b>Financial liabilities measured at amortised cost</b>				
Foreign Currency Term Loan from Banks	17 & 23	-	-	597.99
Rupee Term Loan from Banks	17 & 23	1,030.09	1,501.68	1,527.81
Deferred Payment Liability	17 & 23	47.75	64.50	-
Deferred Sales Tax payments	17 & 23	-	-	0.73
Foreign Currency Working Capital Demand Loan from Banks	21	3,223.26	3,630.45	3,799.75
Rupee Working Capital Demand Loan from Banks	21	1,303.37	1,325.43	774.44
Trade payables	22	1,549.75	1,560.06	1,360.41
Interest accrued and due on borrowings	23	11.46	20.17	26.36
Unclaimed Dividend	23	10.50	10.61	11.08
Creditors for Capital Goods & Services	23	20.54	132.39	195.33
Deposit from Dealers	23	60.40	60.40	60.40
Security Deposit for Let out property	23	0.25	10.00	10.37

The above table does not include financial assets measured at Cost. (Refer Note 3)

**B FAIR VALUE MEASUREMENTS**

(i) The following table provides the fair value measurement hierarchy of the company's financial assets and liabilities:

Financial Assets / Financial Liabilities	Carrying Amount	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
<b>As at 31-03-2018</b>				
<b>Financial liabilities measured at fair value through P&amp;L (FVTPL)</b>				
Forward Contract (Net)	45.99	-	45.99	-
<b>As at 31-03-2017</b>				
<b>Financial assets measured at fair value through P&amp;L (FVTPL)</b>				
Forward Contract (Net)	64.10	-	64.10	-
<b>As at 01-04-2016</b>				
<b>Financial liabilities measured at fair value through P&amp;L (FVTPL)</b>				
Currency Swap	83.27	-	83.27	-

- (ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

#### 46 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Risk Management Policy of the Company formulated by the Risk Management Committee and approved by the Board, states the Company's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Company's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Company's financial performance.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

##### 1) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

##### a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

##### Interest Rate Exposure

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Borrowings</b>			
Long Term Floating Loan	358.84	717.68	2,125.80
Long Term Fixed Loan	719.00	848.50	0.73
Short Term Loan	4,526.64	4,955.88	4,574.19

##### Impact on Interest Expenses for the year on 0.5% change in Interest rate

Changes in rate	Effect on profit before tax		Effect on total equity	
	Year ended 31-03-2018	Year ended 31-03-2017	As at 31-03-2018	As at 31-03-2017
+0.5%	(24.43)	(28.37)	(24.43)	(28.37)
-0.5%	24.43	28.37	24.43	28.37

##### b) Foreign Currency Risk

The company's business objective includes safe-guarding its earnings against foreign exchange. The company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value and Cash Flow hedges. Hedging instruments include forward instruments to achieve this objective.

##### (i) Exposure in foreign currency - Hedged

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under :

Currency	(FC in Lakh)			(₹ in Lakh)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	7.00	1.00	-	570.32	69.29	-
USD	5.00	5.85	-	327.49	379.67	-

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

## (ii) Exposure in foreign currency - Unhedged

Payables	(FC in Lakh)			(₹ in Lakh)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	21.95	30.44	30.43	1,773.48	2,109.38	2,294.31
USD	23.97	25.35	33.38	1,562.32	1,644.09	2,211.82
GBP	-	-	0.23	-	-	21.83

Receivables	(FC in Lakh)			(₹ in Lakh)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	12.06	19.78	25.72	969.38	1,370.50	1,939.35
USD	15.77	18.46	23.95	1,025.94	1,197.31	1,586.76
JPY	23.18	23.35	25.90	14.26	13.55	15.28
THB	0.04	-	-	0.08	-	-
GBP	-	-	1.38	-	-	131.33

## (iii) Sensitivity

The Company is mainly exposed to changes in EUR & USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the EUR / USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Foreign Currency	Change in rate	Effect on profit after tax			Effect on total equity		
		Year 2017-18	Year 2016-17	Year 2015-16	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	+5%	(40.18)	(33.48)	(17.75)	(40.18)	(33.48)	(17.75)
EUR	-5%	40.18	33.48	17.75	40.18	33.48	17.75
USD	+5%	(26.82)	(3.36)	(31.25)	(26.82)	(3.36)	(31.25)
USD	-5%	26.82	3.36	31.25	26.82	3.36	31.25

## c) Other Price Risks:

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. Company has invested in unquoted Equity Instruments and hence its exposure to change in market value is minimal.

## 2) Credit Risk:

Credit risk refers to a risk that a counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk primarily arises from financial asset such as trade receivables and Derivative financial instruments and other balances with banks, loans and other receivables. The Company exposure to credit risk is disclosed in note 8, 9, 10, 11 and 12. The Company has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transaction is reasonably spread amongst the counterparties.

Credit risk arising from investment in derivative financial instrument and other balances with bank is limited and there is no collateral held against these because the counterparties are banks and recognised financial institution with high credit ratings assigned by international credit rating agencies.

The average credit period on sale of products and services is maximum of 60-90 days. Credit risk arising from trade receivables is managed in accordance with Company's established policy, procedures, and controls relating to customer credit risk management. Credit quality of Customer is assessed and accordingly individual credit limit is defined. The concentration of credit risk is limited due to the fact that customer base is large.

Movement in expected credit loss allowance on trade receivables	As at 31-03-2018	As at 31-03-2017
Balance at the beginning of the year	7.65	2.40
Loss allowance measured at lifetime expected credit loss	0.05	5.25
Balance at the end of the year	7.70	7.65

**3) Liquidity Risk:**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non Derivative Liabilities	Refer Note	< 1 year	1 - 5 years	Above 5 years	Total
<b>At 31<sup>st</sup> March 2018</b>					
Long Term Borrowings	17 & 23	572.96	504.88	-	1,077.84
Short Term Borrowings	21	4,526.64	-	-	4,526.64
Trade Payables	22	1,549.75	-	-	1,549.75
Other Financial Liabilities	23	103.15	-	-	103.15
<b>At 31<sup>st</sup> March 2017</b>					
Long Term Borrowings	17 & 23	488.34	1,077.84	-	1,566.18
Short Term Borrowings	21	4,955.88	-	-	4,955.88
Trade Payables	22	1,560.06	-	-	1,560.06
Other Financial Liabilities	23	233.57	-	-	233.57
<b>At 1<sup>st</sup> April 2016</b>					
Long Term Borrowings	17 & 23	1,187.99	938.54	-	2,126.53
Short Term Borrowings	21	4,574.19	-	-	4,574.19
Trade Payables	22	1,360.41	-	-	1,360.41
Other Financial Liabilities	23	303.55	-	-	303.55

Non Derivative Liabilities	Refer Note	< 1 year	1 - 5 years	Above 5 years	Total
<b>At 31<sup>st</sup> March 2018</b>					
Forwards	23	45.99	-	-	45.99
<b>At 31<sup>st</sup> March 2017</b>					
	-	-	-	-	-
<b>At 1<sup>st</sup> April 2016</b>					
Currency Swap	18 & 23	41.64	41.64	-	83.27

**4) Hedge Accounting:**

The company's business objective includes safe-guarding its foreign currency earnings against movements in foreign exchange and interest rates. Company has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value and Cash Flow hedges. Hedging instruments consists of forwards to achieve this objective. The table below shows the position of hedging instruments and hedged items as of the balance sheet date.

Disclosure of effects of hedge accounting

**A Fair Value Hedge**

Hedging Instrument	Nominal Value	Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Type of Hedge and Risks						
Foreign currency risk component - Forward Contract	883.47	-	897.81	(14.34)	Apr-18 to May-18	Current Financial Liability : Others

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018

(₹ In lakh)

Hedging Instrument		Carrying amount		Hedge Maturity Date	Line Item in Balance Sheet
Type of Hedge and Risks		Assets	Liabilities		
	Trade Receivables	883.47	-	14.34	Current Financial Assets : Trade Receivables

**B Cashflow Hedge**

Hedging Instrument		Carrying amount			Hedge Maturity Date	Line Item in Balance Sheet
Type of Hedge and Risks	Nominal Value	Assets	Liabilities	Changes in FV		
Foreign currency risk component - Forward Contract	1,624.38	-	1,656.03	(31.65)	Jun-18 to Oct-18	Current Financial Liability : Others

Hedging Instrument		Carrying amount		Cashflow Hedge Reserve	Line Item in Balance Sheet
Type of Hedge and Risks		Nominal Value	Changes in FV		
Foreign Currency Risk Highly probable Exports		1,624.38	(31.65)	(31.65)	Other Equity

**47 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The gearing ratio at end of the reporting period was as follows.

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Gross Debt	5,604.48	6,522.06	6,700.72
Cash and Marketable Securities	89.52	35.18	197.67
Net Debt (A)	5,514.96	6,486.87	6,503.05
Total Equity (As per Balance Sheet) (B)	12,698.84	12,748.37	12,048.69
Net Gearing (A/B)	0.43	0.51	0.54

**48 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the board of directors on 26<sup>th</sup> May, 2018.

**49 EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended dividend of ₹ 1.25 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 20.09 Lakh, including ₹ 3.43 Lakh dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

**50 FIRST TIME ADOPTION OF IND AS**

For all periods up to and including the year ended 31<sup>st</sup> March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following

- Balance Sheet as at 1<sup>st</sup> April, 2016 (Transition date);
- Balance Sheet as at 31<sup>st</sup> March, 2017;
- Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017; and
- Statement of Cash flows for the year ended 31<sup>st</sup> March, 2017.

**EXEMPTIONS AVAILED:**

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

- A The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.
- B The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.
- C The requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109 - Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest free loans as per the financial statements of the Company prepared under Previous GAAP is considered for recognition in the opening Ind AS Balance Sheet.



**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

 Effect of Ind AS adoption on the Balance Sheet as at 1<sup>st</sup> April, 2016

	Notes	Indian GAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	1 & 2	12,970.58	(122.72)	12,847.87
Capital work in progress		177.87	-	177.87
Investment Property	1	-	116.53	116.53
Other Intangible assets		66.85	-	66.85
Intangible assets under development		18.28	-	18.28
Financial Assets				
Investments		67.16	-	67.16
Loans		140.00	-	140.00
Other Non-current assets	2	692.04	6.19	698.23
		<b>14,132.78</b>	<b>-</b>	<b>14,132.78</b>
<b>CURRENT ASSETS</b>				
Inventories		3,313.97	-	3,313.97
Financial Assets				
Investments		0.08	-	0.08
Trade receivables		5,445.33	(0.00)	5,445.33
Cash and cash equivalents		197.67	-	197.67
Bank balances other than mentioned above		42.40	-	42.40
Loans		-	-	-
Others		27.72	-	27.72
Current Tax Assets (Net)		62.63	-	62.63
Other Current Assets		360.66	-	360.66
		<b>9,450.46</b>	<b>(0.00)</b>	<b>9,450.46</b>
<b>Total Assets</b>		<b>23,583.23</b>	<b>(0.00)</b>	<b>23,583.24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital		133.33	-	133.33
Other Equity	3	11,754.88	160.48	11,915.35
		<b>11,888.21</b>	<b>160.48</b>	<b>12,048.69</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		938.54	-	938.54
Other Financial liabilities		41.64	-	41.64
Provisions		60.87	-	60.87
Deferred Tax Liabilities (Net)		2,332.23	0.00	2,332.23
		<b>3,373.28</b>	<b>0.00</b>	<b>3,373.28</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		4,574.19	-	4,574.19
Trade Payables		1,360.41	-	1,360.41
Other Financial liabilities		1,533.17	-	1,533.17
Other Current Liabilities		486.76	-	486.76
Provisions	3	367.21	(160.48)	206.73
Current Tax Liabilities (Net)		-	-	-
		<b>8,321.75</b>	<b>(160.48)</b>	<b>8,161.26</b>
<b>Total Liabilities</b>		<b>23,583.23</b>	<b>-</b>	<b>23,583.23</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

**Effect of Ind AS adoption on the Balance Sheet as at 31<sup>st</sup> March, 2017**

	Notes	Indian GAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	1 & 2	13,007.19	(119.95)	12,887.24
Capital work in progress		205.64	-	205.64
Investment Property	1	-	114.21	114.21
Other Intangible assets		46.97	0.00	46.97
Intangible assets under development		13.25	-	13.25
Financial Assets				
Investments		124.01	-	124.01
Loans		362.08	-	362.08
Other Non-current assets	2	514.92	4.72	519.64
		<b>14,274.07</b>	<b>(1.02)</b>	<b>14,273.05</b>
<b>CURRENT ASSETS</b>				
Inventories		4,500.81	0.02	4,500.83
Financial Assets				
Investments		0.08	-	0.08
Trade receivables		4,823.27	-	4,823.27
Cash and cash equivalents		35.18	-	35.18
Bank balances other than mentioned above		23.84	-	23.84
Loans		45.92	-	45.92
Others	4	128.55	(10.94)	117.60
Current Tax Assets (Net)		63.07	2.47	65.54
Other Current Assets		424.29	0.00	424.29
		<b>10,045.01</b>	<b>(8.45)</b>	<b>10,036.56</b>
<b>Total Assets</b>		<b>24,319.08</b>	<b>(9.47)</b>	<b>24,309.60</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital		133.33	-	133.33
Other Equity	4	12,637.17	(22.13)	12,615.04
		<b>12,770.50</b>	<b>(22.13)</b>	<b>12,748.37</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		1,077.84	-	1,077.84
Other Financial liabilities		-	-	-
Provisions		61.99	-	61.99
Deferred Tax Liabilities (Net)	5	2,400.03	12.66	2,412.69
		<b>3,539.86</b>	<b>12.66</b>	<b>3,552.51</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		4,955.88	-	4,955.88
Trade Payables		1,560.06	-	1,560.06
Other Financial liabilities		721.91	-	721.91
Other Current Liabilities		548.50	-	548.50
Provisions		222.37	-	222.37
Current Tax Liabilities (Net)		-	-	-
		<b>8,008.72</b>	<b>-</b>	<b>8,008.72</b>
<b>Total Liabilities</b>		<b>24,319.08</b>	<b>(9.47)</b>	<b>24,309.60</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

**Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017**

	Notes	Indian GAAP	Effects of transition to Ind AS	Ind AS
<b>INCOME</b>				
Revenue from Operations	6	30,319.15	1,177.12	31,496.26
Other Income		308.81	(10.93)	297.88
<b>Total Income</b>		<b>30,627.96</b>	<b>1,166.19</b>	<b>31,794.14</b>
<b>EXPENSES</b>				
Cost of Materials consumed		14,308.94	-	14,308.94
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		(442.82)	-	(442.83)
Excise duty	6	-	1,177.12	1,177.12
Employees benefits expense	7	5,297.32	0.66	5,297.98
Finance Costs		370.91	-	370.91
Depreciation & amortisation expense	2	1,393.53	(0.45)	1,393.08
Other Expenses	2	8,487.47	0.45	8,487.92
<b>Total Expenses</b>		<b>29,415.35</b>	<b>1,177.78</b>	<b>30,593.12</b>
<b>Profit before exceptional items and tax</b>		<b>1,212.61</b>	<b>(11.59)</b>	<b>1,201.02</b>
Exceptional Items		-	-	-
<b>Profit before tax</b>		<b>1,212.61</b>	<b>(11.59)</b>	<b>1,201.02</b>
<b>Tax Expense</b>				
- Current Tax		260.21	(2.47)	257.74
- MAT Credit entitlement		57.04	1.02	58.06
- Short / (Excess) Provision for earlier years		(9.25)	0.00	(9.25)
- Deferred Tax		67.81	(2.61)	65.20
<b>Total Tax Expenses</b>		<b>375.81</b>	<b>(4.06)</b>	<b>371.75</b>
<b>Profit for the year</b>		<b>836.80</b>	<b>(7.53)</b>	<b>829.27</b>
<b>Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss	7	-	0.66	0.66
(ii) Income tax expense on above	5	-	(0.22)	(0.22)
(iii) Items that will be reclassified to profit or loss	4	-	45.49	45.49
(iv) Income tax relating to items that will be reclassified to profit or loss	5	-	(15.04)	(15.04)
Total Other Comprehensive Income (A + B)		-	30.89	30.89
<b>Total Comprehensive Income for the year</b>		<b>836.80</b>	<b>23.36</b>	<b>860.16</b>

**STANDALONE STATEMENT OF CASHFLOW**

The transition from Indian GAAP to Ind AS has no material impact on the standalone statement of cash flows.

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ In lakh)

**STATEMENT OF RECONCILIATION OF PROFIT & OTHER EQUITY BETWEEN Ind AS and Previous GAAP**

Nature of adjustments	Notes	Net Profit	Other Equity	
		As at 31-Mar-2017	As at 31-Mar-2017	As at 01-Apr-2016
Reserve as reported as per the previous Indian GAAP		836.80	12,591.68	11,754.88
Actuarial (Gain)/Loss reclassified to other comprehensive income	7	(0.66)	(0.66)	-
Tax Expenses on above	5	0.22	0.22	-
MTM (loss) /gain on Financial Instruments	4	(10.94)	(10.94)	-
Tax Expenses on above	5	3.85	3.85	-
Proposed Dividend including tax	3	-	-	160.48
Items that will not be reclassified to profit or loss (net of tax)	7	-	0.44	-
Items that will be reclassified to profit or loss (net of tax)	4	-	30.45	-
Net profit before OCI /Other Equity as per Ind AS		829.27	12,615.04	11,915.35

**Notes to the reconciliation of Balance Sheet as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017 and Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017**
**1 Investment Property**

Under Indian GAAP, investment property were presented as a part of fixed assets. Under Ind AS, investment property is accounted separately, hence investment property is reclassified as at 31-Mar-2017 at ₹ 116.53 Lakh and 1-Apr-2016 at ₹ 114.21 Lakh .

**2 Leasehold land reclassified to Non current Assets**

Under previous GAAP, Leasehold land was included in the property, plant and equipment. Under IND AS, lease not classified as finance lease are regrouped under non current assets, as at 31-March-2017 and 1-Apr-2016. Depreciation to the extent of ₹ 0.45 Lakh and ₹ 0.45 Lakh respectively pertaining to the leasehold land has been reversed and same is expensed under the head 'Rent, lease rent and other charges'. This has no impact on the statement of profit or loss or equity.

**3 Short term provision - Reversal of equity dividend**

Under previous GAAP, dividend on equity shares which was recommended by the board of directors after the end of the reporting period but before financial statement were approved for issue, were recognised in financial statement as liability. Under IND AS such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting. The effect of these change has resulted in increase in total equity by ₹ 160.48 Lakh as at 1-Apr-2016, but does not have any impact for profit before tax and total profit for the year ended 31-Mar-2016.

**4 Hedge Accounting**

Under previous GAAP, premium or discount arising at the inception of the forward contract entered into to hedge an existing asset/liability, is amortised as expenses or income over life of contract. Exchange difference on such contract are recognised in the statement of profit and loss. Under IND AS 109, derivatives with underline are accounted as fair value hedge and mark to market through profit and loss, derivatives without underline are accounted as cash flow hedge and mark to market under OCI.

**5 Deferred Tax**

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required to be recognised under Previous GAAP.

**6 Excise duty**

Under previous GAAP, revenue from sale of product was presented net of excise duty as revenue from operation, whereas under IND AS, revenue from sale of product includes excise duty. The corresponding excise duty was presented separately on the face of the statement of profit and loss. The change does not have any impact on total equity as at 1-Apr-2016 and profit before tax for the year ended 31-Mar-2017.

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 NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018
 

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(₹ In lakh)

**7 Remeasurement gain/(loss) of defined benefit plans**

Under previous GAAP, actuarial gain or losses were recognised in profit and loss account. Under IND AS, the actuarial gain or losses forming part of remeasurement of net defined benefit liability /asset, are recognised in Other Comprehensive Income instead of profit and loss. The actuarial gain or losses for the year ended 31 March 2017 is ₹ 0.66 Lakh with tax effect of ₹ 0.22 Lakh. This change does not have any impact on total equity, but there is increase in Profit before tax of ₹ 0.66 Lakh and in total profit of ₹ 0.44 Lakh for year ended 31-Mar-2017.

**8 Other Comprehensive Income**

Under previous GAAP, there was no concept of other comprehensive income. Under IND AS specified items of income, expenses, gains and losses are presented as other comprehensive income.

As per our Report of even date

**For DKP & Associates**

Chartered Accountants

Firm Registration No. 126305W

**D. K. Doshi**

Partner

Membership no. 037148

Place : Mumbai,

Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President &amp; Chief Financial Officer &amp; Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2018

**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS****TO THE MEMBERS OF GRP LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of GRP Limited (hereinafter referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and jointly controlled entity, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and change in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with IND AS rules, 2015.

The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 Ind AS financial statements by the Board of Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of comparative financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors, referred to in the Other Matters paragraph below, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Group, and its jointly controlled entity as at March 31, 2018, and their consolidated profit and their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Other Matters**

- a) We did not audit the financial statements of 1 subsidiary, whose financial statements / reflect total assets of Rs. 504.27 Lakh as at March 31, 2018, total revenues of Rs. 588.68 Lakh and net cash flows of Rs. (1.41) Lakh for the year then ended, as the case may be, on that date. The financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.
- b) The comparative figures for the previous year ended 31<sup>st</sup> March, 2017 included in the financial statement, is based on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2017 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who have expressed an unmodified opinion vide their report dated 30<sup>th</sup> May, 2017. The adjustment to those financial statements for the difference in the accounting principles adopted by the Group on transition to Ind AS have been audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) 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 Ind AS financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Profit and Loss statement (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed 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, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, and jointly controlled company incorporated in India, none of the directors of these entities are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiaries, and jointly controlled company incorporated in India.
  - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company does not have any pending litigation which would impact its Consolidated Ind AS financial statements
    - ii. Provision has been made in the consolidated Ind AS financial statements, 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 Holding Company and its subsidiaries and jointly controlled entity.

**For DKP & Associates**  
Chartered Accountants  
(Firm Registration no. 126305W)

Place : Mumbai  
Date: 26<sup>th</sup> May 2018

D K Doshi  
Partner  
Membership No.037148

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF GRP LIMITED****(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GRP Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), and jointly controlled entity incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiaries, and jointly controlled entity which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. 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 respective 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 Holding Company, its subsidiaries, and jointly controlled entity incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company, its subsidiaries, and jointly controlled entity incorporated in India, 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, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Holding Company its subsidiaries, and jointly controlled entity which are incorporated in India, 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 March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, is based on the corresponding reports wherever applicable, of the auditors of such companies.

**For DKP & Associates**  
Chartered Accountants  
(Firm Registration no. 126305W)

Place : Mumbai  
Date: 26<sup>th</sup> May 2018

D K Doshi  
Partner  
Membership No.037148



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	2A	12,457.71	13,244.81	13,039.26
Capital work in progress	2B	222.14	206.07	178.09
Investment Property	2C	111.88	114.21	116.53
Goodwill	2D	-	9.75	-
Other Intangible assets	2E	27.94	46.97	66.85
Intangible assets under development	2F	14.10	13.25	18.28
Financial Assets				
Investments	3	82.94	128.04	73.51
Others	4	0.30	1.57	1.54
Other Non-current assets	5	393.79	558.82	705.18
		<b>13,310.80</b>	<b>14,323.50</b>	<b>14,199.22</b>
<b>CURRENT ASSETS</b>				
Inventories	6	3,409.84	4,586.04	3,355.98
Financial Assets				
Investments	7	-	0.08	0.08
Trade receivables	8	5,151.96	4,847.12	5,450.77
Cash and cash equivalents	9	93.53	40.08	200.05
Other Bank balances	10	23.91	46.49	68.62
Others	11	27.75	80.29	15.52
Current Tax Assets (Net)	12	-	65.63	62.56
Other Current Assets	13	942.31	426.17	365.82
		<b>9,649.30</b>	<b>10,091.89</b>	<b>9,519.38</b>
<b>Total Assets</b>		<b>22,960.10</b>	<b>24,415.39</b>	<b>23,718.61</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	14	133.33	133.33	133.33
Other Equity	15	12,273.49	12,498.04	11,939.20
<b>Equity attributable to owners of the Company</b>		<b>12,406.83</b>	<b>12,631.37</b>	<b>12,072.54</b>
Non-Controlling Interests		0.04	0.07	-
		<b>12,406.86</b>	<b>12,631.43</b>	<b>12,072.54</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	16	533.63	1,144.92	992.45
Other Financial liabilities	17	13.00	14.00	41.64
Provisions	18	71.52	61.99	60.87
<b>Deferred Tax Liabilities (Net)</b>	19	<b>2,197.22</b>	<b>2,412.69</b>	<b>2,332.23</b>
		<b>2,815.37</b>	<b>3,633.60</b>	<b>3,427.19</b>

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 1-Apr-2016
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings	20	4,575.90	5,003.53	4,593.51
Trade Payables	21	1,571.53	1,603.05	1,389.27
Other Financial liabilities	22	772.36	760.80	1,536.77
Other Current Liabilities	23	487.88	552.65	487.58
Provisions	24	292.79	230.33	211.76
Current Tax Liabilities (Net)	25	37.41	-	-
		<b>7,737.86</b>	<b>8,150.36</b>	<b>8,218.88</b>
<b>Total Equity and Liabilities</b>		<b>22,960.10</b>	<b>24,415.39</b>	<b>23,718.61</b>
Significant Accounting policies	1			
See accompanying Notes to the Financial Statements	2-50			

As per our Report of even date

**For DKP & Associates**

 Chartered Accountants  
 Firm Registration No. 126305W

**D. K. Doshi**

 Partner  
 Membership no. 037148

Place : Mumbai,

 Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President &amp; Chief Financial Officer &amp; Company Secretary

Place : Mumbai

 Date : 26<sup>th</sup> May, 2018

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>INCOME</b>			
Revenue from Operations	26	31,452.58	31,556.17
Less: Goods & Service Tax		1,225.94	-
Revenue from Operations (Net)		30,226.64	31,556.17
Other Income	27	70.64	273.00
<b>Total Income</b>		<b>30,297.28</b>	<b>31,829.17</b>
<b>EXPENSES</b>			
Cost of Materials consumed		13,352.78	14,277.66
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	380.66	(410.74)
Excise duty		244.78	1,177.12
Employee benefits expenses	29	5,252.03	5,345.48
Finance Costs	30	444.42	382.67
Depreciation & amortisation expense	31	1,390.96	1,433.83
Other Expenses	32	9,105.60	8,554.16
<b>Total Expenses</b>		<b>30,171.23</b>	<b>30,760.17</b>
<b>Profit Before Share of Profit / (Loss) of Joint Ventures, Exceptional Items and Tax</b>		<b>126.05</b>	<b>1,069.01</b>
Share of Profit / (Loss) of Joint Ventures		(49.10)	(3.61)
<b>Profit before Exceptional items and Tax</b>		<b>76.95</b>	<b>1,065.40</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>76.95</b>	<b>1,065.40</b>
<b>Tax Expense</b>			
- Current Tax	33	381.86	258.14
- MAT Credit entitlement		-	58.06
- Short / (Excess) Provision for earlier years		(40.92)	(5.17)
- Deferred Tax		(188.77)	65.20
<b>Total Tax Expenses</b>		<b>152.17</b>	<b>376.23</b>
<b>Profit for the year</b>		<b>(75.22)</b>	<b>689.17</b>
<b>Other Comprehensive Income</b>			
A) Items that will not be reclassified to statement of profit and loss			
- Remeasurement benefit of defined benefit plans		96.50	0.66
- Income tax expense on remeasurement benefit of defined benefit plans		(33.40)	(0.22)
B) Items that will be reclassified to statement of profit and loss			
- Fair Valuation of Financial Instruments		(1.54)	1.29
- Cashflow Hedge Reserve		(77.14)	45.49
- Income tax expense on Cashflow Hedge Reserve		26.70	(15.04)
Total Other Comprehensive Income (A + B)		11.13	32.18
<b>Total Comprehensive Income for the year</b>		<b>(64.09)</b>	<b>721.35</b>
<b>Profit for the year attributable to</b>			
-Owners of the Company		(75.19)	689.19
-Non-controlling interest		(0.03)	(0.02)
		<b>(75.22)</b>	<b>689.17</b>

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
<b>Other comprehensive income for the year attributable to</b>			
-Owners of the Company		11.13	32.18
-Non-controlling interest		-	-
		<b>11.13</b>	<b>32.18</b>
<b>Total comprehensive income for the year attributable to</b>			
-Owners of the Company		(64.07)	721.38
-Non-controlling interest		(0.03)	(0.02)
		<b>(64.09)</b>	<b>721.35</b>
Earning Per Equity share of Face value of ₹ 10/- each	42		
(1) Basic (in ₹)		(5.64)	51.69
(2) Diluted (in ₹)		(5.64)	51.69
Significant Accounting policies	1		
See accompanying Notes to the Financial Statements	2-50		

As per our Report of even date

**For DKP & Associates**

Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**

Partner  
Membership no. 037148

Place : Mumbai,

Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Chief Financial Officer & Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2018

**CONSOLIDATED CASHFLOW STATEMENT FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

	As at 31-03-2018	As at 31-03-2017
<b>Cash flow from Operating activities</b>		
Net profit before tax and extra ordinary items	76.95	1,065.40
Adjustments for		
- Depreciation	1,390.96	1,433.83
- Loss of associates	49.10	3.61
- (Profit) / Loss on sale of assets (Net)	0.40	(0.92)
- Fixed Assets Discarded	-	0.43
- Amortization of Deferred Income	(1.00)	(1.00)
- Interest (Net)	426.75	358.49
- Rent Income	(4.32)	(25.32)
- Dividend Income	(0.06)	-
- Provision for Doubtful Debts	3.51	7.90
- Employee benefit expenses	9.81	0.66
- Preliminary Expenses	-	0.04
- Income tax expense of earlier year	-	4.09
<b>Operating Profit before working capital changes</b>	<b>1,952.11</b>	<b>2,847.20</b>
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(826.80)	509.53
- (Increase)/Decrease in Inventories	1,115.18	(1,230.06)
- Increase/(Decrease) in Trade and other payable	(2.44)	213.81
<b>Cash generated from operations</b>	<b>2,238.05</b>	<b>2,340.48</b>
Direct taxes paid (net of refund)	(47.74)	(261.21)
<b>Net cash generated from operating activities (A)</b>	<b>2,190.31</b>	<b>2,079.27</b>
<b>Cash flow from investing activities</b>		
- Interest received	6.10	23.51
- Sale proceeds of fixed assets	58.62	1.48
- Rent Income	4.32	25.32
- Dividend Income	0.06	-
- Investments	(5.46)	(56.73)
- Investment in Fixed Deposit	22.58	22.12
- Purchase of fixed assets	(745.60)	(1,629.45)
<b>Net cash used in investing activities (B)</b>	<b>(659.37)</b>	<b>(1,613.75)</b>
<b>Cash flow from financing activities</b>		
- Loans repaid (Net of borrowings)	(869.69)	(103.54)
- Capital introduced by minority partner	-	0.09
- State Government Subsidies Received	-	15.00
- Interest paid	(447.08)	(377.03)
- Dividend & Dividend tax paid	(160.71)	(160.01)
<b>Net cash used in financing activities (C)</b>	<b>(1,477.48)</b>	<b>(625.49)</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>53.45</b>	<b>(159.97)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>40.07</b>	<b>200.05</b>

**CONSOLIDATED CASHFLOW STATEMENT FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

	(₹ in Lakh)	
	As at 31-03-2018	As at 31-03-2017
Cash and cash equivalents at the closing of the period	93.53	40.07
<b>Cash and Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	3.18	4.07
Balance with banks		
- In Current accounts	15.04	24.06
- In EEFC accounts	75.31	11.95
	93.53	40.08
<b>Other Bank Balance (Refer note no. 10)</b>	23.91	46.49

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) - Statement of Cashflow

As per our Report of even date

**For DKP & Associates**

Chartered Accountants

Firm Registration No. 126305W

**D. K. Doshi**

Partner

Membership no. 037148

Place : Mumbai,

Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Chief Financial Officer & Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2018

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(₹ in Lakh)

<b>A) Equity Share Capital</b>		<b>As at 31-Mar-2018</b>	<b>As at 31-Mar-2017</b>	<b>As at 1-Apr-2016</b>
Balance at the beginning of the reporting year		133.33	133.33	133.33
Changes in Equity Share capital during the year		-	-	-
Balance at the end of the reporting year		133.33	133.33	133.33

<b>B) Other Equity</b>	<b>Reserves and Surplus</b>						<b>Other comprehen sive Income</b>	<b>TOTAL</b>
	<b>Special capital incentive and Subsidy</b>	<b>Profit on re-issue of forfeited shares</b>	<b>Securities Premium account</b>	<b>Excess of Share in Net Assets of subsidiary company/ Joint Venture</b>	<b>General Reserve</b>	<b>Retained Earnings</b>		
Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2016 (a)	53.30	0.01	41.67	3.08	6,509.32	5,331.82	-	11,939.20
Profit for the year	-	-	-	-	-	689.19	-	689.19
Add/(Less) : Adjustment for Net asset value at the time of acquisition	-	-	-	(2.07)	-	-	-	(2.07)
<b>Items of OCI for the year, net of tax</b>								
Remeasurement gain / (loss) of defined benefit plans	-	-	-	-	-	-	0.44	0.44
Net fair value gain / (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	1.29	1.29
Fair value changes on cash flow hedge, net of tax	-	-	-	-	-	-	30.45	30.45
<b>Total Comprehensive Income (b)</b>	-	-	-	(2.07)	-	689.19	32.18	719.31
Appropriation during the year								
Dividends	-	-	-	-	-	(133.33)	-	(133.33)
Tax on dividend	-	-	-	-	-	(27.14)	-	(27.14)
<b>Total of Appropriations (c)</b>	-	-	-	-	-	<b>(160.48)</b>	-	<b>(160.48)</b>
<b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March, 2017 (a+b+c)=(d)</b>	<b>53.30</b>	<b>0.01</b>	<b>41.67</b>	<b>1.02</b>	<b>6,509.32</b>	<b>5,860.54</b>	<b>32.18</b>	<b>12,498.04</b>
Profit for the year	-	-	-	-	-	(75.19)	-	(75.19)
Add/(Less) : Adjustment for Net asset value at the time of acquisition	-	-	-	-	-	-	-	-
<b>Items of OCI for the year, net of tax</b>								
Remeasurement gain / (loss) of defined benefit plans	-	-	-	-	-	-	63.11	63.11
Net fair value gain / (loss) on investment in equity instruments through OCI	-	-	-	-	-	-	(1.54)	(1.54)
Fair value changes on cash flow hedge, net of tax	-	-	-	-	-	-	(50.44)	(50.44)
<b>Total Comprehensive Income (e)</b>	-	-	-	-	-	<b>(75.19)</b>	<b>11.13</b>	<b>(64.07)</b>

B) Other Equity	Reserves and Surplus						Other comprehensive Income	TOTAL
	Special capital incentive and Subsidy	Profit on re-issue of forfeited shares	Securities Premium account	Excess of Share in Net Assets of subsidiary company/ Joint Venture	General Reserve	Retained Earnings		
Appropriation during the year								
Dividends	-	-	-	-	-	(133.33)	-	(133.33)
Tax on dividend	-	-	-	-	-	(27.14)	-	(27.14)
<b>Total of Appropriations (f)</b>	-	-	-	-	-	<b>(160.48)</b>	-	<b>(160.48)</b>
<b>Balance at the end of the reporting period i.e. 31st March, 2018 (d+e+f)</b>	<b>53.30</b>	<b>0.01</b>	<b>41.67</b>	<b>1.02</b>	<b>6,509.32</b>	<b>5,624.87</b>	<b>43.31</b>	<b>12,273.49</b>

As per our Report of even date

For and on behalf of the Board of Directors

**For DKP & Associates**

Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**

Partner  
Membership no. 037148

Place : Mumbai,

Date : 26<sup>th</sup> May, 2018

**Rajendra V Gandhi**

Managing Director

**Harsh R Gandhi**

Executive Director

**Ganesh A Ghangurde**

President & Chief Financial Officer & Company Secretary

Place : Mumbai

Date : 26<sup>th</sup> May, 2018



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**CORPORATE INFORMATION**

The consolidated financial statements comprise financial statements of GRP Limited (the Parent), its subsidiaries and Joint Venture (collectively, the Group) for the year ended 31<sup>st</sup> March, 2018.

The Parent Company is domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Company is situated at Plot No.8, GIDC Estate, Ankleshwar - 393 002 Dist. Bharuch, Gujarat, India.

The Group is engaged mainly in manufacturing of Reclaim Rubber, other rubber recycling activities and commercial vehicle tyre re-treading.

**1 SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS**
**SIGNIFICANT ACCOUNTING POLICIES:**

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

**1.1 Basis of preparation and presentation of financial statements:**

These financial statements are the consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

For all periods up to and including the year ended 31<sup>st</sup> March, 2017, the Group had prepared its financial statements in accordance with Indian Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These financial statements are group's first Ind AS consolidated financial statements. Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Group's Balance Sheet and financial performance is given in Note 50.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements. These financial statements are presented in Indian Rupees, which is also its functional currency.

**1.2 Current / Non-current classification:**

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

**1.3 Principles of consolidation:**

The consolidated financial statements relate to GRP Limited ('the Parent Company') and its subsidiaries and joint ventures. The consolidated financial statements have been prepared on the following basis:

- a The financial statements of the Parent Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- d Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- f Investment in Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

**1.4 Summary of Significant Accounting policies**
**(A) Property, Plant and Equipment**
**Tangible assets:**

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Expenses directly attributable to new manufacturing facility during its construction

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

period including borrowing costs are capitalized, if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

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.

**Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

**Depreciation:**

Depreciation on 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 and 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.

**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

**(B) Finance Costs:**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss for the period in which they are incurred.

**(C) Investment Properties:**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group for its business, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable its borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of profit and loss for the period in which they are incurred.

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Asset Category	Useful life	Basis for charging Depreciation
Office Building	60	Life as prescribed under Schedule-II of the Companies Act, 2013

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the note 2C. Fair values are determined based on an annual evaluation performed by an external independent valuer.

**(D) Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(E) 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)
 

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**(F) Tax Expenses:**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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 Group will pay normal income tax during the specified period. At each balance sheet date the Group 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.

**Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

**(G) 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.

**(H) Financial Instruments:****1 Financial Assets****a Initial recognition and measurement:**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

**b Subsequent measurement****I Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**II Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**III Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**c Impairment of financial assets**

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018 (₹ In lakh)**

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**2 Financial Liabilities****a Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings, net of directly attributable cost. Cost of recurring nature are directly recognised in profit or loss as finance cost.

**b Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**3 Derivative Financial Instruments**

The Group uses various derivative financial instruments such as currency swaps and forwards to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

**4 Derecognition of financial instruments**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**(I) Fair Value:**

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 — inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**(J) Revenue Recognition:**

- (i) Revenue from Domestic Sales is 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

- (iv) Credits on account of Duty drawback and other benefits, which are due to be received with reasonable certainty, are accrued upon completion of exports.
- (v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (vi) Dividend income is recognized when the right to receive dividend is established.

**(K) Foreign currency transactions and translation:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

**(L) Employees Benefits:**
**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.

**Post Employment Employee Benefits :**
**(i) Defined Contribution Plans :**
**(a) Provident Fund:**

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

**(b) Superannuation:**

The Parent Company has Superannuation Plan for its executives - a defined contribution plan. The Parent Company makes annual contribution of the covered employees' salary, subject to maximum of ₹ 1.50 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.

**(ii) Defined Benefit Plans:**
**(a) Gratuity:**

The Parent Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

**(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 and loss.

**(M) Lease:**
**As a lessee:**

Lease agreements where the risk & rewards, incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the profit and loss statement on straight line basis over the lease term

Leasehold land where the period of lease is upto 20 years is classified as operating lease. All other lease of land are classified as Financial Lease

**As a lessor:**

The Group has leased premises where the Group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit and 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 and loss in the period in which they are incurred.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018 (₹ In lakh)

### (N) Research and Development:

Revenue expenditure on Research and Development is charged in the period in which it is incurred. Capital Expenditure for Research and Development is capitalised when commissioned and included in the Plant, Property and Equipment and depreciated in accordance with the policies stated for Property, Plant and Equipment.

### (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 Group 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 nor disclosed in the financial statements.

### (P) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

### (Q) 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 original maturity of three months or less.

## 1.5 Key accounting estimates and judgements

The preparation of the consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### a) Depreciation/amortisation and useful lives of property, plant and equipment/intangible assets

Property, plant and equipment/intangible assets are depreciated/amortised over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is revised if there are significant changes from previous estimates.

### b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### c) Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 37, 'Employee benefits'.

### d) Income Tax:

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (Refer Note 33).

### e) Impairment of financial assets:

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

## 1.6 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2018:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**(A) Issue of Ind AS 115 - Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

**(B) Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- (i) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- (ii) Ind AS 40 - Investment Property
- (iii) Ind AS 12 - Income Taxes
- (iv) Ind AS 28 - Investments in Associates and Joint Ventures and
- (v) Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Consolidated Financial Statements.

**2 PROPERTY, PLANT AND EQUIPMENT**
**2 A TANGIBLE ASSETS**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2017	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Lease hold Land	988.17	-	-	-	988.17	48.33	11.52	-	-	59.85	928.31	939.84
Roads	505.41	8.54	-	-	513.95	257.72	51.19	-	-	308.91	205.04	247.69
Buildings	6,337.27	55.89	-	-	6,393.16	1,150.31	188.90	-	-	1,339.22	5,053.95	5,186.96
Plant and Machinery	14,216.83	512.28	(115.48)	(5.77)	14,607.86	7,786.06	1,021.71	(76.25)	(5.75)	8,725.76	5,882.09	6,430.77
Furniture & Fixtures	386.45	4.45	-	-	390.90	213.59	35.73	-	-	249.32	141.58	172.86
Office equipments	196.96	12.71	(0.24)	-	209.44	135.85	15.70	(0.12)	-	151.43	58.01	61.11
Computer Hardware	150.21	3.84	-	-	154.06	124.97	9.43	-	-	134.40	19.66	25.24
Vehicles	234.45	1.78	(77.97)	-	158.27	87.90	21.78	(59.09)	-	50.60	107.67	146.55
Material Handling Vehicles	35.48	35.31	-	5.77	76.57	1.68	7.74	-	5.75	15.17	61.40	33.80
<b>A</b>	<b>23,051.23</b>	<b>634.82</b>	<b>(193.68)</b>	<b>-</b>	<b>23,492.36</b>	<b>9,806.41</b>	<b>1,363.70</b>	<b>(135.46)</b>	<b>-</b>	<b>11,034.65</b>	<b>12,457.71</b>	<b>13,244.81</b>

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2016	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
Lease hold Land	958.81	29.35	-	-	988.17	38.92	9.41	-	-	48.33	939.84	919.90
Roads	505.41	-	-	-	505.41	198.25	59.47	-	-	257.72	247.69	307.16
Buildings	6,227.25	110.02	-	-	6,337.27	957.88	192.43	-	-	1,150.31	5,186.96	5,269.37
Plant and Machinery	12,887.74	1,330.36	(0.58)	(0.69)	14,216.83	6,691.50	1,095.53	(0.58)	(0.39)	7,786.06	6,430.77	6,196.24
Furniture & Fixtures	381.96	5.49	-	(1.00)	386.45	174.44	39.35	-	(0.20)	213.59	172.86	207.52
Office equipments	181.68	15.71	(2.46)	2.03	196.96	122.31	14.86	(2.22)	0.90	135.85	61.11	59.37
Computer Hardware	146.53	11.71	(7.69)	(0.34)	150.21	121.86	10.79	(7.38)	(0.30)	124.97	25.24	24.67
Vehicles	127.70	107.13	(0.38)	-	234.45	72.65	15.62	(0.36)	-	87.90	146.55	55.05
Material Handling Vehicles	-	35.48	-	-	35.48	-	1.68	-	-	1.68	33.80	-
<b>A</b>	<b>21,417.07</b>	<b>1,645.26</b>	<b>(11.10)</b>	<b>-</b>	<b>23,051.23</b>	<b>8,377.81</b>	<b>1,439.14</b>	<b>(10.54)</b>	<b>0.00</b>	<b>9,806.41</b>	<b>13,244.81</b>	<b>13,039.26</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Notes:

- 1 Addition to property, plant and equipment includes exchange difference arising on revaluation of foreign currency term loan and principal only swap (POS) rupee loans.

Particulars	FY 2017-18	FY 2016-17
Buildings	-	4.48
Plant and Machinery	-	6.42
<b>Total</b>	<b>-</b>	<b>10.90</b>

- 2 Refer to note 16 for information on Property, plant & equipment pledged as security by the Group.  
 3 Refer to note 35 for disclosure of contractual commitments for the acquisition of Property, plant & equipment.

**2 B CAPITAL WORK IN PROGRESS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Factory Building	5.10	12.03	12.34
Plant & Machinery	136.20	124.62	129.09
Other Assets	80.85	69.42	36.65
<b>Total</b>	<b>222.14</b>	<b>206.07</b>	<b>178.09</b>

Notes:

1. Addition to capital work in progress includes exchange difference arising on revaluation of foreign currency term loan and principal only swap (POS) rupee loans.

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Plant and Machinery	-	-	0.88

- 2 Addition to capital work in progress includes borrowing cost on Term Loan.

Particulars	FY 2017-18	FY 2016-17	FY 2015-16
Plant and Machinery	7.25	14.03	9.95
Other Assets	-	14.69	9.44
<b>Total</b>	<b>7.25</b>	<b>28.72</b>	<b>19.39</b>

**2 C INVESTMENT PROPERTY**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2017	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Buildings	138.23	-	-	-	138.23	24.02	2.32	-	-	26.35	111.88	114.21

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2016	Additions	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments/ Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
Buildings	138.23	-	-	-	138.23	21.70	2.32	-	-	24.02	114.21	116.53

## Information regarding Income &amp; Expenditure of Investment Property

	FY 2017-18	FY 2016-17
Rental Income derived from Investment Property	<b>4.32</b>	<b>25.32</b>
Direct Operating expenses (including repairs and maintenance) generating rental income	<b>(0.22)</b>	<b>(1.23)</b>
Direct Operating expenses (including repairs and maintenance) that did not generate rental income	(1.71)	-
<b>Profit from investment properties before depreciation</b>	<b>2.38</b>	<b>24.09</b>
Depreciation	(2.32)	(2.32)
<b>Profit from investment properties</b>	<b>0.06</b>	<b>21.77</b>

As at 31 March 2018, 31 March 2017 and 1 April 2016, the fair values of the properties are based on valuations performed by an independent valuer.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Fair Value of the Investment Property is as under :

Fair Value	Office Building
Balance as at 1 April 2016	260.05
Fair value difference for the year	14.86
Purchases	-
Balance as at 31 March 2017	274.91
Fair value difference for the year	22.29
Purchases	-
Balance as at 31 March 2018	297.20

Particulars	Valuation Techniques	Significant unobservable inputs	Range of change in fair value per 5% (+/-) change in rate per sq. mtr.		
			As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Office Building	Sale Comparison Technique	Sales price of similar properties adjusted for peculiar factors of the property valued	14.86	13.75	13.00

Leasing arrangements

Investment property is leased to tenant under operating lease with rentals payable on monthly basis.

The future minimum estimated lease rental income is as follows	FY 2017-18	FY 2016-17	FY 2015-16
Not later than 1 year	-	10.80	12.36
Later than 1 year but not later than 5 years	-	-	-
Later than 5 years	-	-	-

**2 D GOODWILL**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2017	Additions	Deduction	Adjustments / Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments / Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Goodwill	9.75	-	-	-	9.75	-	9.75	-	-	9.75	-	9.75
<b>TOTAL</b>	<b>9.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.75</b>	<b>-</b>	<b>9.75</b>	<b>-</b>	<b>-</b>	<b>9.75</b>	<b>-</b>	<b>9.75</b>

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2016	Additions	Deduction	Adjustments / Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments / Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
Goodwill	-	9.75	-	-	9.75	-	-	-	-	-	9.75	-
<b>TOTAL</b>	<b>-</b>	<b>9.75</b>	<b>-</b>	<b>-</b>	<b>9.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.75</b>	<b>-</b>

**2 E OTHER INTANGIBLE ASSETS**

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2017	Additions	Deduction	Adjustments / Transfers	As at 31-03-2018	As at 01-04-2017	For the year	Deduction	Adjustments / Transfers	As at 31-03-2018	As at 31-03-2018	As at 31-03-2017
Computer Software	217.62	-	-	-	217.62	179.01	17.93	-	-	196.94	20.69	38.61
Copyrights	11.06	-	-	-	11.06	2.70	1.11	-	-	3.81	7.25	8.36
<b>TOTAL</b>	<b>228.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.69</b>	<b>181.71</b>	<b>19.03</b>	<b>-</b>	<b>-</b>	<b>200.75</b>	<b>27.94</b>	<b>46.97</b>

Particulars	Gross Block					Depreciation / Amortisation					Net Book Value	
	As at 01-04-2016	Additions	Deduction	Adjustments / Transfers	As at 31-03-2017	As at 01-04-2016	For the year	Deduction	Adjustments / Transfers	As at 31-03-2017	As at 31-03-2017	As at 01-04-2016
Computer Software	217.62	-	-	-	217.62	160.24	18.77	-	-	179.01	38.61	57.38
Copyrights	11.06	-	-	-	11.06	1.60	1.11	-	-	2.70	8.36	9.47
<b>TOTAL</b>	<b>228.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.69</b>	<b>161.84</b>	<b>19.87</b>	<b>-</b>	<b>-</b>	<b>181.71</b>	<b>46.97</b>	<b>66.85</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**2 F INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Trademark, Brand and Patents	14.10	13.25	18.28

**3 NON CURRENT FINANCIAL ASSETS : INVESTMENT**

	Face Value (in ₹)	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)
<b>Investment in Quoted Equity Shares, fully paid up (at FVOCI)</b>							
Bank of Baroda	2	5,000	7.11	5,000	8.65	5,000	7.36
<b>At Cost</b>							
<b>Investment in Unquoted Equity instruments, fully paid up</b>							
<b>Investment in Joint Ventures</b>							
Marangoni GRP Pvt. Ltd.	1	60,34,075	21.12	46,85,350	43.25	-	-
<b>Other Investments</b>							
Narmada Clean Tech (Formerly known as Bharuch Eco-aqua Infrastructure Ltd.)	10	1,29,000	12.90	1,29,000	12.90	1,29,000	12.90
Iris Ecopower Venture Pvt. Ltd.	10	4,12,500	41.25	6,32,500	63.25	5,32,500	53.25
OPGS Power Gujarat Pvt. Ltd.	0.1	2,80,000	0.56	-	-	-	-
<b>Total</b>			<b>82.94</b>		<b>128.04</b>		<b>73.51</b>

Aggregate amount of quoted investment	0.85	0.85	0.85
Market value of quoted investment	7.11	8.65	7.36
Aggregate amount of unquoted investments	75.83	119.40	66.15

Category-wise Non current investment	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Financial assets measured at cost	75.83	119.40	66.15
Financial assets measured at fair value through other comprehensive income	7.11	8.65	7.36
<b>Total Non Current Investment</b>	<b>82.94</b>	<b>128.04</b>	<b>73.51</b>

**4 NON CURRENT FINANCIAL ASSETS : OTHERS**

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>(At Amortized Cost) (Unsecured)</b>			
Fixed Deposit accounts with Bank (Maturity more than 12 months)	0.30	1.57	1.54
<b>Total</b>	<b>0.30</b>	<b>1.57</b>	<b>1.54</b>

**5 OTHER NON CURRENT ASSETS**

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Leasehold Land	5.29	5.74	6.19
Capital Advances	51.61	38.44	127.69
Advances other than capital advances			
- Security Deposits	287.32	240.00	284.04
- Other Advances & Deposits	28.17	27.76	1.55
Prepaid Expenses (Refer note 13)	21.09	24.09	4.98
Preliminary Expenses	0.32	0.33	0.19
MAT credit entitlement	-	222.47	280.53
<b>Total</b>	<b>393.79</b>	<b>558.82</b>	<b>705.18</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

6	INVENTORIES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Raw Materials	1,589.18	2,393.38	1,691.48
	Work-in-progress	401.35	428.63	366.41
	Finished goods			
	- In hand	549.40	896.73	751.50
	- In transit	550.00	556.04	352.75
	Stores and spares	228.62	208.50	133.60
	Fuel Materials	17.58	23.44	10.67
	Packing Materials	55.62	65.13	35.70
	Stock of Others	18.09	14.16	13.85
	<b>Total</b>	<b>3,409.84</b>	<b>4,586.04</b>	<b>3,355.98</b>

Note : Inventories written down to net realisable value during the year 2017-2018 ₹ 61.02 Lakh (2016-2017 ₹ 89.02 & 2015-2016 ₹ 68.12 Lakh).

7	CURRENT FINANCIAL ASSETS : INVESTMENTS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	7 years National Savings Certificates (Deposited with Central Excise Authority)	-	0.08	0.08
	<b>Total</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>

Notes

Aggregate amount of unquoted investments (at amortised cost) - 0.08 0.08

8	CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Unsecured, considered good	5,151.96	4,847.12	5,450.77
	Unsecured, considered doubtful	7.70	7.65	2.40
		5,159.66	4,854.77	5,453.17
	Less: Allowance for unsecured bad and doubtful debts	(7.70)	(7.65)	(2.40)
	<b>Total</b>	<b>5,151.96</b>	<b>4,847.12</b>	<b>5,450.77</b>

Movement of Impairment Allowance (allowance for bad and doubtful debts)

Particulars	FY 2017-18	FY 2016-17
<b>Impairment Allowance</b>		
Opening Balance	7.65	2.40
Provided during the year	2.30	5.25
Amount Written back	(0.79)	-
Amount Written Off	(1.45)	-
Closing Balance	7.70	7.65

9	CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	<b>Balances with Banks</b>			
	- In Current Accounts	15.04	24.06	57.95
	- In Cash Credit Accounts	-	-	42.45
	- In EEFC Accounts	75.31	11.95	95.22
	Cash on hand	3.18	4.07	4.42
	<b>Total</b>	<b>93.53</b>	<b>40.08</b>	<b>200.05</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018 (₹ In lakh)**

10	<b>CURRENT FINANCIAL ASSETS : OTHER BANK BALANCES</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	<b>Other Bank Balances</b>			
	Unclaimed dividend accounts	10.50	10.61	11.08
	Term deposits held as margin money against bank guarantee and other commitments	13.41	13.22	31.32
	Fixed Deposit accounts (Maturity more than 3 months but less than 12 months)	-	22.66	26.22
	<b>Total</b>	<b>23.91</b>	<b>46.49</b>	<b>68.62</b>
11	<b>CURRENT FINANCIAL ASSETS : OTHERS</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Accrued Interest Income	27.75	16.19	15.52
	Forex Forward Contract (Net)	-	64.10	-
	<b>Total</b>	<b>27.75</b>	<b>80.29</b>	<b>15.52</b>
12	<b>CURRENT TAX ASSETS (NET)</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Opening Balance	-	62.56	(36.91)
	Add: Provision for Income-tax for the year	-	(258.14)	(226.06)
	Less: Advance Tax Paid	-	261.21	325.53
	<b>Closing Balance</b> (refer note 25)	-	<b>65.63</b>	<b>62.56</b>
13	<b>OTHER CURRENT ASSETS</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Advances other than capital advances	321.93	211.01	213.05
	Loans To Employees	-	0.36	1.50
	Security Deposits	9.38	1.70	1.01
	Deposit with Central Excise	15.13	101.14	71.02
	Input GST Credit	498.11	-	-
	Prepaid Expenses (Refer note 5)	50.35	52.89	52.79
	Receivable from LIC (Gratuity claim)	5.82	6.50	6.84
	Duty drawback Receivable	41.59	52.56	16.81
	Others	-	-	2.80
	<b>Total</b>	<b>942.31</b>	<b>426.17</b>	<b>365.82</b>
14	<b>EQUITY</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Authorized			
	15,00,000 equity shares of ₹ 10 each	150.00	150.00	150.00
	Issued, Subscribed and fully Paid up			
	13,33,333 equity shares of ₹ 10 each	133.33	133.33	133.33
	<b>Total</b>	<b>133.33</b>	<b>133.33</b>	<b>133.33</b>

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)	Units (Nos)	(₹ in Lakh)
At the beginning of the year	13,33,333	133.33	13,33,333	133.33	13,33,333	133.33
Add: Issued during the year	-	-	-	-	-	-
At the end of the year	13,33,333	133.33	13,33,333	133.33	13,33,333	133.33

**Rights, preferences and restrictions attached to shares**

- 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.
- 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

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

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Shares (Nos)	% of Holding	Shares (Nos)	% of Holding	Shares (Nos)	% of Holding
Mrs. Meera Philip	81,666	6.12%	81,666	6.12%	81,666	6.12%

15 OTHER EQUITY	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Capital reserve</b>			
<b>Special capital incentive and subsidy</b>			
Balance as per last Balance sheet	53.30	53.30	53.30
<b>Profit on re-issue of forfeited shares</b>			
Balance as per last Balance sheet	0.01	0.01	0.01
<b>Securities Premium account</b>			
Balance as per last Balance sheet	41.67	41.67	41.67
<b>Excess of Share in Net Assets of subsidiary company / Joint Venture</b>			
Balance as per last Balance sheet	1.02	3.08	3.08
Add/(Less) : Adjustment for Net asset value at the time of acquisition	-	(2.07)	-
Total Excess of Share in Net Assets of subsidiary company	1.02	1.02	3.08
<b>General Reserve</b>			
Balance as at beginning of the year	6,509.32	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>	<b>6,509.32</b>
<b>Retained Earnings</b>			
As per last Balance sheet	5,860.54	5,331.82	5,040.39
Add: Profit for the year	(75.19)	689.19	791.43
Less: Appropriations :			
Dividend on Equity Shares (Dividend per Share ₹ 10, Previous year ₹ 10)	(133.33)	(133.33)	-
Tax on Dividend	(27.14)	(27.14)	-
Transfer to general reserve	-	-	(500.00)
<b>Balance as at the end of the year</b>	<b>5,624.87</b>	<b>5,860.54</b>	<b>5,331.82</b>
<b>Other Comprehensive Income (OCI)</b>			
As per last Balance sheet	32.18	-	-
Add: Movement in OCI (Net) during the year	11.13	32.18	-
<b>Balance as at the end of the year</b>	<b>43.31</b>	<b>32.18</b>	<b>-</b>
<b>Total</b>	<b>12,273.49</b>	<b>12,498.04</b>	<b>11,939.20</b>

**Description of nature and purpose of each reserve**

**General Reserve** - General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Capital Reserve** - Capital reserve represents Special Capital subsidy received and profit on re-issue of forfeited shares

**Securities Premium Reserve** - Securities premium reserve is used to record the premium on issue of shares.

16 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Current Maturity			Non - Current portion		
<b>Secured - At Amortised Cost</b>						
Term Loans from Banks						
- Foreign Currency Loan	-	-	597.99	-	-	-
- Rupee Loan	593.17	509.92	592.86	504.00	1,097.17	992.45
	<b>593.17</b>	<b>509.92</b>	<b>1,190.86</b>	<b>504.00</b>	<b>1,097.17</b>	<b>992.45</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

NON CURRENT FINANCIAL LIABILITIES : BORROWINGS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Unsecured - At Amortised Cost</b>						
Deferred Payment Liability	18.12	16.75	-	29.63	47.75	-
Deferred Sales Tax payments	-	-	0.73	-	-	-
	<b>18.12</b>	<b>16.75</b>	<b>0.73</b>	<b>29.63</b>	<b>47.75</b>	<b>-</b>
	<b>611.29</b>	<b>526.67</b>	<b>1,191.58</b>	<b>533.63</b>	<b>1,144.92</b>	<b>992.45</b>
<b>Amount disclosed under the head Current Financial Liabilities : Others (refer note 22)</b>	<b>(611.29)</b>	<b>(526.67)</b>	<b>(1,191.58)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533.63</b>	<b>1,144.92</b>	<b>992.45</b>

1 Borrowings are measured at amortised Cost

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

- 2 **Foreign currency loan from Citi Bank, N.A. of ₹ Nil (31-Mar-2017: ₹ Nil; 01-Apr-2016 : ₹ 597.99 Lakh) for Perundurai factory, in Tamil Nadu**  
 First exclusive charge by way of hypothecation of entire movable & immovable property, plant and equipment of the Parent Company located at Perundurai, Tamilnadu funded through Citi Bank term loan. Loan fully repaid on October 20, 2016 & charge satisfied on December 16, 2016.
- 3 **Rupee loan from HDFC Bank Ltd of ₹ Nil (31-Mar-2017 : ₹ Nil; 01-Apr-2016 : ₹ 480.00 Lakh) for Factory (Phase II) at Chincholi, Solapur**  
 First exclusive charge by way of hypothecation of entire movable property, plant and equipment of the Parent 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.
- 4 **Rupee loan from HDFC Bank Ltd of ₹ 358.84 Lakh (31-Mar-2017: ₹ 717.68 Lakh; 01-Apr-2016: ₹ 1047.81 Lakh) for Capex**  
 First exclusive charge by way of hypothecation of plant & machinery acquired 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 instalments beginning from May 13, 2016 along with interest @ 10.05% p.a. (31-Mar-2017: 10.45% p.a., 01-Apr-2016: 10.50% p.a.).
- 5 **Rupee loan from Citi Bank, N.A. of ₹ 671.25 Lakh (31-Mar-2017: ₹ 784.00 Lakh; 01-Apr-2016: ₹ Nil) for Capex**  
 First exclusive charge by way of hypothecation on Plant & Machinery at all plants of the Parent Company funded through Citi Bank term loan.  
 Repayable in 16 equal quarterly instalments beginning from July 11, 2017 along with interest @ 10.20% p.a.
- 6 **Rupee loan from HDFC Bank Ltd of ₹ 67.08 Lakh (31-Mar-2017: ₹ 105.42 Lakh; 01-Apr-2016: ₹ 57.50 Lakh) for Capex**  
 First exclusive charge by way of mortgage of immovable properties (including land & building) and hypothecation of all movable property, plant and equipment (including plant & machinery) and current assets of stepdown subsidiary located at Pithampur, Dist. Dhar, Madhya Pradesh factory.
- 7 **Deferred Payment Liability**
- (a) Vehicle loan of ₹ 18.28 Lakh (31-Mar-2017: ₹ 26.45 Lakh; 01-Apr-2016: ₹ Nil) is secured by vehicles under hypothecation with bank. Loan is repayable in 36 monthly instalments beginning from April 2017 along with interest @ 8.51% p.a.
- (b) Vehicle loan of ₹ 29.47 Lakh (31-Mar-2017: ₹ 38.05 Lakh; 01-Apr-2016: ₹ Nil) is secured by vehicles under hypothecation with NBFC. Loan is repayable in 48 monthly instalments from March 2017 along with interest @ 8.27% p.a.
- 8 **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.
- 9 For explanation on the Group's Interest risk and foreign currency risk refer Note 44.

17 NON CURRENT FINANCIAL LIABILITIES : OTHERS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Mark to market on derivative instruments	-	-	41.64
Deferred Income	13.00	14.00	-
<b>Total</b>	<b>13.00</b>	<b>14.00</b>	<b>41.64</b>

18 NON CURRENT LIABILITIES : PROVISIONS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for Leave encashment (Refer note 24)	71.52	61.99	60.87
Provision for Gratuity payment (Refer note 24)	-	-	-
<b>Total</b>	<b>71.52</b>	<b>61.99</b>	<b>60.87</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

19 DEFERRED TAX LIABILITIES (NET):	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
At the start of the year	2,412.69	2,332.23	2,394.69
Charge/(credit) to Statement of Profit and Loss	(188.77)	65.20	(62.46)
Charge/(credit) to Other Comprehensive Income	(26.70)	15.26	-
At the end of year	<b>2,197.22</b>	<b>2,412.69</b>	<b>2,332.23</b>

Component of Deferred tax liabilities / (asset)	As at 31-03-2017	Charge / (credit) to Profit and Loss	Charge / (credit) to Other Compre- hensive Income	As at 31-03-2018
Deferred tax liabilities / (asset) in relation to:				
Property, plant and equipment	2,484.23	(179.66)	-	2,304.58
Financial assets	12.65	(32.40)	-	(19.74)
Loan and advances	2.82	17.51	-	20.33
Provisions	(87.02)	5.77	-	(81.25)
Others	-	-	(26.70)	(26.70)
<b>Total</b>	<b>2,412.69</b>	<b>(188.77)</b>	<b>(26.70)</b>	<b>2,197.22</b>

20 CURRENT FINANCIAL LIABILITIES : BORROWINGS	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Secured - At Amortised Cost</b>			
<b>Working Capital Loan payable on demand from banks</b>			
Foreign Currency Loan	3,223.26	3,630.45	3,799.75
Rupee Loan	1,352.63	1,373.09	793.76
<b>Total</b>	<b>4,575.90</b>	<b>5,003.53</b>	<b>4,593.51</b>

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

- 1 Working Capital Loan from HDFC Bank Ltd of ₹ 2,889.29 Lakh (31-Mar-2017: ₹ 3,358.76 Lakh; 01-Apr-2016: ₹ 2,828.94 Lakh)**  
 First pari passu charge by way of hypothecation of entire current assets, both present and future. First pari passu charge on entire property, plant and equipment located at Ankleshwar & Panoli plant of the Parent company.
- 2 Working Capital loan from Citi Bank N. A. of ₹ 1,637.34 Lakh (31-Mar-2017: ₹ 1,597.12 Lakh; 01-Apr-2016: ₹ 1,745.25 Lakh)**  
 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 property, plant and equipment situated at Ankleshwar & Panoli Plant, District Bharuch, Gujarat at par with other banks.
- 3 Working Capital loan from HDFC Bank N. A. of ₹ 49.26 Lakh (31-Mar-2017: ₹ 47.65 Lakh; 01-Apr-2016: ₹ 19.32 Lakh)**  
 First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable property, plant and equipment and mortgage of immovable property, plant and equipment of the LLP.
- 4** For explanation on the Group's Interest risk and foreign currency risk refer Note 44.

21 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Due to Micro, Small and Medium Enterprises	154.72	119.54	114.48
Due to Others	1,416.80	1,483.51	1,274.78
<b>Total</b>	<b>1,571.53</b>	<b>1,603.05</b>	<b>1,389.27</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 Group 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 Group 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
- Principal amount outstanding (whether due or not) to micro and small enterprises	154.72	119.54	114.48
- Interest due thereon	0.17	1.36	0.08
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006.	-	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-	-
Amount of interest due and payable on delayed payments	6.65	2.19	2.75
Amount of interest accrued and remaining unpaid as at year end	13.20	6.38	2.83
The amount of further interest due and payable even in the succeeding year	-	-	-

22	<b>CURRENT FINANCIAL LIABILITIES : OTHERS</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Current maturities of Long-term borrowings (Refer note 16)	611.29	526.67	1,191.58
	Interest accrued and due on borrowings	23.39	20.72	26.36
	Unclaimed Dividend (refer note below)	10.50	10.61	11.08
	Creditors for Capital Goods & Services	20.54	132.39	195.33
	Forex Forward Contract (Net)	45.99	-	-
	Mark to market provision on derivative instruments	-	-	41.64
	Deposit from Dealers	60.40	60.40	60.40
	Security Deposit for Let out property	0.25	10.00	10.37
	<b>Total</b>	<b>772.36</b>	<b>760.80</b>	<b>1,536.77</b>

Note: There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31<sup>st</sup> March, 2018.

23	<b>OTHER CURRENT LIABILITIES</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Advances from customers	58.79	17.02	34.26
	Statutory dues	108.07	213.24	163.06
	Others	321.08	322.42	290.26
	<b>Total</b>	<b>487.94</b>	<b>552.67</b>	<b>487.58</b>

24	<b>CURRENT LIABILITIES : PROVISIONS</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Current maturities of Long-term provisions of Employees Benefit expenses (Refer note 18)			
	- Provision for Leave encashment	11.37	11.09	8.81
	- Provision for Gratuity payment	-	-	2.44
	Other Provisions	281.42	219.25	200.51
	<b>Total</b>	<b>292.79</b>	<b>230.33</b>	<b>211.76</b>

25	<b>CURRENT TAX LIABILITIES (NET)</b>	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
	Opening Balance (Refer note 12)	(65.63)	-	-
	Add: Provision for Income-tax for the year	381.86	-	-
	Add: Tax on defined benefit plans	33.40	-	-
	Less: MAT credit Adjusted	(264.47)	-	-
	Less: Advance Tax Paid	(47.74)	-	-
	<b>Closing Balance</b>	<b>37.41</b>	<b>-</b>	<b>-</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

26	<b>REVENUE FROM OPERATIONS:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	Revenue from Operations (Gross)	31,076.90	31,189.71
	Less: Goods & Service Tax	1,225.94	-
	Revenue from Operations	29,850.96	31,189.71
	Power generation from Windmill	69.78	76.28
	Export incentives	305.90	290.19
	<b>Total</b>	<b>30,226.64</b>	<b>31,556.17</b>
<p>Consequent to introduction of Goods and Service Tax (GST) w.e.f. 1<sup>st</sup> July 2017, Revenue for the year ended 31-Mar-2018 is presented net of GST in compliance with Indian Accounting Standard (Ind AS) -18 Revenue. The Revenue from Operations for the year ended 31-Mar-2017 are inclusive of excise duty and accordingly those are not comparable with the Revenue from Operations for the year ended 31-Mar-2018 to that extent.</p>			
27	<b>OTHER INCOME:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	Interest Income	17.66	24.18
	Rent Income	4.32	25.32
	Royalty Income	0.24	-
	Dividend Income	0.06	-
	Income from Services rendered	-	18.00
	Amortization of State government Subsidy	1.46	-
	Amortization of Deferred Income	1.00	1.00
	Net Gain on foreign currency transactions and translation	-	161.26
	Net Gain on Sale of Property, Plant and Equipment	0.13	0.92
	Others	45.76	42.31
	<b>Total</b>	<b>70.64</b>	<b>273.00</b>
28	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	<b>Stock at the beginning of the year:</b>		
	Finished goods	896.73	751.50
	Goods-in-transit (Finished Goods)	556.04	352.75
	Work-in-progress	428.63	366.41
	<b>A)</b>	<b>1,881.41</b>	<b>1,470.67</b>
	<b>Stock at the end of the year:</b>		
	Finished goods	549.40	896.73
	Goods-in-transit (Finished Goods)	550.00	556.04
	Work-in-progress	401.35	428.63
	<b>B)</b>	<b>1,500.75</b>	<b>1,881.41</b>
	<b>Total (A) - (B)</b>	<b>380.66</b>	<b>(410.74)</b>
29	<b>EMPLOYEE BENEFITS EXPENSES:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	Salaries and Wages	4,628.00	4,725.21
	Contribution to Provident fund and Other funds	404.93	333.27
	Staff Welfare and other benefits	219.09	287.00
	<b>Total</b>	<b>5,252.03</b>	<b>5,345.48</b>
30	<b>FINANCE COST:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	Interest on Term & Working Capital Loans*	381.41	326.43
	Interest on Other Loans	17.60	10.42
	Financial Charges	45.41	45.82
	<b>Total</b>	<b>444.42</b>	<b>382.67</b>

\* Interest Expenses are net of Interest Capitalised of ₹ 7.25 Lakh (Previous year ₹ 28.72 Lakh) (Refer note 2B-2)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018 (₹ In lakh)

31	<b>DEPRECIATION AND AMORTIZATION EXPENSES:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	Depreciation on Property, Plant & Equipment	1,359.85	1,411.64
	Depreciation on Investment Property	2.32	2.32
	Amortisation of Intangible Assets	28.78	19.87
	<b>Total</b>	<b>1,390.96</b>	<b>1,433.83</b>
32	<b>OTHER EXPENSES:</b>	Year ended 31-03-2018	Year ended 31-03-2017
	<b>Manufacturing Expenses</b>		
	Packing Material consumed	868.15	882.44
	Stores and Spare Parts Consumed	554.25	451.90
	Power, Fuel & Water Consumed:-		
	- Power Consumption	3,532.26	3,550.14
	- Fuel Consumption	645.08	567.76
	- Water Consumption	42.54	43.39
	Repairs & Maintenance Expenses:-		
	- Plant & Machineries	330.63	259.73
	- Factory Buildings	47.05	20.57
	<b>Sales &amp; Distribution expenses</b>		
	Freight & Forwarding expenses	2,172.67	1,812.09
	Other Selling and Distribution expenses	56.20	110.92
	<b>Administration &amp; Other Expenses</b>		
	Insurance	37.51	44.27
	Vehicle Expenses	97.84	88.87
	Printing & Stationery	17.86	19.01
	Advertisements	3.20	3.00
	Rent, Lease Rent & Other Charges	2.14	3.23
	Repairs to Other Assets	103.06	105.27
	Legal & Professional charges	177.61	142.85
	Travelling & Conveyance	159.36	171.95
	Postage & Telephones	29.99	28.94
	Provision for Doubtful Debts	3.51	7.90
	Net Loss on foreign currency transactions and translation	44.22	-
	Auditors Remuneration (Refer note 34)	2.23	13.51
	Director Sitting Fees	5.20	7.54
	Commission to Director	4.50	14.19
	Rate and Taxes	15.57	14.02
	Corporate Social Responsibility Expense (Refer note 41)	28.92	30.59
	Factory / Office Expenses	43.98	31.60
	Office electricity expenses	14.69	13.77
	Other Expenses	156.40	92.14
	Preliminary Expenses Written off	0.02	0.04
	Net Loss on Sale of Property, Plant and Equipment	0.53	-
	Variation in CED on Stock of finished goods	(91.57)	22.54
	<b>Total</b>	<b>9,105.60</b>	<b>8,554.16</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**33 INCOME TAX:**

- A The note below details the major components of income tax expenses for the year ended 31-Mar-18 and 31-Mar-17. The note further describes the significant estimates made in relation to Group's income tax position and also explains how the income tax expense is impacted by non-assessable and non-deductible items.

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
<b>Current Tax</b>	<b>340.94</b>	<b>311.03</b>
Current Tax	381.86	258.14
MAT Credit Utilised	-	58.06
(Excess) / Short Provision for earlier years	(40.92)	(5.17)
<b>Deferred Tax</b>	<b>(188.77)</b>	<b>65.20</b>
Deferred Tax	(188.77)	65.20
<b>Income tax expense reported in the statement of Profit &amp; Loss</b>	<b>152.17</b>	<b>376.23</b>
<b>Other Comprehensive Income (OCI)</b>		
Income tax relating to items that will not be reclassified to profit or loss	33.40	0.22
Deferred tax relating to items that will be reclassified to profit or loss	(26.70)	15.04

- B Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate as notified under Income Tax Act, 1961 enacted in India for the years ended 31-Mar-2018 and 31-Mar-2017.

**Current Tax**

	Year ended 31-03-2018	Year ended 31-03-2017
Accounting profit before income tax expense	76.95	1,065.40
<b>Income tax expense calculated at 34.608% (31 March 2017 : 33.063%)</b>	<b>26.63</b>	<b>352.25</b>
Tax effect of adjustments in calculating taxable income		
- Amortisation of Leasehold land	0.16	0.15
- Corporate Social Responsibility expenses / Donation (net)	5.72	4.50
- Interest on MSMED	2.36	1.17
- Interest/Penalty under Income Tax (TDS/TCS)	0.01	2.20
- (Profit) / Loss On Sale Of Assets	3.46	(0.31)
- Expenses Disallowance for Exempt Income	15.78	9.43
- Share of loss of Partnership firm	32.76	36.34
- Intangible Assets Written off	3.37	-
- Dividend Income	(0.02)	-
Weighted deduction of research & development expenditure (net)	(20.50)	(55.48)
Effect of difference in tax rates compared to previous years	99.28	-
Effect of difference in tax rates for subsidiary companies	(1.15)	(0.03)
(Excess) / Short Provision for earlier years	(40.92)	(5.17)
Other (allowances) / disallowances	25.23	31.17
	<b>125.54</b>	<b>23.98</b>
At the effective Income Tax rate of 197.75% (31 March 2017 : 35.31%)	<b>152.17</b>	<b>376.23</b>

**34 DETAILS OF PAYMENT TO AUDITORS EXCLUDING TAXES:**

	Year ended 31-03-2018	Year ended 31-03-2017
Statutory Audit fees	0.70	7.66
Limited Review fees	0.75	-
Tax Audit fees	0.25	2.53
Taxation Matters	-	2.99
Reimbursement of expenses	0.53	0.33
<b>Total</b>	<b>2.23</b>	<b>13.51</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018 (₹ In lakh)**

35 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTEND NOT PROVIDED FOR) :	Year ended 31-03-2018	Year ended 31-03-2017
Guaranteed by Banks not provided for (Net)	350.55	349.60
Letter of Credit	43.65	4.96
Claims against the Parent company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
- Sales Tax	193.54	0.02
- Excise Duty & Service Tax	144.88	144.88
- Income Tax liability	142.45	90.83
Estimated amount of contracts remaining to be executed on capital account towards PPE	37.63	61.42
<b>Total</b>	<b>912.69</b>	<b>651.71</b>

36 LEASES:	Year ended 31-03-2018	Year ended 31-03-2017
<b>Operating Lease:</b>		
The Group has entered into lease agreement for vehicles and warehouse taken on operating lease for a term of 48 and 36 months respectively. The future minimum lease payments under non cancellable operating lease are as under		
(a) Not later than 1 year	53.72	26.28
(b) Later than 1 year but not later than 5 years	86.32	26.39
(c) Later than 5 years	-	-
<b>Premises given on Operating Lease: Refer note 2C</b>		
<b>Total</b>	<b>140.05</b>	<b>52.66</b>

**37 EMPLOYEE BENEFITS :**

As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

The Group has various schemes for long term benefits such as provident fund, superannuation, gratuity and leave encashment. The Group'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 Group has no further obligation beyond making the contributions.

**A Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	Year ended 31-03-2018	Year ended 31-03-2017
i Employer's Contribution to Provident & Pension Fund	231.12	222.59
ii Employer's Contribution to Superannuation Fund	23.69	19.86

**B Defined Benefit Plans**

Disclosure Statement as Per Indian Accounting Standard 19

**Defined Benefit Gratuity Plan (Funded)**

The Parent Company has a defined benefit gratuity plan in India (funded). The Parent company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and Parent company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

During the year, the company has changed the benefit scheme in line with Payment of Gratuity Act, 1972 by increasing monetary ceiling from 10 Lakh to 20 Lakh. Change in liability (if any) due to this scheme change is recognised as past service cost.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

**Defined Benefit Privilege Leave Plan (Unfunded)**

The Parent company operates a defined Privilege Leave plan for certain specified employees and is payable upon the employee satisfying certain conditions, as approved by the Management.

	As at 31-03-2018	As at 31-03-2017	As at 31-03-2018	As at 31-03-2017
	Leave Encashment		Gratuity	
	Unfunded		Funded	
<b>i) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>				
Defined Benefit Obligation at beginning of the year	73.07	69.68	573.62	521.55
Current Service Cost	33.26	25.86	50.16	32.87
Past Service Cost	-	-	33.45	-
Interest Cost	5.36	5.63	42.10	41.72
Actuarial (Gain) / Loss	5.93	(6.78)	(122.33)	(2.40)
Benefits Paid	(34.74)	(21.32)	(65.71)	(20.12)
Defined Benefit Obligation at year end	<b>82.89</b>	<b>73.07</b>	<b>511.29</b>	<b>573.62</b>
<b>ii) Reconciliation of opening and closing balances of fair value of Plan Assets</b>				
Fair value of Plan Assets at beginning of year	-	-	582.15	540.94
Expected Return on Plan Assets	-	-	42.73	43.28
Employer Contribution	-	-	36.70	19.80
Benefits Paid	-	-	(65.71)	(20.12)
Actuarial (Gain) / Loss	-	-	(25.82)	(1.74)
Fair value of Plan Assets at year end	-	-	<b>570.05</b>	<b>582.15</b>
<b>iii) Reconciliation of fair value of Assets and Obligations</b>				
Present Value of Benefit Obligation at the end of the Period	-	-	511.29	573.62
Fair value of plan assets as at end of the year	-	-	570.05	582.15
Funded status (Surplus/ (Deficit))	-	-	58.75	8.53
Net (Liability)/Asset Recognized in the Balance Sheet	-	-	<b>58.75</b>	<b>8.53</b>
<b>iv) Expenses recognised during the year</b>				
Current service cost	33.26	25.86	50.16	32.87
Past service cost	-	-	33.45	-
Actuarial (Gains)/Losses on Obligation For the Period	5.93	(6.78)	-	-
Net Interest cost	5.36	5.63	(0.63)	(1.55)
<b>Expenses recognised in the statement of Profit &amp; Loss account</b>	<b>44.55</b>	<b>24.71</b>	<b>82.98</b>	<b>31.32</b>
Actuarial (Gains)/Losses on Obligation For the Period	-	-	(122.33)	(2.40)
Return on Plan Assets, Excluding Interest Income	-	-	25.82	1.74
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>-</b>	<b>-</b>	<b>(96.50)</b>	<b>(0.66)</b>
<b>v) Actuarial Assumptions</b>				
Discount Rate	7.85%	7.34%	7.85%	7.34%
Salary Escalation	5.00%	5.00%	5.00%	5.00%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**C Sensitivity Analysis**

The key assumption and sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:			
Particulars	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2016
Expected Return on Plan Assets	7.85%	7.34%	8.00%
Rate of Discounting	7.85%	7.34%	8.00%
Rate of Salary Increase	5.00%	5.00%	3.00%
Rate of Employee Turnover	2.00%	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)		

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Delta Effect of +1% Change in Rate of Discounting	(38.26)	(43.92)
Delta Effect of -1% Change in Rate of Discounting	45.09	51.19
Delta Effect of +1% Change in Rate of Salary Increase	45.07	51.89
Delta Effect of -1% Change in Rate of Salary Increase	(38.79)	(45.23)
Delta Effect of +1% Change in Rate of Employee Turnover	11.60	9.43
Delta Effect of -1% Change in Rate of Employee Turnover	(13.38)	(10.78)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

**38 RELATED PARTIES DISCLOSURE:**

Sr. No.	Name of Related Party	% Share	Relationship
1	MARANGONI GRP Private Limited	50.00%	Joint Venture
2	Rajendra V Gandhi; Managing Director		Key Managerial Personnel (KMP)
3	Harsh R Gandhi; Executive Director		
4	Ganesh A Ghangurde; President, Chief Financial Officer & Company Secretary		
5	Nayna R. Gandhi		
6	Hemal H. Gandhi		Relatives of Key Managerial Personnel (KMP)
7	Vaishali R. Gandhi		
8	Nehal R. Gandhi		
9	Mahesh V. Gandhi		
10	Harish V. Gandhi		
11	Mrudula J. Shah		
12	Rekha A. Kothari		
13	Devyani C. Tolia		
14	Varsha H. Shah		
15	Anant G. Ghangurde		
16	Rajendra V. Gandhi HUF		Enterprises over which Key Managerial Personnel are able to exercise significant influence
17	Harsh R. Gandhi HUF		
18	Enarjee Consultancy & Trading Company LLP		
19	Industrial Development and Investment Co. Pvt. Ltd.		
20	Ghatkopar Estate & Finance Corporation Pvt. Ltd.		
21	Alphanso Netsecure Pvt. Ltd.		
22	GRP Employees Group Gratuity Trust		Post Employment Benefit Plans
23	GRP Employees Group Superannuation Scheme		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Sr. No.	Particulars	Joint Venture		Key Managerial Personnel	
		2017-18	2016-17	2017-18	2016-17
1	Loan given	-	-	-	-
2	Loan outstanding	-	-	-	-
3	Interest charged	-	-	-	-
4	Interest outstanding (net of TDS)	-	-	-	-
5	Shareholding	73.83	46.85	-	-
6	Shares subscribed during the year	26.97	-	-	-
7	Purchase of Goods	6.04	-	-	-
8	Sale of Goods and Services	7.07	18.00	-	-
10	Contributions during the year	-	-	-	-
11	Outstanding Receivable	25.22	20.94	-	-
12	Outstanding Payable	-	-	-	-
13	Remuneration paid	-	-	312.81	350.15
14	Dividend paid	-	-	8.26	8.01
15	Sitting Fees Paid	-	-	-	-

Sr. No.	Particulars	Relatives of Key Managerial Personnel		Enterprises over which Key Managerial Personnel are able to exercise significant influence		Post Employee Benefit plans	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	Loan given	-	-	-	-	-	-
2	Loan outstanding	-	-	-	-	-	-
3	Interest charged	-	-	-	-	-	-
4	Interest outstanding (net of TDS)	-	-	-	-	-	-
5	Shareholding	-	-	-	-	-	-
6	Shares subscribed during the year	-	-	-	-	-	-
7	Purchase of Goods	-	-	0.67	-	-	-
8	Sale of Services	-	-	-	-	-	-
9	Sale of Scrap / Assets	-	-	-	-	-	-
10	Contributions during the year	-	-	-	-	60.39	39.67
11	Outstanding Receivable	-	-	-	-	-	-
12	Outstanding Payable	-	-	-	-	-	-
13	Remuneration paid	14.86	13.85	-	-	-	-
14	Dividend paid	20.77	21.74	15.47	15.47	-	-
15	Sitting Fees Paid	0.90	1.05	-	-	-	-

**Disclosure in respect of material transactions of the same type with related parties during the year**

Sr. No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
1	<b>Shareholding</b> - MARANGONI GRP Private Limited	73.83	46.85
2	<b>Shares subscribed during the year</b> - MARANGONI GRP Private Limited	26.97	-
3	<b>Purchase of Goods</b> - MARANGONI GRP Private Limited	6.04	-
4	<b>Sale of Goods and Services</b> - MARANGONI GRP Private Limited	7.07	18.00
5	<b>Contributions during the year</b>		
	GRP Employees Group Gratuity Trust	36.70	19.80
	GRP Employees Group Superannuation Scheme	23.69	19.86
6	<b>Outstanding Receivable</b> - MARANGONI GRP Private Limited	25.22	20.94
7	<b>Remuneration paid</b>		
	- Rajendra V Gandhi	93.42	86.70

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Sr. No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
8	- Harsh R Gandhi	135.46	130.14
	- Ganesh A Ghangurde	83.93	103.65
	<b>Dividend paid</b>		
9	- Harsh R Gandhi	5.80	5.75
	- Mahesh V Gandhi	7.41	7.40
	- Rajendra V Gandhi HUF	4.68	4.68
	- Enarjee Consultancy & Trading Company LLP	5.86	5.86
	<b>Sitting Fees Paid</b>		
	- Mahesh V Gandhi	0.30	0.60
	- Nayna R. Gandhi	0.60	0.45

**Terms and conditions of transactions with related parties**

Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payables.

Compensation of Key management personnel			
Sr. No.	Particulars	Year ended 31-03-2018	Year ended 31-03-2017
1	Short-term employee benefits	286.85	338.43
2	Post-employment benefits	25.96	11.73
3	Other long-term benefits	-	-
4	Termination benefits	-	-
5	Share-based payments	-	-
	<b>Total Compensation paid to Key Management personnel</b>	<b>312.81</b>	<b>350.15</b>

39	RESEARCH & DEVELOPMENT ELIGIBLE FOR DEDUCTION UNDER Section 35(2AB) OF INCOME TAX ACT, 1961	Year ended 31-03-2018	Year ended 31-03-2017
	Accounting for Research & Development expenditure incurred :		
	(a) Capital Expenditure incurred on Equipments & Machinery	2.90	22.10
	(b) Capital Expenditure incurred on Buildings, Furniture, office equipments & Computer Hardware	2.33	0.90
	(c) Capital Work in Progress	14.79	9.02
	(d) Revenue Expenditure incurred towards the R&D Projects	178.40	209.00

**40 SEGMENT REPORTING:**

Sr. No.	Particulars	Reclaim Rubber		Others		Unallocable		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
1	<b>Segment Revenue</b>								
	Gross Revenue from Operations	30,707.39	30,818.32	745.19	737.86	-	-	31,452.58	31,556.17
	Less: Goods & Service Tax	1,195.88	-	30.06	-	-	-	1,225.94	-
	Net Revenue from Operations	29,511.51	30,818.32	715.13	737.86	-	-	30,226.64	31,556.17
2	<b>Segment Results before Interest &amp; Tax</b>	2,813.37	3,095.52	(117.62)	(86.34)	(2,125.29)	(1,557.50)	570.46	1,451.68
	Less: Interest Expenses	-	-	-	-	444.42	382.67	444.42	382.67
	Add: Share of Profit / (Loss) of Joint Ventures	-	-	-	-	(49.10)	(3.61)	(49.10)	(3.61)
	<b>Profit before Tax</b>	2,813.37	3,095.52	(117.62)	(86.34)	(2,618.80)	(1,943.78)	76.95	1,065.40
	Current Tax	-	-	-	-	340.94	311.03	340.94	311.03
	Deferred Tax	-	-	-	-	(188.77)	65.20	(188.77)	65.20
	<b>Profit After Tax</b>	2,813.37	3,095.52	(117.62)	(86.34)	(2,770.97)	(2,320.01)	(75.22)	689.17



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Sr. No.	Particulars	Reclaim Rubber		Others		Unallocable		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>3</b>	<b>Other Information</b>								
	Segment Assets	19,024.04	20,594.70	2,099.21	1,618.48	2,434.93	2,656.06	23,558.18	24,869.24
	Segment Liabilities	3,068.63	2,922.83	82.56	120.11	8,000.17	9,194.93	11,151.37	12,237.87
	Capital Expenditure	445.47	1,518.48	202.46	34.53	3.81	115.20	651.74	1,668.21
	Depreciation / Amortisation Expenses	1,216.56	1,275.97	77.29	74.63	97.11	83.23	1,390.96	1,433.83

- 1 The reportable Segments are further described below
  - Reclaim Rubber segment includes production and marketing of Reclaim rubber products
  - Others segment includes Windmill, Custom Die Forms, Engineering Plastics and Polymer Composite Products.
- 2 There are transactions with a single external customer which amounts to 10% or more of the Group's revenue.

<b>41 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:</b>		<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2018</b>	<b>31-03-2017</b>
A.	Gross amount required to be spent by the Parent company during the year.	26.30	30.57
B.	Amount Spent during the year on:		

Particulars	Year 2017-18			Year 2016-17		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	3.03	-	3.03	8.32	-	8.32
ii) On purposes other than (i) above	25.90	-	25.90	22.27	-	22.27
	<b>28.92</b>	<b>-</b>	<b>28.92</b>	<b>30.59</b>	<b>-</b>	<b>30.59</b>

<b>42 EARNINGS PER SHARE:</b>		<b>Year ended</b>	<b>Year ended</b>
		<b>31-03-2018</b>	<b>31-03-2017</b>
-	Net Profit after tax for the year	(75.22)	689.17
-	Number of equity shares of ₹ 10/- each.	13,33,333	13,33,333
-	Earnings per share - Basic	(5.64)	51.69
-	Earnings per share -Diluted	(5.64)	51.69
-	Face value per equity share	10.00	10.00

**43 FAIR VALUATION MEASUREMENT HIERARCHY**
**A CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	Refer Note	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>				
Forward Contract (Net)	11	-	64.10	-
<b>Financial assets measured at fair value through other comprehensive Income (FVTOCI)</b>				
Investment in Equity Shares - Bank of Baroda	3	7.11	8.65	7.36
<b>Financial assets measured at amortised cost</b>				
7 years National Savings Certificates	7	-	0.08	0.08
Trade Receivables	8	5,151.96	4,847.12	5,450.77
Cash and cash equivalents	9	93.53	40.08	200.05
Bank balances other than mentioned above	10	23.91	46.49	68.62
Accrued Interest Income	11	27.75	16.19	15.52
<b>Financial liabilities measured at fair value through profit or loss (FVTPL)</b>				
Forward Contract (Net)	22	45.99	-	-
Currency Swap	17 & 22	-	-	83.27

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

	Refer Note	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Financial liabilities measured at amortised cost</b>				
Foreign Currency Term Loan from Banks	16 & 22	-	-	597.99
Rupee Term Loan from Banks	16 & 22	1,097.17	1,607.09	1,585.31
Deferred Payment Liability	16 & 22	47.75	64.50	-
Deferred Sales Tax payments	16 & 22	-	-	0.73
Deferred Income	17	13.00	14.00	-
Foreign Currency Working Capital Demand Loan from Banks	20	3,223.26	3,630.45	3,799.75
Rupee Working Capital Demand Loan from Banks	20	1,352.63	1,373.09	793.76
Trade payables	21	1,571.53	1,603.05	1,389.27
Interest accrued and due on borrowings	22	23.39	20.72	26.36
Unclaimed Dividend	22	10.50	10.61	11.08
Creditors for Capital Goods & Services	22	20.54	132.39	195.33
Deposit from Dealers	22	60.40	60.40	60.40
Security Deposit for Let out property	22	0.25	10.00	10.37

The above table does not include financial assets measured at Cost. (Refer note 3)

**B FAIR VALUE MEASUREMENTS**

(i) The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

Financial Assets / Financial Liabilities	Carrying Amount	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant Observable inputs (Level 2)	Significant Unobservable inputs (Level 3)
<b>As at 31-03-2018</b>				
<b>Financial liabilities measured at fair value through P&amp;L (FVTPL)</b>				
Forward Contract (Net)	45.99	-	45.99	-
<b>Financial assets measured at fair value through other comprehensive Income (FVTOCI)</b>				
Investment in Equity Shares - Bank of Baroda	7.11	7.11	-	-
<b>As at 31-03-2017</b>				
<b>Financial assets measured at fair value through P&amp;L (FVTPL)</b>				
Forward Contract (Net)	64.10	-	64.10	-
<b>Financial assets measured at fair value through other comprehensive Income (FVTOCI)</b>				
Investment in Equity Shares - Bank of Baroda	8.65	8.65	-	-
<b>As at 01-04-2016</b>				
<b>Financial liabilities measured at fair value through P&amp;L (FVTPL)</b>				
Currency Swap	83.27	-	83.27	-
<b>Financial assets measured at fair value through other comprehensive Income (FVTOCI)</b>				
Investment in Equity Shares - Bank of Baroda	7.36	7.36	-	-

(ii) **Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**44 FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES**

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

risks through its Risk Management Committee. The Risk Management Policy of the Group formulated by the Risk Management Committee and approved by the Board, states the Group's approach to address uncertainties in its endeavour to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of the Group's management, the structure for managing risks and the framework for risk management. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance.

The following disclosures summarize the Group's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Group.

**1) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

**a) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Interest Rate Exposure**

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
<b>Borrowings</b>			
Long Term Floating Loan	358.84	717.68	2,125.80
Long Term Fixed Loan	786.08	953.92	58.23
Short Term Loan	4,575.90	5,003.53	4,593.51

**Impact on Interest Expenses for the year on 0.5% change in Interest rate**

Changes in rate	Effect on profit before tax		Effect on total equity	
	Year ended 31-03-2018	Year ended 31-03-2017	As at 31-03-2018	As at 31-03-2017
+0.5%	(24.43)	(28.37)	(24.43)	(28.37)
-0.5%	24.43	28.37	24.43	28.37

**b) Foreign Currency Risk**

The Group's business objective includes safe-guarding its earnings against foreign exchange. The Group has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value and Cash Flow hedges. Hedging instruments include forward instruments to achieve this objective.

**(i) Exposure in foreign currency - Hedged**

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contracts used for hedging foreign currency exposure and outstanding as at reporting date are as under:

Currency	(FC in Lakh)			(₹ in Lakh)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	7.00	1.00	-	570.32	69.29	-
USD	5.00	5.85	-	327.49	379.67	-

**(ii) Exposure in foreign currency - Unhedged**

Payables	(FC in Lakh)			(₹ in Lakh)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	22.11	30.60	30.69	1,786.58	2,120.51	2,313.03
USD	23.97	25.35	33.38	1,562.32	1,644.09	2,211.82
GBP	-	-	0.23	-	-	21.83
JPY	-	-	-	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Receivables	(FC in Lakh)			(₹ in Lakh)		
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
EUR	12.06	19.78	25.72	969.38	1,370.50	1,939.35
USD	15.77	18.46	23.95	1,025.94	1,197.31	1,586.76
JPY	23.18	23.35	25.90	14.26	13.55	15.28
THB	0.04	-	-	0.08	-	-
GBP	-	-	1.38	-	-	131.33

**(iii) Sensitivity**

The Group is mainly exposed to changes in EUR & USD. The below table demonstrates the sensitivity to a 5% increase or decrease in the EUR / USD against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

Foreign Currency	Change in rate	Effect on profit after tax			Effect on total equity		
		Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2016	As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
EUR	+5%	(40.84)	(34.04)	(18.68)	(40.84)	(34.04)	(18.68)
EUR	-5%	40.84	34.04	18.68	40.84	34.04	18.68
USD	+5%	(26.82)	(3.36)	(31.25)	(26.82)	(3.36)	(31.25)
USD	-5%	26.82	3.36	31.25	26.82	3.36	31.25

**c) Other Price Risks:**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Group is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31<sup>st</sup> March, 2018, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 7.11 Lakh (Previous year ₹ 8.65 Lakh as at 31<sup>st</sup> March 2017 and ₹ 7.36 Lakh as at 1<sup>st</sup> April 2016). The details of such investments in equity instruments are given in Note 3.

**2) Credit Risk:**

Credit risk refers to a risk that a counterparty will default on its contractual obligation resulting in a financial loss to the Group. Credit risk primarily arises from financial asset such as trade receivables and Derivative financial instruments and other balances with banks, loans and other receivables. The Group's exposure to credit risk is disclosed in note 8, 9, 10 and 11. The Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transaction is reasonably spread amongst the counterparties.

Credit risk arising from investment in derivative financial instrument and other balances with bank is limited and there is no collateral held against these because the counterparties are banks and recognised financial institution with high credit ratings assigned by international credit rating agencies.

The average credit period on sale of products and services is maximum of 60-90 days. Credit risk arising from trade receivables is managed in accordance with Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of Customer is assessed and accordingly individual credit limit is defined. The concentration of credit risk is limited due to the fact that customer base is large.

Movement in expected credit loss allowance on trade receivables	As at 31-03-2018	As at 31-03-2017
Balance at the beginning of the year	7.65	2.40
Loss allowance measured at lifetime expected credit loss	0.05	5.25
Balance at the end of the year	7.70	7.65

**3) Liquidity Risk:**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Non Derivative Liabilities	Refer Note	< 1 year	1 - 5 years	Above 5 years	Total
<b>At 31<sup>st</sup> March 2018</b>					
Long Term Borrowings	16 & 22	611.29	533.63	-	1,144.92
Short Term Borrowings	20	4,575.90	-	-	4,575.90
Trade Payables	21	1,571.53	-	-	1,571.53
Other Financial Liabilities	22	115.07	-	-	115.07
<b>At 31<sup>st</sup> March 2017</b>					
Long Term Borrowings	16 & 22	526.67	1,144.92	-	1,671.59
Short Term Borrowings	20	5,003.53	-	-	5,003.53
Trade Payables	21	1,603.05	-	-	1,603.05
Other Financial Liabilities	22	234.13	-	-	234.13
<b>At 1<sup>st</sup> April 2016</b>					
Long Term Borrowings	16 & 22	1,191.58	992.45	-	2,184.03
Short Term Borrowings	20	4,593.51	-	-	4,593.51
Trade Payables	21	1,389.27	-	-	1,389.27
Other Financial Liabilities	22	303.55	41.64	-	345.18
<b>Derivative Liabilities</b>					
Derivative Liabilities	Refer Note	< 1 year	1 - 5 years	Above 5 years	Total
<b>At 31<sup>st</sup> March 2018</b>					
Forwards	22	45.99	-	-	45.99
<b>At 31<sup>st</sup> March 2017</b>					
	-	-	-	-	-
<b>At 1<sup>st</sup> April 2016</b>					
Currency Swap	16 & 21	41.64	-	-	83.27

**4) Hedge Accounting:**

The Group's business objective includes safe-guarding its foreign currency earnings against movements in foreign exchange and interest rates. Group has adopted a structured risk management policy to hedge all these risks within an acceptable risk limit and an approved hedge accounting framework which allows for Fair Value and Cash Flow hedges. Hedging instruments consists of forwards to achieve this objective. The table below shows the position of hedging instruments and hedged items as of the balance sheet date.

Disclosure of effects of hedge accounting

**A Fair Value Hedge**

Hedging Instrument		Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
Type of Hedge and Risks	Nominal Value	Assets	Liabilities			
Foreign currency risk component - Forward Contract	883.47	-	897.81	(14.34)	Apr-18 to May-18	Current Financial Liability : Others

Hedging Instrument		Carrying amount		Changes in FV	Line Item in Balance Sheet
Type of Hedge and Risks		Assets	Liabilities		
Trade Receivables		883.47	-	14.34	Current Financial Assets : Trade Receivables

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**B Cashflow Hedge**

Hedging Instrument	Nominal Value	Carrying amount		Changes in FV	Hedge Maturity Date	Line Item in Balance Sheet
		Assets	Liabilities			
Type of Hedge and Risks						
Foreign currency risk component - Forward Contract	1,624.38	-	1,656.03	(31.65)	Jun-18 to Oct-18	Current Financial Liability : Others

Hedging Instrument	Nominal Value	Carrying amount		Cashflow Hedge Reserve	Line Item in Balance Sheet
		Assets	Liabilities		
Type of Hedge and Risks					
Foreign Currency Risk	1,624.38	-	-	-	Other Equity

**45 DETAILS OF SUBSIDIARY AND JOINT VENTURE**

Name of the Company	Country of Incorporation	% of Holding		
		As at 31-03-2018	As at 31-03-2017	As at 31-03-2016
<b>Subsidiary</b>				
Grip Polymers Limited	India	100.00%	100.00%	100.00%
Gripsurya Recycling LLP (Subsidiary LLP of Grip Polymers Limited (w.e.f. 06-Jul-2016).	India	99.97%	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%	50.00%	-

**46 DISCLOSURE OF ADDITIONAL INFORMATION PERTAINING TO THE PARENT COMPANY, SUBSIDIARIES AND JOINT VENTURE AS PER SCHEDULE III OF THE COMPANIES ACT, 2013**

Name of the company	FY 2017-18							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As a % of consolidated Net Assets	Net Assets	As a % of consolidated Profit or Loss	Profit / (Loss)	As a % of consolidated OCI	OCI	As a % of consolidated TCI	TCI
<b>Parent Company:</b>								
GRP Limited	102.35%	12,698.84	-130.66%	98.28	113.82%	12.66	-173.10%	110.94
<b>Subsidiary Company:</b>								
Grip Polymers Limited	-3.06%	(379.71)	60.67%	(45.64)	-13.82%	(1.54)	73.60%	(47.18)
<b>Stepdown Subsidiary:</b>								
Gripsurya Recycling LLP	1.05%	130.41	125.83%	(94.65)	0.00%	-	147.67%	(94.65)
<b>Joint Venture:</b>								
Marangoni GRP Private Limited	0.15%	19.05	65.28%	(49.10)	0.00%	-	76.61%	(49.10)
Non-Controlling Interests	0.00%	0.04	0.04%	(0.03)	0.00%	-	0.04%	(0.03)
<b>Sub Total</b>		12,468.63		(91.13)		11.13		(80.01)
Adjustments arising out of consolidation	-0.50%	(61.76)	-21.16%	15.92	0.00%	-	-24.83%	15.92
<b>Grand Total</b>	100.00%	12,406.86	100.00%	(75.22)	100.00%	11.13	100.00%	(64.09)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

Name of the company	FY 2016-17							
	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss		Other Comprehensive Income		Total Comprehensive Income	
	As a % of consolidated Net Assets	Net Assets	As a % of consolidated Profit or Loss	Profit / (Loss)	As a % of consolidated OCI	OCI	As a % of consolidated TCI	TCI
<b>Parent Company:</b>								
GRP Limited	100.93%	12,748.37	120.33%	829.27	95.98%	30.89	119.24%	860.16
<b>Subsidiary Company:</b>								
Grip Polymers Limited	-2.63%	(332.56)	-4.60%	(31.73)	4.02%	1.29	-3.65%	(26.36)
<b>Stepdown Subsidiary:</b>								
Gripsurya Recycling LLP	1.78%	225.08	-15.36%	(105.86)	0.00%	-	-15.24%	(109.95)
<b>Joint Venture:</b>								
Marangoni GRP Private Limited	0.33%	41.18	-0.52%	(3.61)	0.00%	-	-0.50%	(3.61)
<b>Non-Controlling Interests</b>	0.00%	0.07	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
<b>Sub Total</b>		12,682.14		688.04		32.18		720.22
Adjustments arising out of consolidation	-0.40%	(50.70)	0.16%	1.13	0.00%	-	0.16%	1.13
<b>Grand Total</b>	100.00%	12,631.43	100.00%	689.17	100.00%	32.18	100.00%	721.35

**47 CAPITAL MANAGEMENT**

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The gearing ratio at end of the reporting period was as follows.

	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Gross Debt	5,720.82	6,675.13	6,777.54
Cash and Marketable Securities	93.53	40.08	200.05
Net Debt (A)	5,627.29	6,635.05	6,577.50
Total Equity (As per Balance Sheet) (B)	12,406.83	12,631.37	12,072.54
Net Gearing (A/B)	0.45	0.53	0.54

**48 APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved for issue by the board of directors on 26<sup>th</sup> May, 2018.

**49 EVENTS AFTER THE REPORTING PERIOD**

The Board of Directors have recommended dividend of ₹ 1.25 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 20.09 Lakh, including ₹ 3.43 Lakh dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date / book closure.

**50 FIRST TIME ADOPTION OF IND AS**

For all periods up to and including the year ended 31<sup>st</sup> March, 2017, the Group had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). This note explains the principal adjustments made by the Group in restating its financial statements prepared under Previous GAAP for the following

- Balance Sheet as at 1<sup>st</sup> April, 2016 (Transition date);
- Balance Sheet as at 31<sup>st</sup> March, 2017;
- Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017; and
- Statement of Cash flows for the year ended 31<sup>st</sup> March, 2017.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)**EXEMPTIONS AVAILED:**

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Group has availed the following exemptions as per Ind AS 101:

- A The Group has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.
- B The carrying amounts of the Group's investments in its subsidiary and associate companies as per the financial statements of the Group prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.
- C The requirements of Ind AS 20- Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109- Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest free loans as per the financial statements of the Group prepared under Previous GAAP is considered for recognition in the opening Ind AS Balance Sheet.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

 Effect of Ind AS adoption on the Consolidated Balance Sheet as at 1<sup>st</sup> April, 2016

	Notes	Indian GAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	2 & 3	13,161.98	(122.72)	13,039.26
Capital work in progress		178.08	-	178.09
Investment Property	2	-	116.53	116.53
Other Intangible assets		66.85	-	66.85
Intangible assets under development		18.28	-	18.28
Financial Assets			-	
Investments	4	67.00	6.51	73.51
Loans		-	-	-
Others		1.54	-	1.54
Other Non-current assets	3	698.98	6.20	705.18
		<b>14,192.71</b>	<b>6.51</b>	<b>14,199.22</b>
<b>CURRENT ASSETS</b>				
Inventories		3,355.98	-	3,355.98
Financial Assets				
Investments		0.08	-	0.08
Trade receivables		5,450.77	-	5,450.77
Cash and cash equivalents		200.05	-	200.05
Bank balances other than mentioned above		68.62	-	68.62
Loans		-	-	-
Others		15.52	-	15.52
Current Tax Assets (Net)		62.56	-	62.56
Other Current Assets		365.82	-	365.82
		<b>9,519.38</b>	<b>-</b>	<b>9,519.38</b>
<b>TOTAL ASSETS</b>		<b>23,712.08</b>	<b>6.51</b>	<b>23,718.61</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital		133.33	-	133.33
Other Equity	4 & 5	11,772.21	166.99	11,939.20
		<b>11,905.54</b>	<b>166.99</b>	<b>12,072.54</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		992.45	-	992.45
Other Financial liabilities		41.64	-	41.64
Provisions		60.87	-	60.87
Deferred Tax Liabilities (Net)		2,332.23	-	2,332.23
		<b>3,427.19</b>	<b>-</b>	<b>3,427.19</b>
<b>CURRENT LIABILITIES</b>				
Financial Liabilities				
Borrowings		4,593.51	-	4,593.51
Trade Payables		1,389.27	-	1,389.27
Other Financial liabilities		1,536.77	-	1,536.77
Other Current Liabilities		487.58	-	487.58
Provisions	5	372.24	(160.48)	211.76
Current Tax Liabilities (Net)		-	-	-
		<b>8,379.36</b>	<b>(160.48)</b>	<b>8,218.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,712.09</b>	<b>6.51</b>	<b>23,718.61</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

 Effect of Ind AS adoption on the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017

	Notes	Indian GAAP	MGPL (Refer note 1)	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, Plant and Equipment	2 & 3	13,364.97	(0.62)	(119.53)	13,244.81
Capital work in progress		226.68	(20.61)	-	206.07
Investment Property	2	-	-	114.21	114.21
Goodwill		9.75	-	-	9.75
Other Intangible assets		46.97	-	-	46.97
Intangible assets under development		13.25	-	-	13.25
Financial Assets					
Investments	4	77.00	43.25	7.80	128.04
Loans		-	-	-	-
Others		1.57	-	-	1.57
Other Non-current assets	3	554.30	(0.13)	4.65	558.82
		<b>14,294.49</b>	<b>21.89</b>	<b>7.12</b>	<b>14,323.50</b>
<b>CURRENT ASSETS</b>					
Inventories		4,586.00	-	0.04	4,586.04
Financial Assets					
Investments		0.08	-	-	0.08
Trade receivables		4,836.65	10.47	-	4,847.12
Cash and cash equivalents		63.51	(23.43)	-	40.08
Bank balances other than mentioned above		46.49	-	-	46.49
Loans		-	-	-	-
Others	6	91.24	-	(10.95)	80.29
Current Tax Assets (Net)	6	63.10	-	2.53	65.63
Other Current Assets		426.32	(0.15)	-	426.17
		<b>10,113.38</b>	<b>(13.11)</b>	<b>(8.38)</b>	<b>10,091.89</b>
<b>TOTAL ASSETS</b>		<b>24,407.87</b>	<b>8.78</b>	<b>(1.26)</b>	<b>24,415.39</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity Share Capital		133.33	-	-	133.33
Other Equity	6	12,514.88	11.07	(27.92)	12,498.04
<b>Equity attributable to owners of the Company</b>		<b>12,648.21</b>	<b>11.07</b>	<b>(27.92)</b>	<b>12,631.37</b>
Non-Controlling Interests		0.07	-	-	0.07
		<b>12,648.28</b>	<b>11.07</b>	<b>(27.92)</b>	<b>12,631.43</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Financial Liabilities					
Borrowings		1,144.92	-	-	1,144.92
Other Financial liabilities	7	-	-	14.00	14.00
Provisions		61.99	-	-	61.99
Deferred Tax Liabilities (Net)	8	2,400.03	-	12.66	2,412.69
		<b>3,606.94</b>	<b>-</b>	<b>26.66</b>	<b>3,633.60</b>
<b>CURRENT LIABILITIES</b>					
Financial Liabilities					
Borrowings		5,003.53	-	-	5,003.53
Trade Payables		1,603.05	-	-	1,603.05
Other Financial liabilities		760.80	-	-	760.80
Other Current Liabilities		554.94	(2.29)	-	552.65
Provisions		230.33	-	-	230.33
Current Tax Liabilities (Net)		-	-	-	-
		<b>8,152.66</b>	<b>(2.29)</b>	<b>-</b>	<b>8,150.36</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,407.87</b>	<b>8.78</b>	<b>(1.26)</b>	<b>24,415.39</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**Effect of Ind AS adoption on the Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017**

	Notes	Indian GAAP	MGPL (Refer note 1)	Effects of transition to Ind AS	Ind AS
<b>INCOME</b>					
Revenue from Operations	9	30,379.06	-	1,177.11	31,556.17
Other Income	6	274.10	(0.17)	(0.93)	273.00
<b>Total Income</b>		<b>30,653.16</b>	<b>(0.17)</b>	<b>1,176.19</b>	<b>31,829.17</b>
<b>EXPENSES</b>					
Cost of Materials consumed		14,274.07	-	3.59	14,277.66
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		(410.74)	-	-	(410.74)
Excise duty	9	-	-	1,177.12	1,177.12
Employees benefits expense	10	5,344.83	-	0.65	5,345.48
Finance Costs		382.67	-	(0.00)	382.67
Depreciation & amortisation expense	3	1,434.33	(0.05)	(0.45)	1,433.83
Other Expenses	3 & 6	8,563.48	(3.73)	(5.59)	8,554.16
<b>Total Expenses</b>		<b>29,588.64</b>	<b>(3.78)</b>	<b>1,175.31</b>	<b>30,760.17</b>
<b>Profit Before Share of Profit / (Loss) of Joint Ventures, Exceptional Items and Tax</b>		<b>1,064.52</b>	<b>3.61</b>	<b>0.88</b>	<b>1,069.01</b>
Share of Profit / (Loss) of Joint Ventures	1	-	-	(3.61)	(3.61)
<b>Profit before Exceptional items and Tax</b>		<b>1,064.52</b>	<b>3.61</b>	<b>(2.73)</b>	<b>1,065.40</b>
Exceptional Items		-	-	-	-
<b>Profit before tax</b>		<b>1,064.52</b>	<b>3.61</b>	<b>(2.73)</b>	<b>1,065.40</b>
<b>Tax Expense</b>					
- Current Tax	6	260.61	-	(2.47)	258.14
- MAT Credit entitlement	6	57.04	-	1.02	58.06
- Short / (Excess) Provision for earlier years		(5.17)	-	-	(5.17)
- Deferred Tax	8	67.81	-	(2.61)	65.20
<b>Total Tax Expenses</b>		<b>380.29</b>	<b>-</b>	<b>(4.06)</b>	<b>376.23</b>
<b>Profit for the year</b>		<b>684.23</b>	<b>3.61</b>	<b>1.33</b>	<b>689.17</b>
<b>Other Comprehensive Income</b>					
(i) Items that will not be reclassified to profit or loss	10	-	-	<b>0.66</b>	<b>0.66</b>
(ii) Income tax expense on above	8	-	-	(0.22)	(0.22)
(iii) Items that will be reclassified to profit or loss	4 & 6	-	-	46.78	46.78
(iv) Income tax relating to items that will be reclassified to profit or loss	8	-	-	(15.04)	(15.04)
Total Other Comprehensive Income (A + B)		-	-	32.18	32.18
<b>Total Comprehensive Income for the year</b>		<b>684.23</b>	<b>3.61</b>	<b>33.51</b>	<b>721.35</b>

**CONSOLIDATED STATEMENT OF CASHFLOW**

The transition from Indian GAAP to Ind AS has no material impact on the consolidated statement of cash flows.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**STATEMENT OF RECONCILIATION OF PROFIT & OTHER EQUITY BETWEEN Ind AS and Previous GAAP**

(₹ in Lakh)

Nature of adjustments	Notes	Net Profit	Other Equity	
		As at 31-Mar-2017	As at 31-Mar-2017	As at 01-Apr-2016
Reserve as reported as per the previous Indian GAAP		684.23	12,469.39	11,772.21
Actuarial (Gain)/Loss reclassified to other comprehensive income	10	(0.66)	(0.66)	-
Tax Expenses on above	8	0.22	0.22	-
MTM (loss) /gain on Financial Instruments	6	(10.94)	(10.94)	-
Tax Expenses on above	8	3.85	3.85	-
Investment in quoted equity share	4	-	7.80	6.51
Fair value gain / (losses) on Financial Instruments	6	11.47	(4.81)	-
Impact of amortisation of Government grants	7	1.00	1.00	-
Proposed Dividend including tax	5	-	-	160.49
Items that will not be reclassified to profit or loss (net of tax)	10	-	0.44	-
Items that will be reclassified to profit or loss (net of tax)	4&6	-	31.74	-
Net profit before OCI and Reserve as per Ind AS		689.17	12,498.04	11,939.21

**Notes to the reconciliation of equity as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017 and total comprehensive income for the year ended 31<sup>st</sup> March, 2017**
**1 Joint Venture**

The group holds 50% interest in Marangoni GRP Private Limited. In the financial statements prepared under Previous GAAP, group proportionately consolidated its interest in the Marangoni GRP Private Limited in the Consolidated Financial Statement. On transition to Ind AS the group has assessed and determined that Marangoni GRP Private Limited is a Joint Venture under Ind AS 31 Interests in Joint Ventures. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of amount of assets and liabilities that the group had previously proportionately consolidated including any goodwill arising on acquisition. On application of equity method the investment stands increased by ₹ 43.25 Lakh on 31<sup>st</sup> March, 2017. Derecognition of proportionately consolidated Marangoni GRP Private Limited has resulted in change in Balance Sheet, Statement of Profit and Loss and cash flow statement which is reflected line by line in the reconciliation.

**2 Investment Property**

Under Indian GAAP, investment property were presented as a part of fixed assets. Under Ind AS, investment property is accounted separately, hence investment property is reclassified as at 31-Mar-2017 at ₹ 116.53 Lakh and 1-Apr-2016 at ₹ 114.21 Lakh.

**3 Leasehold land reclassified to Non current Assets**

Under previous GAAP, Leasehold land was included in the property, plant and equipment. Under IND AS, lease not classified as finance lease are regrouped under non current assets, as at 31-March-2017 and 1-Apr-2016. Depreciation to the extent of ₹ 0.45 Lakh and ₹ 0.45 Lakh respectively pertaining to the leasehold land has been reversed and same is expensed under the head 'Rent, lease rent and other charges'. This has no impact on the statement of profit or loss or equity.

**4 Investment in quoted equity share**

Under Indian GAAP, the Group accounted for non-current investments in quoted equity share as investments measured at cost. Under Ind AS, the Group has designated such instruments as financial assets at fair value through other comprehensive income (FVTOCI).

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of subsidiary and associate companies).

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 6.51 Lakh which has been recognised directly in retained earnings (Equity).

As at 31<sup>st</sup> March 2017, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 7.80 Lakh. On such fair valuation, net gain amounting to ₹ 1.29 Lakh has been recognised in other comprehensive income in the Statement of Profit and Loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH, 2018** (₹ In lakh)

**5 Short term provision - Reversal of equity dividend**

Under previous GAAP, dividend on equity shares which was recommended by the board of directors after the end of the reporting period but before financial statement were approved for issue, were recognised in financial statement as liability. Under IND AS such dividend is recognised in the reporting period in which the same is approved by the members in a general meeting. The effect of these change has resulted in increase in total equity by ₹ 160.48 Lakh as at 1-Apr-2016, but does not have any impact for profit before tax and total profit for the year ended 31-Mar-2016.

**6 Hedge Accounting**

Under previous GAAP, premium or discount arising at the inception of the forward contract entered into, to hedge an existing asset/liability, is amortised as expenses or income over life of contract. Exchange difference on such contract are recognised in the statement of profit and loss. Under IND AS 109, derivatives with underline are accounted as fair value hedge and mark to market through profit and loss, derivatives without underline are accounted as cash flow hedge and mark to market under OCI.

**7 Deferred Income**

Under Indian GAAP, LLP accounted for the subsidy received from state government in Reserve & Surplus. Under Ind AS the LLP has designated the subsidy as deferred income and the same will be amortized over the useful life of plant and machinery i.e. 15 years.

As at 31<sup>st</sup> Mar 2017, the LLP has amortized the deferred income for ₹ 1.00 lakh and booked income of ₹ 1.00 lakh which resulted in reduction in loss to that extent. The balance deferred income of ₹ 14.00 Lakh is shown under other non current liabilities.

**8 Deferred Tax**

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset / liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset / liability on temporary differences between the carrying amount of an asset / liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences which was not required to be recognised under Previous GAAP.

**9 Excise duty**

Under previous GAAP, revenue from sale of product was presented net of excise duty as revenue from operation, whereas under IND AS, revenue from sale of product includes excise duty. The corresponding excise duty was presented separately on the face of the statement of profit and loss. The change does not have any impact on total equity as at 1-Apr-2016 and profit before tax for the year ended 31-Mar-2017

**10 Remeasurement benefit of defined benefit plan**

Under previous GAAP, actuarial gain or losses were recognised in profit and loss account. Under IND AS, the actuarial gain or losses forming part of remeasurement of net defined benefit liability /asset, are recognised in Other Comprehensive Income instead of profit and loss. The actuarial gain or losses for the year ended 31 March 2017 is ₹ 0.66 Lakh with tax effect of ₹ 0.22 Lakh. This change does not have any impact on total equity, but there is increase in Profit before tax of ₹ 0.66 Lakh and in total profit of ₹ 0.44 Lakh for year ended 31-Mar-2017.

**11 Other Comprehensive Income**

Under previous GAAP, there was no concept of other comprehensive income. Under IND AS specified items of income, expenses, gains and losses are presented as other comprehensive income.

As per our Report of even date

**For DKP & Associates**  
Chartered Accountants  
Firm Registration No. 126305W

**D. K. Doshi**  
Partner  
Membership no. 037148

Place : Mumbai,  
Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board of Directors

**Rajendra V Gandhi**  
Managing Director

**Harsh R Gandhi**  
Executive Director

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

Place : Mumbai  
Date : 26<sup>th</sup> May, 2018





We are proud to be associated with GRP since many years and sincerely appreciate the many aspects of our association which include the quality of products and service rendered, timeliness of despatches which are crucial to inventory, competitiveness of pricing policies, product innovations and knowledge of industry trends which helps us in generating higher business for the good of us both, as business partners. We look forward to continued good cooperation and wish GRP all the very best for the future.

*Sunil Bansal, KK Enterprises,  
Pune, India*



Serina Trading has been GRP's South African agent since 2010. We have found GRP a pleasure to do business with. Their responsiveness and customer service is excellent and their reclaim products are very good quality. Shelf life is an issue with rubber reclaim, but GRP has established good control over that parameter. If there are any problems or hiccups, GRP addresses them promptly and to the customer's satisfaction. We value our relationship with this principal and look forward to many more years of productive collaboration.

*Jenny Jay, Serina Trading (Pty) Ltd,  
Cape Town, South Africa*



"We continue to enjoy excellent working relationship with all of the GRP team. The product and packaging are excellent. Though the odd challenge presents itself, our excellent working relationship with GRP, and the staff of the company, means that together, Milin can offer, with confidence, quality products to customers large and small in North America."

*Paul Mitchell, Milin Environmental Inc.,  
USA*

## CUSTOMER EXPERIENCES



Our experience with GRP has been very positive, as they have shown a strong commitment to be the best reclaim rubber producer in the world. Continuous development of new grades, a real global approach and a highly skilled team to work with are some of the features that makes GRP a first class supplier of solutions to the global rubber business.

*Fernando Genova, Parabor,  
Brazil*



"What impressed us about GRP is the thorough professionalism, reliability and commitment towards project handling, operating procedures and compliances; the last very important for the EU market. In GRP, we have a trusted partner and good friends in their Sales, Technical and the Management Team."

*Ajish John, Wistema GmbH,  
Germany*



GRP is without doubt the nicest and easiest Indian company I have ever dealt with, Our connection has been long and strong and I hope it will continue for years to come."

*Andy Rushton, J. Allcock & Sons,  
UK*



JSR Trading has been working with GRP for many years; we started out with representing them in Japan and gradually extended the partnership to China and Thailand as well. Being a Global Leader in Reclaim Rubber, GRP brings to the table a well-recognized brand, a wide product range, consistently high quality and good after-sales service. This has helped us jointly penetrate several industry segments and get approvals from leading rubber product manufacturers, several of them industry leaders. We continue to enjoy a trusting relationship with the management of GRP and are working together to make the world a more sustainable place through the use of GRP's reclaim rubber.

*Kuta Enzawa, Chemical Division, JSR Trading Co.,  
Tokyo, Japan*

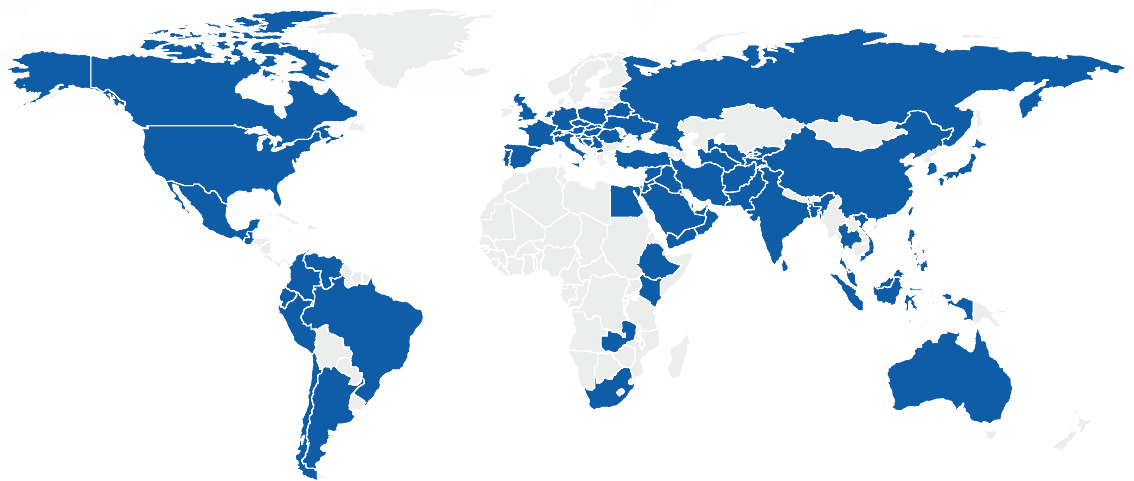


I joined a highly recognised brand - GRP - and gained a powerful set of marketing tools to make sure my business drives at the front of the pack.

*Waris Kapadia, Kapadia Group,  
Mumbai, India*



Creating an  
impact positive  
across  
boundaries



7

MFG. UNITS

60+

COUNTRIES

200+

CUSTOMERS

300+

SUPPLIERS

**GRP** RECLAIM RUBBER

**Manufacturing Plants:**  
Ankleshwar | Panoli  
Chincholi | Perundurai  
sales.rr@grpweb.com

**GRP** INDUSTRIAL POLYMERS

**Manufacturing Plants:**  
Solapur  
sales.ip@grpweb.com

**GRP** CUSTOM DIE FORMS

**Manufacturing Plants:**  
Panoli  
sales.cdf@grpweb.com

**GRP** POLYMER COMPOSITE

**Manufacturing Plants:**  
Solapur

**MARANGONI** | **GRP**

Exclusive franchisor of Ringtread  
info@marangonigrp.com

**GRP LTD.**

510, A Wing, Kohinoor City C - I, Kirol Road, Off L. B. S. Marg, Kurla (W), Mumbai - 400 070, India.  
T: +91 22 6708 2500 / 2600 F: +91 22 6708 2599 [www.grpweb.com](http://www.grpweb.com)