

# **GRP CIRCULAR SOLUTIONS LIMITED**

Audited Financial Statements  
2022-23

CIN: U25190MH2022PLC388144

Registered Office: 510 "A" Wing Kohinoor City Commercial – I,  
Kirol Road Off. L.B. Shastri Marg, Kurla (W) Mumbai – 400070.

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of GRP Circular Solutions Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying Financial Statements of **GRP Circular Solutions Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2023, and its losses including Other Comprehensive Income, changes in equity and its cash flows for the period ended on that date.

#### **Basis for Opinion**

We conducted our audit of financial statement in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

#### **Other Information**

The Company's Management and Board of Directors is responsible for the preparation of other information. The other information includes the information in Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 as amended, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as

on 31<sup>st</sup> March, 2023 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:
  - i. The Company does not have any pending litigations on its as on 31<sup>st</sup> March, 2023 which would impact its financial statement.
  - ii. The Company does not have to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
  - iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2023.
  - iv. (a) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation given by the Management under paragraph (3) (g) (iv) (a) and (b) above contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the current year.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 is not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2023.

3. As per Section 197(16) of the Act, we report that the Company has not paid remuneration to its directors during the year and hence provisions of the section 197 read with Schedule V of the Act are not applicable.

For **Rajendra & Co.**  
Chartered Accountants  
Firm's Registration No. 108355W

**A. R. Shah**  
Partner  
Membership No. 047166  
UDIN: 23047166BGQSFT7531  
Place: Mumbai  
Date: 27th May, 2023

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF GRP CIRCULAR SOLUTIONS LIMITED**

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

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - (B) The Company did not hold any intangible assets during the year and hence provision of this clause is not applicable.
  - (b) As explained to us, these Property, Plant and Equipment 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 and appropriately dealt with in the books of accounts.
  - (c) The Company did not hold any immovable properties and hence provision of this clause is not applicable.
  - (d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year and hence reporting under clause (i) (d) of paragraph 3 of the Order is not applicable and hence not commented upon.
  - (e) According to the information and explanation given to us, there are no proceedings initiated and are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause (i) (e) of paragraph 3 of the Order is not applicable and hence not commented upon.
- (ii) (a) In our opinion, the inventories have been physically verified during the year by the Management at reasonable intervals and as explained to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification by the Company.
    - b) During the year, the Company has not been sanctioned working capital limits in excess of rupees five crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, reporting under clause ii (b) of paragraph 3 of the Order is not applicable.
  - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties. Accordingly, the provisions of clause 3(iii) (a), (b), (c) and (d) of the Order are not applicable to the Company and hence not commented upon.
  - (iii) (e) According to the information and explanations given to us, the Company has not granted any loan or advance in the nature of loan granted during the year and there is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii) (e) of the Order are not applicable to the Company and hence not commented upon.

- (iii) (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (f) of the Order are not applicable to the Company and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not directly or indirectly advanced any loan to the person or given guarantees or securities in connection with the loan taken by persons covered under Section 185 of the Act and hence clause (iv) of paragraph 3 of the order is not applicable to the Company. The Company has complied with the provisions of section 186 of the Act, in respect of investments, loans, guarantee or security given, as applicable.
- (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) In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- (vii) In respect of statutory dues:
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there are no disputed dues on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess that have not been deposited before appropriate authorities.
- (viii) In our opinion, to the best of our knowledge and according to the information and explanations given to us, there are no such transactions which are not recorded in the books of account, have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (43 of 1961), which have been previously unrecorded income. Therefore, the clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- (ix)
  - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
  - b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - c. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the company has utilised term loans taken during the year for purpose for which loans were applied.



- d. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the company has not utilised its funds raised for short term basis for long term purpose.
- e. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the year and hence clause (e) (ix) of paragraph 3 of the Order is not applicable to the Company.
- f. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence clause (e) (ix) of paragraph 3 of the Order is not applicable to the Company.
- (x) a. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year under review and hence, reporting requirements under clause (a) (x) of paragraph 3 of the Order are not applicable to the Company and, not commented upon.
- b. According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under review and hence, reporting requirements under clause (b) (x) of paragraph 3 of the Order are not applicable to the Company and, not commented upon.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- b. In our opinion, to the best of our knowledge and according to the information and explanations given to us, no report has been filed under sub -section (12) of Section 143 of the Companies Act, 2013 by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- c. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company has not received any whistle blower complaints during the year.
- (xii) In our opinion the Company is not a Nidhi Company and hence reporting under, the provisions of clause (a), (b) and (c) (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year, 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 and hence reporting under clause (xv) of the paragraph 3 of the Order is not applicable to the Company.
- (xvi) a. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the company has not conducted any Non -Banking Financial or Housing Finance activities during the year under review and hence, reporting requirements under clause (b) (xvi) of paragraph 3 of the Order are not applicable to the Company and, not commented upon.
- c. In our opinion, to the best of our knowledge and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India and hence, reporting requirements under clause (c) (xvi) of paragraph 3 of the Order are not applicable to the Company and, not commented upon.
- d. As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.
- (xvii) According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has incurred cash losses of Rs. 43.82 Lakhs in current financial year.
- (xviii) The statutory auditors of the Company have not resigned during the year and hence, reporting requirements under clause (xviii) of paragraph 3 of the Order are not applicable to the Company and, not commented upon.
- (xix) According to the information and explanations provided to us and on an overall examination of the balance sheet and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the Board of Directors and management plans, in our opinion no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date; We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, there are no unspent amounts in compliance with provisions of Section 135 of the Act; hence provisions of this clause are not applicable to the Company.
- (xxi) According to the information and explanations provided to us, provisions of the act regarding preparation of consolidated financial statement is not applicable to the company as there is no investment in the subsidiary, associate company and joint

venture company and hence, reporting requirements under clause (xxi) of paragraph 3 of the Order are not applicable to the Company and not commented upon.

For **Rajendra & Co.**  
Chartered Accountants  
Firm's Registration No. 108355W

**A. R. Shah**  
Partner  
Membership No. 047166  
UDIN: 23047166BGQSFT7531  
Place: Mumbai  
Date: 27th May, 2023

## **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF GRP CIRCULAR SOLUTIONS 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 controls with reference to financial statements over Financial Reporting of GRP Circular Solutions Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 31<sup>st</sup> March, 2023 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 **Rajendra & Co.**  
Chartered Accountants  
Firm's Registration No. 108355W

**A. R. Shah**  
Partner  
Membership No. 047166  
UDIN: 23047166BGQSFT7531  
Place: Mumbai  
Date: 27th May, 2023

**GRP CIRCULAR SOLUTIONS LIMITED****BALANCE SHEET AS AT 31st MARCH, 2023**

		(₹ in lakhs)
	Notes	As at 31-March-2023
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	2A	0.93
Capital work in progress	2B	573.03
Other Non-current assets	3	82.62
<b>Total Non-Current Assets</b>		<b>656.58</b>
<b>CURRENT ASSETS</b>		
Inventories	4	17.41
Financial Assets		
Trade receivables	5	6.08
Cash and cash equivalents	6	9.00
Other Current Assets	7	150.31
<b>Total Current Assets</b>		<b>182.80</b>
<b>Total Assets</b>		<b>839.38</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	8	200.00
Other Equity	9	(47.22)
<b>Total Equity</b>		<b>152.78</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Financial Liabilities		
Borrowings	10	328.45
Deferred Tax Liabilities (Net)	11	0.04
<b>Total Non-Current Liabilities</b>		<b>328.49</b>
<b>CURRENT LIABILITIES</b>		
Financial Liabilities		
Borrowings	12	243.07
Trade Payables		
- Dues of micro and small enterprises	13	8.32
- Dues of creditors other than micro and small enterprises	13	67.12
Other Financial liabilities	14	33.69
Other Current Liabilities	15	5.91
<b>Total Current Liabilities</b>		<b>358.11</b>
<b>Total Liabilities</b>		<b>686.60</b>
<b>Total Equity and Liabilities</b>		<b>839.38</b>
Significant Accounting policies	1	
See accompanying Notes to the Financial Statements	2 - 29	
As per our Report of even date		

**For Rajendra & Co.**

Chartered Accountants

Firm Registration No. 108355W

**For and on behalf of the Board of Directors****Apurva R. Shah**

Partner

Membership No. 047166

**Harsh R Gandhi**

Director

**Virendra Rathod**

Director

Mumbai, 27th May, 2023

Mumbai, 27th May, 2023

# GRP CIRCULAR SOLUTIONS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH, 2023

		(₹ in lakhs)
	Notes	Year ended 31-March-2023
<b>INCOME</b>		
Revenue from Operations	16	6.08
Less: Goods and Service Tax Recovered		0.93
Revenue from Operations (Net)		5.15
<b>Total Income</b>		<b>5.15</b>
<b>EXPENSES</b>		
Cost of Materials consumed		4.26
Employee benefits expenses	17	13.79
Finance Costs	18	3.34
Depreciation & Amortisation expenses	19	0.02
Other Expenses	20	30.92
<b>Total Expenses</b>		<b>52.33</b>
<b>Profit before Exceptional items and Tax</b>		<b>(47.18)</b>
Exceptional Items		-
<b>Profit Before Tax</b>		<b>(47.18)</b>
<b>Tax Expense</b>		
- Deferred Tax		0.04
<b>Total Tax Expenses</b>		<b>0.04</b>
<b>Profit for the year</b>		<b>(47.22)</b>
<b>Total Comprehensive Income for the year</b>		<b>(47.22)</b>
Earning Per Equity share of Face value of ₹ 10/- each	23	
(1) Basic (in ₹)		(2.36)
(2) Diluted (in ₹)		(2.36)
Significant Accounting policies	1	
See accompanying Notes to the Financial Statements	2 - 29	
As per our Report of even date		

### For Rajendra & Co.

Chartered Accountants  
Firm Registration No. 108355W

For and on behalf of the Board of  
Directors

**Apurva R. Shah**

Partner  
Membership No. 047166

**Harsh R Gandhi**      **Virendra Rathod**  
Director                      Director

Mumbai, 27th May, 2023

Mumbai, 27th May, 2023

**GRP CIRCULAR SOLUTIONS LIMITED****CASHFLOW STATEMENT FOR THE PERIOD ENDED 31<sup>st</sup> MAR, 2023**

	(₹ in lakhs)
	Period ended 31-Mar-2023
<b>Cash flow from Operating activities</b>	
Net profit before tax and extra ordinary items	(47.18)
Adjustments for	
- Depreciation	0.02
- Interest Expense	3.34
<b>Operating Profit before working capital changes</b>	<b>(43.82)</b>
Adjustments for	
- (Increase)/Decrease in Trade and other receivables	(156.38)
- (Increase)/Decrease in Inventories	(17.41)
- Increase/(Decrease) in Trade and other payable	81.34
<b>Cash generated from operations</b>	<b>(136.27)</b>
Direct taxes paid (net of refund)	-
<b>Net cash generated from operating activities</b>	<b>(136.27)</b>
<b>Cash flow from investing activities</b>	
- Purchase of Property, plant and equipment	(622.92)
<b>Net cash used in investing activities</b>	<b>(622.92)</b>
<b>Cash flow from financing activities</b>	
- Loans Taken / (repaid) [Net of borrowings]	571.53
- Proceedings from Sale of Equity Shares	200.00
- Interest paid	(3.34)
<b>Net cash used in financing activities</b>	<b>768.19</b>
<b>Net increase / (Decrease) in cash and cash equivalents</b>	<b>9.00</b>
<b>Cash and cash equivalents at the beginning of the period</b>	-
<b>Cash and cash equivalents at the closing of the period</b>	<b>9.00</b>
<b>Cash and Bank Balances</b>	
<b>Cash and cash equivalents</b>	
Balance with banks	
- In Current accounts	9.00
	<b>9.00</b>

**CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES**

	01-April-2022	Cash Flow	Foreign Exchange Movement	31-March-2023
Borrowing - Long Term (Refer Note 10)	-	388.53	-	388.53
Borrowing - Short Term (Refer Note 12)	-	183.00	-	183.00
	-	<b>571.53</b>	-	<b>571.53</b>

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 Rajendra & Co.**

Chartered Accountants  
Firm Registration No. 108355W

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

**Apurva R. Shah**  
Partner  
Membership No. 047166

**Harsh R Gandhi**      **Virendra Rathod**  
Director                      Director

Mumbai, 27th May, 2023

Mumbai, 27th May, 2023



# GRP CIRCULAR SOLUTIONS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD YEAR ENDED 31<sup>st</sup> MARCH, 2023

(₹ in lakhs)

### A) Equity Share Capital

Particulars	As at 31-March-2023
Balance at the beginning of the reporting year	-
Changes in Equity Share capital during the year	200.00
<b>Balance at the end of the reporting year</b>	<b>200.00</b>

### B) Other Equity

Particulars	Reserves and Surplus	TOTAL OTHER EQUITY
	Retained Earnings	
Balance at the beginning of the period (a)	-	-
Profit for the year	(47.22)	(47.22)
<b>Total Comprehensive Income (b)</b>	<b>(47.22)</b>	<b>(47.22)</b>
<b>Balance at the end of the reporting period i.e. 31<sup>st</sup> March, 2023 (a+b)</b>	<b>(47.22)</b>	<b>(47.22)</b>

As per our Report of even date

#### For Rajendra & Co.

Chartered Accountants  
Firm Registration No. 108355W

For and on behalf of the Board of Directors

#### Apurva R. Shah

Partner  
Membership No. 047166

#### Harsh R Gandhi

Director

#### Virendra Rathod

Director

Mumbai, 27th May, 2023

Mumbai, 27th May, 2023

# GRP CIRCULAR SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023

(₹ in lakhs)

### CORPORATE INFORMATION

GRP Circular Solutions Limited (the 'Company') is a limited company domiciled and incorporated in India having CIN: U25190MH2022PLC388144 under the Companies Act, 2013. The registered office of the company is situated at 510 A wing, Kohinoor City Commercial-1, Kirol road, off. LBS marg Kurla west, Mumbai - 400070, Maharashtra, India. The Company is engaged mainly in manufacturing of Plastic recycling business. The Company is subsidiary company of GRP Limited.

### 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.

These financial statements have been prepared and presented under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair values at the end of reporting period, as stated in the accounting policies set out below. Being the first year of the company since incorporated, previous year figures are not reported. These financial statements are presented in Indian Rupees, which is also its functional currency, and all values are rounded to the nearest lakhs, except when otherwise

#### 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 products and the time between the acquisition of assets or inventories for manufacturing 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:

Depreciation on assets is provided over the useful life of assets as prescribed under schedule II of the Companies Act, 2013.

##### (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 are capitalised, all other borrowing costs are charged to the statement of profit and loss for the period in which they are incurred.

##### (C) 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.

###### 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.

##### (D) 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

##### (E) 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.

# GRP CIRCULAR SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023

(₹ in lakhs)

- 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 profit or loss

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

### 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.

### (F) Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the Government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

### (G) 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.

### (H) Employees Benefits:

Employee benefits include provident fund, employee state insurance scheme. The contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### (I) 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.

### (J) 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.

### (K) Earnings Per Share:

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

**GRP CIRCULAR SOLUTIONS LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in lakhs)

<b>2 PROPERTY, PLANT AND EQUIPMENT</b>									
<b>2A TANGIBLE ASSETS</b>									
Particulars	Gross Block				Depreciation / Amortisation				Net Book Value
	As at 01-04-2022	Additions	Deduction/ Transfers	As at 31-03-2023	As at 01-04-2022	For the period	Deduction/ Transfers	As at 31-03-2023	As at 31-03-2023
Computer Hardware	-	0.95	-	0.95	-	0.02	-	0.02	0.93
<b>Total</b>	-	<b>0.95</b>	-	<b>0.95</b>	-	<b>0.02</b>	-	<b>0.02</b>	<b>0.93</b>

**Notes:**

- Refer to note 10 for information on Property, plant & equipment pledged as security by the Company.
- Refer to note 21 for disclosure of contractual commitments for the acquisition of Property, plant & equipment.

<b>2B CAPITAL WORK IN PROGRESS</b>		As at 31-03-2023
Particulars		
Factory Building		19.41
Plant & Machinery		553.62
<b>Total</b>		<b>573.03</b>

**Notes:**

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

Particulars	FY 2022-23
Plant and Machinery	8.25
<b>Total</b>	<b>8.25</b>

- Capital-Work-in Progress (CWIP) Ageing schedule as at 31st March 2023

CWIP	Amount in CWIP for a period of				
	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	573.03	-	-	-	573.03
<b>Total</b>	<b>573.03</b>	-	-	-	<b>573.03</b>

<b>3 OTHER NON CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)</b>		As at 31-03-2023
Capital Advances		82.62
<b>TOTAL</b>		<b>82.62</b>

<b>4 INVENTORIES</b>		As at 31-03-2023
Raw Materials		15.10
Stores and spares		2.25
Packing Materials		0.06
<b>TOTAL</b>		<b>17.41</b>

<b>5 CURRENT FINANCIAL ASSETS : TRADE RECEIVABLES</b>		As at 31-03-2023
Trade Receivables considered good - Unsecured		6.08
Trade Receivables - credit impaired		-
<b>TOTAL</b>		<b>6.08</b>
Less: Allowance for expected credit loss		-
<b>TOTAL</b>		<b>6.08</b>

**Trade Receivables ageing schedule as at 31st March, 2023**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed Trade receivables - considered good	6.08	-	-	-	-	-	6.08
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>6.08</b>	-	-	-	-	-	<b>6.08</b>

<b>6 CURRENT FINANCIAL ASSETS : CASH AND CASH EQUIVALENTS</b>		As at 31-03-2023
Balances with Banks		
- Current Accounts		9.00
<b>TOTAL</b>		<b>9.00</b>

<b>7 OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)</b>		As at 31-03-2023
Advances other than capital advances		47.94
Balance with Central Excise, GST and State Authorities		102.16
Prepaid Expenses		0.19
<b>TOTAL</b>		<b>150.29</b>

## GRP CIRCULAR SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2023

(₹ in lakhs)

8 EQUITY		As at 31-03-2023
Authorized		
50,00,000 Equity shares of ₹ 10 each		500.00
6% Optionally convertible Preference shares of ₹ 10 each		500.00
<b>TOTAL</b>		<b>1,000.00</b>

Issued, Subscribed and fully Paid up		
20,00,000 equity shares of ₹ 10 each		200.00
<b>TOTAL</b>		<b>200.00</b>

	As at 31-03-2023	
	Units (Nos)	(₹ in lakhs)
At the beginning of the period	-	-
Add: Issued during the period	20,00,000	200.00
At the end of the period	20,00,000	200.00

### Rights, preferences and restrictions attached to Equity 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

Particulars	As at 31-03-2023	
	Shares (Nos)	% of Holding
GRP Limited	20,00,000	100.00%

### Shareholding Pattern as on 31-March-2023

Sr. No.	Promoter Name	No. of Shares	% of Total Shares	% change during the period
1	GRP Limited	20,00,000	100.00%	100.00%

9 OTHER EQUITY		As at 31-03-2023
<b>Reserves and Surplus</b>		
<b>Retained Earnings</b>		
As per last Balance sheet		-
Add: Profit/(Loss) for the period		(47.22)
<b>Balance as at the end of the period</b>		<b>(47.22)</b>
<b>TOTAL</b>		<b>(47.22)</b>

10 NON CURRENT FINANCIAL LIABILITIES : BORROWINGS		As at 31-03-2023	
		Current Maturity	Non - Current portion
<b>Secured - At Amortised Cost</b>			
Term Loans from Banks			
- Rupee Loan		60.07	328.45
		<b>60.07</b>	<b>328.45</b>
Amount disclosed under the head Current Financial Liabilities : Borrowings (refer note 12)		<b>(60.07)</b>	-
<b>TOTAL</b>		-	<b>328.45</b>

- Borrowings are measured at amortised Cost

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

- Rupee loan from Kotak Mahindra Bank Ltd of ₹ 388.53 lakhs (Net of processing charges) for Capex**  
First exclusive charge by way of hypothecation on entire existing and future receivables current assets, moveable assets & moveable fixed assets of the borrower.  
Repayable in 51 equal monthly instalments beginning from 25-Aug-2023 along with interest @ 9.20% p.a.
- For explanation on the company's Interest rate risk and foreign currency risk refer Note 25

11 DEFERRED TAX LIABILITIES (NET):		As at 31-03-2023
At the start of the period		-
Charge/(credit) to Statement of Profit and Loss		0.04
Charge/(credit) to Other Comprehensive Income		-
At the end of period		<b>0.04</b>
* Deferred Tax liabilities related to Property, Plant & Equipments		

12 CURRENT FINANCIAL LIABILITIES : BORROWINGS		As at 31-03-2023
<b>Secured - At Amortised Cost</b>		
<b>Working Capital Loan payable on demand from banks</b>		
<b>Rupee Loans</b>		
Current maturities of Long-term borrowings (refer note 10)		60.07
Loan From Holding Company		183.00
<b>TOTAL</b>		<b>243.07</b>

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

- For explanation on the company's Interest risk and foreign currency risk refer Note 25

**GRP CIRCULAR SOLUTIONS LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023**

(₹ in lakhs)

**13 CURRENT FINANCIAL LIABILITIES : TRADE PAYABLES**
**As at  
31-03-2023**

Dues of micro and small enterprises	8.32
Dues of creditors other than micro and small enterprises	67.12
<b>TOTAL</b>	<b>75.44</b>

**As at  
31-03-2023**

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	8.32
- Interest due thereon	-
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 period	-
Amount of interest due and payable on delayed payments	-
Amount of interest accrued and remaining unpaid as at period end (Net of reversal)	-
The amount of further interest due and payable even in the succeeding year	-

**Trade Payables Ageing schedule as at 31st March, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
MSME	0.22	2.11	-	-	-	2.33
Others	26.89	46.22	-	-	-	73.11
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>27.11</b>	<b>48.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.44</b>

**14 CURRENT FINANCIAL LIABILITIES : OTHERS**
**As at  
31-03-2023**

Creditors for Capital Goods & Services	33.69
<b>TOTAL</b>	<b>33.69</b>

**15 OTHER CURRENT LIABILITIES**
**As at  
31-03-2023**

Advances from customers	0.32
Statutory dues	1.77
Others	3.81
<b>TOTAL</b>	<b>5.90</b>

**16 REVENUE FROM OPERATIONS:**
**Period ended  
31-03-2023**

Revenue from Operations	6.08
<b>Revenue from Operations (Gross)</b>	<b>6.08</b>
Less: Goods and Service Tax Recovered	0.93
<b>Revenue from Operations (Net)</b>	<b>5.15</b>

**17 EMPLOYEE BENEFITS EXPENSES:**
**Period ended  
31-03-2023**

Salaries and Wages	13.31
Contribution to Provident fund and Other funds	0.45
Staff Welfare and other benefits	0.03
<b>TOTAL</b>	<b>13.79</b>

**18 FINANCE COST:**
**Period ended  
31-03-2023**

Interest on Term & Working Capital Loans*	-
Interest on Other Loans	0.94
Financial Charges	2.40
<b>TOTAL</b>	<b>3.34</b>

\* Interest Expenses are net of Interest Capitalised of ₹ 8.25 lakhs (Refer note 2B)

**19 DEPRECIATION AND AMORTIZATION EXPENSES:**
**Period ended  
31-03-2023**

Depreciation on Property, Plant & Equipment	0.02
<b>TOTAL</b>	<b>0.02</b>

# GRP CIRCULAR SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2023

(₹ in lakhs)

### 20 OTHER EXPENSES:

#### Manufacturing Expenses

Packing Material consumed  
Job Work Charges

0.05  
0.98

#### Sales & Distribution expenses

Other Selling and Distribution expenses

11.23  
11.23

#### Administration & Other Expenses

Insurance  
Legal & Professional charges  
Travelling & Conveyance  
Net (Gain) / Loss on foreign currency transactions and translation  
Factory / Office Expenses  
Other Expenses

0.61  
12.95  
1.08  
(1.22)  
0.40  
4.85

**TOTAL**

**18.66**  
**30.92**

### 21 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) :

As at

31-03-2023

Estimated amount of contracts remaining to be executed on capital account towards PPE

339.82

**TOTAL**

**339.82**

### 22 RELATED PARTIES DISCLOSURE:

Sr. No.	Name of Related Party	% Share	Relationship
1	GRP Limited	100.000%	Holding Company

Sr. No.	Nature of Transactions	GRP Ltd	
		Period ended	As at
		31-03-2023	
1	Investment by Holding Company	200.00	
2	Purchase of Goods / Services	31.46	
3	Reimbursement of Expenses	31.87	
4	Loan from Holding Company	183.00	
Sr. No.	Outstanding Balances	GRP Ltd	
		As at	31-03-2023
1	Shareholding	200.00	
2	Loan Outstanding	183.00	
3	Outstanding Payable	65.50	

### 23 EARNINGS PER SHARE:

Period ended  
31-03-2023

- Net Profit after tax for the period	(47.22)
- Number of equity shares of ₹ 10/- each.	20,00,000
- Earnings per share - Basic	(2.36)
- Earnings per share -Diluted	(2.36)
- Face value per equity share	10.00

### 24 FAIR VALUATION MEASUREMENT HIERARCHY

#### A CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Refer Note	As at 31-03-2023
<b>Financial assets measured at amortised cost</b>		
Trade Receivables	5	6.08
Cash and cash equivalents	6	9.00
<b>Financial liabilities measured at amortised cost</b>		
Rupee Term Loan from Banks	10 & 12	388.52
Loan from Holding Company	12	183.00
Trade payables	13	75.44
Creditors for Capital Goods & Services	14	33.69

#### B FAIR VALUE MEASUREMENTS

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.

## GRP CIRCULAR SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2023

(₹ in lakhs)

### 25 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 31-03-2023
<b>Borrowings</b>	
Long Term Floating Loan	388.53
Short Term Loan	183.00

#### 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 31st March 2023</b>					
Long Term Borrowings	10,11,12,13	60.07	328.45	-	388.53
Short Term Borrowings	12	183.00	-	-	183.00
Trade Payables	13	75.44	-	-	75.44
Other Financial Liabilities	14	33.69	-	-	33.69

### 26 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 31-03-2023
Gross Debt	571.53
Cash and Marketable Securities	9.00
Net Debt (A)	562.53
Total Equity (As per Balance Sheet) (B)	152.78
Net Gearing (A/B)	3.68



