

GRIP POLYMERS LIMITED

24th Annual Report

2016 - 17

CIN : U25200MH1993PLC074922

**Regd.Office : 510, A Wing, Kohinoor City Commercial I,
Kiroi Road, Off.L.B.S. Marg,
Kurla (W), Mumbai - 400 070.**

GRIP POLYMERS LIMITED

Directors' Report to the Members,

Your Directors have pleasure to present the 24th Annual Report together with the Audited Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS:

Total income for the year is Rs.2,57,375/- (previous year Rs.7,27,692/-). Net loss after tax for the year is Rs.1,38,59,915/- (Previous year of Rs.6,25,285/-). During the year, company has further obtained loan of Rs.268 lakhs from the holding company GRP Ltd., for the purpose of investment in Gripsurya Recycling LLP. Interest on this loan has been provided during the year, which is having a unit at Pithampur near Indore for waste rubber shredding and tyre retreading.

During the financial year 2016-17, the stake of the company in Gripsurya Recycling LLP., increased from 50% to 99.97% as a result of acquisition of the majority share of the retiring partner M/s.Shrisuryansh Rubber India Pvt. Ltd.

The turnover of this business during the year was Rs.6,66,85,673/-. However due to retreading business is still under stabilization phase, this business has incurred net loss of Rs.1,10,97,870/-.

2. DIVIDEND:

For conserving the financial resources, Directors do not recommend payment of any dividend for the year.

3. DIRECTOR:

In accordance with the provisions of the Companies Act, 2013, Rajendra V. Gandhi, retires by rotation at the 24th Annual General Meeting and being eligible offers herself for reappointment.

4. NUMBER OF BOARD MEETINGS:

Company held five (5) board meetings during the financial year 2016-17.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility statement :

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31st March, 2017 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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; and
- (e) 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.

6. AUDITORS :

In accordance with the provisions of Section 139 of the Companies Act, 2013, every Company shall appoint Statutory Auditors to hold office for term of 5 years at a time and such appointment is subject to ratification by the Members every year in the annual general meeting. Before such appointment is made and ratified, the written consent of the auditor to such appointment and ratification, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor.

However, M/s. A.B.Modi & Associates, Chartered Accountants, Mumbai, have informed the Company that they will not be seeking re-appointment as Statutory Auditors at the forthcoming 24th Annual General Meeting.

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

Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board of Directors, at the meeting held on 29th May, 2017 has proposed the appointment of M/s. D K P & Associates.

7. PARTICULARS OF INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Sr. No.	Particulars	Amount (Rs.)
a.	<u>Trade Investment</u> Investment in capital account of Gripsurya Recycling LLP	2,24,01,825
b.	<u>Non-Trade Investment</u> 5000 equity shares of Rs.2 each fully paid up held in Bank of Baroda	85,000
	Total	2,24,86,825

8. 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 Board of Directors of your company.

The details of contracts and arrangement with related parties of your company for the financial year ended 31st March, 2017 is given in Note No.18 to the financial statements of your company.

9. ANNUAL RETURN :

The extract of Annual Return pursuant to the provisions of Section 92 is attached to this report. (Annexure 1)

10. SUBSIDIARY :

Company has majority stake in entity namely, Gripsurya Recycling LLP, which is into business of rubber scrap shredding and tyre re-treading. Statement containing salient features of the financial statement of Gripsurya Recycling LLP in form AOC – 1 (part A) is attached to this report. (Annexure 2).

11. RISK MANAGEMENT

Taking into account, the nature and size of the business, the board considers that the elements of risk threatening the Company's existence are very minimal. Therefore, the Company has not framed any Risk Management Policy.

For and on behalf of the Board of Directors

Date : 29th May, 2017
Place: Mumbai

Rajendra Gandhi
Chairperson

Regd. Office : 510, A Wing, Kohinoor City Commercial I, Kirol Road, Kurla (W), Mumbai – 400 070.
T : +91 22 6708 2500/2600, F : + 91 22 6708 2599
CIN : U25200MH1993PLC074922

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i) Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
ii) NRI's /OCB's	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
c) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	50000	50000	100.00	0	50000	50000	100.00	0.00

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)		Shareholding at the end of the year (31.03.2017)		% change in shareholding during the year
	No. of shares	% total no of shares of the Company	No. of shares	% total no of shares of the Company	
1. GRP Limited	50000	100	50000	100	-
2. Rajendra V Gandhi	0	0	0	0	-
3. Nayna R Gandhi	0	0	0	0	-
Total	50000	100	50000	100	-

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

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

	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (01.04.2016)					
Date wise Increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There is no change in the shareholding of promoters during the year				
At the End of the year (31.03.2017)					

(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (01.04.2016)	NIL	NIL	NIL	NIL	NIL
Date wise Increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
At the End of the year (31.03.2017)	NIL	NIL	NIL	NIL	NIL

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

For Each of the Directors and KMP	Name of Directors / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year (01.04.2017)	1)Rajendra V Gandhi	Nil			
	2)Harsh R Gandhi	Nil			
	3)Nayna R Gandhi	Nil			
Date wise Increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
At the End of the year (31.03.2017)	1)Rajendra V Gandhi			Nil	
	2)Harsh R Gandhi			Nil	
	3)Nayna R Gandhi			Nil	

V. INDEBTEDNESS

(Rs. In Lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
i) Principal Amount	0	14000000	0	14000000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	1220036	0	1220036
Total (i+ii+iii)	0	15220036	0	15220036
Change in Indebtedness during the financial year				
• Addition	0	29366373	0	29366373
• Reduction	0	0	0.00	0
Net Change	0	0	0.00	0
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	0	40800000	0	40800000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.00	3786409	0	3786409
Total (i+ii+iii)	0	44586409	0	44586409

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Company has not paid any remuneration to any of the directors of the company during the financial year 2016-17. The company does not have any Key Managerial Personnel as defined under the Companies Act, 2013 during the financial year 2016-17.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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	Gripsurya Recycling LLP
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	Rs. 2,24,08,373/-
6	Reserves and surplus	Rs. 15,00,000/-
7	Total assets (excluding investments)	Rs. 5,18,59,532/-
8	Total liabilities	Rs. 2,79,51,161/-
9	Investments	--
10	Turnover	Rs.6,67,53,679/-
11	Profit / (Loss) before taxation	Rs. (1,06,89,630/-)
12	Provision for taxation	Rs. 4,08,240/-
13	Profit / (Loss) after taxation	Rs. (1,10,97,870/-)
14	Proposed Dividend	Nil
15	% of shareholding	99.97%
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

For and on behalf of the Board of Directors of
Grip Polymers Limited

Place : Mumbai
Date : 29th May, 2017

Rajendra Gandhi
Chairperson

A. B. MODI & ASSOCIATES

CHARTERED ACCOUNTANTS

T-1 , 6th floor, Sunbeam Chamber, 7, Vithaldas Thackersey Marg, New Marine lines, Mumbai 400020

Independent Auditor's Report

To the Members of Grip Polymers Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Grip Polymers Limited ("the Company"), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
 - a) In the case of the Balance Sheet , of the state of affairs of the Company as at 31st March 2017,
 - b) In case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act("the Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in the paragraph 3 and 4 of the order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and information and explanations given to us:
- i. The Company has no pending litigations as at March 31, 2017.
 - ii. The Company has not entered into any long-term contracts including derivative contracts.
 - iii. The provision relating to the Investor Education and Protection Fund are not applicable since there was no unclaimed dividend amount during the year.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November,2016 to 30th December,2016 on the basis of information available with the Company. Based on audit procedure and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.- Refer Note 12 of Notes to Financial Statements.

For A. B. Modi & Associates
Chartered Accountants
Firm registration number: 106473W

Rajesh S Shah
Partner
Membership number: 017844

Mumbai: 29th May, 2017

A. B. MODI & ASSOCIATES
CHARTERED ACCOUNTANTS

T-1 , 6th floor, Sunbeam Chamber, 7, Vithaldas Thackersey Marg, New Marine lines, Mumbai 400020

Annexure -A to the Auditors' Report

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

We report that:

- (i) The company is not having any tangible fixed assets, hence clauses 3(i)(a) & 3(i)(b) of the Companies (Auditors' Report) Order 2016 are not applicable to the company for current financial year.
- (ii) There was no inventory during the year hence clauses 3(ii)(a), 3(ii)(b) and 3(iii)(c) of the Companies (Auditors' Report) Order 2016 are not applicable to the company for current financial year.
- (iii) The Company has granted unsecured a loan to Limited Liability Partnership (LLP) in which it is a partner and holding maximum share and which is covered in the register maintained under Section 189 of the Act.
 - a) In respect of the aforesaid loan, the terms and conditions under which such loan is granted are prejudicial to the Company's interest considering the said loan is interest free and net worth of the LLP
 - b) In respect of the aforesaid loan, as per the schedule of repayment produced before us, no principal amount is being due in the current financial year. The said loan is interest free loan.
 - c) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.
- (iv) In our opinion, and according to the information and explanations given to us the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments made. We are informed that the Company has not provided any security or any guarantees during the year.
- (v) The company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Companies Act and rules framed there under to the extent notified. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have been informed that the company is not covered under the rules made by the Central Government of India in respect of the maintenance of cost records as has been specified under sub-section (1) of Section 148 of the Act. We have, therefore, not examined the records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Income Tax, Service Tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues outstanding in respect of income tax, sales- tax, including value added tax, duty of customs and duty of excise as at 31st March 2017 which have not been deposited on account of a dispute.
- (viii) According to the information and explanation given to us and based on our audit procedures, the Company has no borrowings from financial institution or bank or Government or by way of debentures hence clause 3(viii) of the Companies (Auditors' Report) Order 2016 is not applicable to the Company.
- (ix) According to the information and explanation given to us and based on our audit procedures, the Company has not raised any initial public offer or further public offer (including debt instruments) and term loan during the year, hence the provision of clause 3(ix) of the Companies (Auditors Report) Order 2013 is not applicable to the company.
- (x) On our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have not noticed or reported any fraud by the Company or any fraud on the company by its officer or employees.
- (xi) According to the information and explanations give to us and based on our examination of the records of the company, the company has not paid/ provided managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Companies (Auditors Report) Order 2013 is not applicable to the company
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditors Report) Order 2013 is not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Companies (Auditors' Report) Order 2016 are not applicable to the Company.

- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or person connected with them. Accordingly paragraph 3(xv) of the Companies (Auditors' Report) Order 2016 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xiv) of the Companies (Auditors' Report) Order 2016 are not applicable to the Company.

For A. B. Modi & Associates
Chartered Accountants
Firm registration number: 106473W

Rajesh S Shah
Partner
Membership number: 017844

Mumbai: 29th May, 2017

A. B. MODI & ASSOCIATES

CHARTERED ACCOUNTANTS

T-1 , 6th floor, Sunbeam Chamber, 7, Vithaldas Thackersy Marg, New Marine Lines, Mumbai 400020

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Grip Polymers Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For A. B. Modi & Associates
Chartered Accountants
Firm registration number: 106473W

Rajesh S Shah
Partner
Membership number: 017844

Mumbai: 29th May, 2017

GRIP POLYMERS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at 31-03-2017 Amount in ₹	As at 31-03-2016 Amount in ₹
Equity and Liabilities			
Shareholders' funds			
Share capital	2	5,00,000	5,00,000
Reserves and surplus	3	(1,21,27,623)	17,32,292
		(1,16,27,623)	22,32,292
Non-current Liabilities			
Long term Borrowings	4	4,08,00,000	1,40,00,000
		4,08,00,000	1,40,00,000
Current Liabilities			
Trade payables	5	14,375	16,713
Other current liabilities	6	38,76,524	12,54,940
Short term provisions	7	-	6,947
		38,90,899	12,78,600
Total Equity & Liabilities		3,30,63,276	1,75,10,892
Assets			
Non-current assets			
Fixed assets			
- Intangible assets	8	9,75,023	-
Non current investments	9	2,24,86,825	1,45,63,121
Long term loans and advances	10	68,00,000	-
Other Non Current Assets	11	1,56,809	1,54,341
		3,04,18,657	1,47,17,462
Current Assets			
Cash and Bank Balance	12	25,44,226	27,43,959
Short term loans and advances	13	44,864	49,471
Other current assets	14	55,529	-
		26,44,619	27,93,430
Total Assets		3,30,63,276	1,75,10,892

Significant Accounting policies and Notes on Financial Statements 1 - 24

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

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

For and on behalf of the Board of Directors

Rajesh S. Shah
Partner
Membership no. 017844

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

Place : Mumbai
Date : 29th May, 2017

GRIP POLYMERS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	Year ended 31-03-2017 Amount in ₹	Year ended 31-03-2016 Amount in ₹
Revenue :			
Other income	15	2,57,375	7,27,692
Total revenue		2,57,375	7,27,692
Expenses :			
Finance costs	16	28,51,526	12,55,892
Other expenses	17	1,12,25,845	65,547
Total expenses		1,40,77,371	13,21,439
Profit before tax		(1,38,19,996)	(5,93,747)
Tax expense			
Current tax		40,100	52,000
(Excess) / short provision of earlier years		(181)	(20,462)
Profit / (Loss) for the period		(1,38,59,915)	(6,25,285)
Earnings per equity share of face value of ₹ 10/- each fully paid up			
(1) Basic	20	(277.20)	(12.51)
(2) Dituted		(277.20)	(12.51)

Significant Accounting policies and Notes on Financial Statements 1 - 24

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

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

Rajesh S. Shah
Partner
Membership no. 017844

Place : Mumbai
Date : 29th May, 2017

For and on behalf of the Board of Directors

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

GRIP POLYMERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	Year ended 31-03-2017	Year ended 31-03-2016
A Cash flow from Operating activities		
Net profit before tax and extra ordinary items	(1,38,19,996)	(5,93,747)
Adjustments for		
- Share of (profit) / loss in LLP (previously Jointly controlled entity)	1,10,92,274	(4,78,121)
- Interest (Net)	25,94,151	10,22,321
- Interest on Income Tax	5,795	-
- Dividend Income	-	(16,000)
	<u>1,36,92,220</u>	<u>5,28,200</u>
Operating Profit before working capital changes	(1,27,777)	(65,547)
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	7,726	-
- Increase/(Decrease) in Trade payable	52,872	26,202
	<u>60,598</u>	<u>26,202</u>
Cash generated from operations	(67,179)	(39,345)
Direct taxes paid	(55,780)	(49,263)
Net cash from operating activities	(1,22,959)	(88,608)
B Cash flow from Investing activities		
- Interest received	2,01,846	2,33,571
- Dividend Income	-	16,000
- Fixed Deposits in Bank with Maturity period of more than 3 months	3,53,774	53,970
- Investment in LLP	(1,90,15,977)	(94,08,000)
- Loan to LLP in which company has major stake	(68,00,000)	-
- Payment of Goodwill for acquiring share in LLP	(9,75,023)	-
Net cash used in Investing activities	(2,62,35,380)	(91,04,459)
C Cash flow from Financing activities		
- Loans borrowed (Net of repayment)	2,68,00,000	94,08,000
- Interest paid	(2,85,153)	(1,25,590)
Net cash used in financing activities	2,65,14,847	92,82,410
Net Increase / (Decrease) in cash and cash equivalents	1,56,509	89,343
Cash and cash equivalents at the beginning of the year	1,22,216	32,873
Cash and cash equivalents at the closing of the period	2,78,725	1,22,216
Cash and cash equivalents includes:		
- Cash & Bank Balance	25,44,226	27,43,959
Less: Deposit with Maturity period of more than 3 months	(22,65,501)	(26,21,743)
	<u>2,78,725</u>	<u>1,22,216</u>

Notes:

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

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

For A. B. Modi & Associates
Chartered Accountants
ICAI Firm Registration no. 105473W

For and on behalf of the Board of Directors

Rajesh S. Shah
Partner
Membership no. 017844

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

Place : Mumbai
Date : 29th May, 2017

GRIP POLYMERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

1 Significant Accounting Policies:

(A) Basis of accounting :

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

(B) Accounting Estimates :

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

(C) Fixed Assets

Intangible Assets

Intangible Asset acquired separately is measured on initial recognition at cost. Following initial recognition, intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses if any.

(D) Investments :

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

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

Investment in Limited Liability Partnership:

Investment in Limited Liability Partnership firm is valued at cost. Profit / (loss) if any is recognised at the year end on finalisation of accounts of the LLP

(E) Taxes :

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

(F) Income Recognition :

- (i) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (ii) Dividend income is recognised when the right to receive dividend is established.
- (iii) Share of profits / losses in LLP is accounted for, once the amount of the share of profit /loss is ascertained and credited /debited to the Company's account in the books of the LLP firm.

(G) Provisions, Contingent Liabilities and Contingent Assets

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

(H) Earning per Share

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

(I) Cash and cash equivalents

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

2 Share Capital:

	As at 31-03-2017	As at 31-03-2016
Authorized:		
50,000 (March 31, 2016: 50,000) equity shares of ₹ 10 each	5,00,000	5,00,000
Issued, Subscribed and Paid up		
50,000 (March 31, 2016: 50,000) equity shares of ₹ 10 each fully paid-up	5,00,000	5,00,000
	5,00,000	5,00,000

(a) 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.

GRIP POLYMERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016, is set out below :

Equity Shares:

	As at 31-03-2017	As at 31-03-2016
At the beginning		
- Number of shares	50,000	50,000
- Amount	5,00,000	5,00,000
At the end		
- Number of shares	50,000	50,000
- Amount	5,00,000	5,00,000

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

	As at 31-03-2017		As at 31-03-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Holding company				
GRP Limited	50,000	100.00%	50,000	100.00%

3 Reserves and Surplus:

	As at 31-03-2017	As at 31-03-2016
General Reserve		
Balance as per last Balance sheet	8,41,711	8,41,711
Surplus in Statement of Profit & Loss		
Balance as at beginning of the year	8,90,581	15,15,866
Profit / (Loss) for the year	(1,38,59,915)	(6,25,285)
Balance as at end of the year	(1,29,69,334)	8,90,581
Total Reserves and Surplus	(1,21,27,623)	17,32,292

4 Long Term Borrowings:

	As at 31-03-2017	As at 31-03-2016
Long Term borrowing		
Unsecured Loan		
From GRP Ltd. (Holding Company)	4,08,00,000	1,40,00,000
Total Long Term Borrowings	4,08,00,000	1,40,00,000

The loan carry interest at the rate of 10% p.a. The terms of loan is for 3 years from the date of disbursement which will be repaid as under

Financial Year	Amount
FY 2018-19	94,08,000
FY 2019-20	2,68,00,000
FY 2020-21	45,92,000

5 Trade Payables:

	As at 31-03-2017	As at 31-03-2016
Trade payables	14,375	16,713
Total Trade Payables	14,375	16,713

6 Other Current Liabilities:

	As at 31-03-2017	As at 31-03-2016
Statutory dues	90,115	34,904
Interest Accrued	37,86,409	12,20,036
Total Other Current Liabilities	38,76,524	12,54,940

7 Short Term Provisions:

	As at 31-03-2017	As at 31-03-2016
Provision for Taxations	-	6,947
Total Short Term Provisions	-	6,947

Net of advance tax Rs 43,219/- (March 31, 2016 : Rs 1,31,053/-)

8 Fixed Assets:

Particulars	Gross Block			Depreciation & Amortisation				Net Book Value		
	As at 01-04-2016	Additions	Disposal	As at 31-03-2017	As at 01-04-2016	For the period	Disposal	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
Intangible Assets										
Own Assets :										
Good will	-	9,75,023	-	9,75,023	-	-	-	-	9,75,023	-
Total :	-	9,75,023	-	9,75,023	-	-	-	-	9,75,023	-
Previous Year:	-	-	-	-	-	-	-	-	-	-
Total Fixed Assets (Net)									9,75,023	-

Goodwill arises upon the acquisition of jointly controlled interest of the JV Partner of LLP. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities.

GRIP POLYMERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	As at 31-03-2017	As at 31-03-2016
9 Non-current Investments:		
Long term investments (valued at cost unless stated otherwise)		
a) Long Term- Trade Investment		
Investment in Capital account of Limited Liability Partnership		
- Gripsurya Recycling LLP	2,24,01,825	1,44,78,121
b) Long Term Non Trade Investment		
Investment in Equity Share (Quoted)		
5,000 equity shares of ₹ 2/- each fully paid up held in Bank of Baroda (Market Value ₹ 8,64,750/- (March 31, 2016 : ₹ 7,35,500/-))	85,000	85,000
Total Non-current Investment	2,24,86,825	1,45,63,121
Investment in Capital account of Limited Liability Partnership		
Partners details and their profit sharing ratio and capital account		
	As at 31-03-2017	As at 31-03-2016
	Profit/Loss sharing ratio	Capital account
Name of the Partners		
Grip Polymers Limited - The Company	99.970%	2,24,01,825
Shrisuryansh Rubber India Private Limited	0.000%	-
Hemant Kaul	0.015%	3,274
Ganesh Ghangurde	0.015%	3,274
	Profit/Loss sharing ratio	Capital account
	50%	1,44,78,121
	50%	1,40,19,121
	0%	-
	0%	-
10 Long Term Loans and Advances:	As at	As at
	31-03-2017	31-03-2016
Loan to Gripsurya Recycling LLP*	68,00,000	-
Total Long Term Loans and Advances	68,00,000	-
* LLP in which company is holding majority stake		
11 Other Non-Current Assets:	As at	As at
	31-03-2017	31-03-2016
Fixed Deposit accounts with Bank (Maturity more than 12 months)	1,56,809	1,54,341
Total Other Non-Current Assets	1,56,809	1,54,341
Notes:		
Fixed Deposit with Bank include deposit of ₹ 28,586/- (March 31, 2016 : ₹ 26,719/-) lien with the Maharashtra Value Added Tax Department.		
12 Cash and Bank Balances:	As at	As at
	31-03-2017	31-03-2016
Cash & Cash Equivalents		
Balance with banks		
- In current accounts	2,73,916	1,17,117
Cash in hand	4,809	5,099
	2,78,725	1,22,216
Other Bank Balances		
- In Fixed Deposit accounts (Maturity more than 3 months but less than 12 months)	22,65,501	26,21,743
Total Cash and Bank Balances	25,44,226	27,43,959
Disclosure on Specified Bank Notes (SBNs)		
As required by the MCA vide notification no. GSR 308(E) dated 30th March, 2017, the details of Specified Bank Notes (SBNs) and other denomination notes held & transacted during the period from 8th November, 2016 to 30th December, 2016 is given below.		
	Specified Bank Notes (SBN)	Other denomination notes
	Total	
Closing cash in hand as on 08.11.2016	4,000	699
(+) Permitted receipts	-	5,000
(-) Permitted payments	-	890
(-) Amount deposited in Banks	4,000	-
Closing cash in hand as on 30.12.2016	-	4,809
13 Short Term Loans and Advances:	As at	As at
	31-03-2017	31-03-2016
Advances recoverable in cash or in kind	41,745	49,471
Advance income-tax (Net of provisions ₹ 40,100/- : March 31, 2016 : ₹ 1,38,000/-)	3,119	-
Total Short Term Loans and Advances	44,864	49,471
14 Other Current Assets:	As at	As at
	31-03-2017	31-03-2016
Accrued income	55,529	-
Total Other Current Assets	55,529	-

GRIP POLYMERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	Year ended 31-03-2017	Year ended 31-03-2016
15 Other Income:		
Interest received	2,57,375	2,33,571
Dividend Income	-	16,000
Share of Profit in LLP (Majority controlled entity)	-	4,78,121
Total Other Income	2,57,375	7,27,692
16 Finance Cost:		
Interest on Other Loans	28,51,526	12,55,892
Total Finance Cost	28,51,526	12,55,892
17 Other Expenses:		
Administration & Other Expenses		
Bank charges	27,125	599
Telephone expenses	27,300	23,764
Payment to Auditors:		
- Audit fee	8,625	8,588
- Taxation matters	5,750	5,725
Other Expenses	58,977	25,871
Share of Loss in LLP (Majority controlled entity)	1,10,92,274	-
Interest on income tax	5,795	1,000
Total Other Expenses	1,12,25,845	65,547
18 Related Parties Disclosure:		
(A) Names of the related parties :		
(i) Parties where control exists :		
Holding Company	:	GRP Limited (100% of total shareholdings held by the company)
Subsidiary LLP in which the company has majority stake	:	Gripsurya Recycling LLP (99.97% of total stake held by the company)
(ii) Directors of the company :-		
- Key Management Personnel		Rajendra V. Gandhi, Chairperson Nayna R. Gandhi, Director Harsh R. Gandhi, Director
	Year ended	Year ended
	31-03-2017	31-03-2016
Summary of transactions with related parties in the ordinary course of business		
A) Loan Payable		
GRP Limited	4,08,00,000	1,40,00,000
B) Investment in capital account of LLP		
Gripsurya Recycling LLP		
Capital contribution	3,34,94,098	1,40,00,000
Share of profit / (loss)	(1,10,92,274)	4,78,121
C) Interest Expenses		
GRP Limited	28,51,526	12,55,892
19 Jointly controlled entity:		
Company investment in a jointly controlled entity		
Name of the jointly controlled entity	Country of Incorporation	Proportion of ownership interest as on 31-03-2016
Gripsurya Recycling LLP	India	50%
The company's share of each of the assets, equity & liabilities, income and expenses in the joint venture, based on the audited financial statements are as follows:		
	Year ended	Year ended
	31-03-2017	31-03-2016
I Assets		
Non-current Assets		
a) Fixed Assets		
i) Tangible Assets	-	1,91,76,651
ii) Capital WIP	-	21,347
b) Long term loans and advances	-	6,76,225
c) Other non current assets	-	18,829
Current Assets		
a) Inventories	-	45,59,851
b) Trade receivables	-	5,44,105
c) Cash & Bank Bal	-	1,15,394
d) Short term loans and advances	-	2,96,800
e) Other Current Assets	-	2,29,500

GRIP POLYMERS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

II Liabilities

Non-current Liabilities

a) Long term borrowings	-	53,90,625
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Current Liabilities

a) Short term borrowings	-	19,32,079
b) Trade payables	-	33,66,509
c) Other current liabilities	-	4,71,368

III Income

a) Revenue from operations	-	3,28,41,353
b) Other income	-	1,822

IV Expenses

Cost of materials consumed	-	3,06,14,549
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	(44,21,269)
Employee benefits expenses	-	19,57,673
Finance costs	-	4,09,592
Depreciation and amortization expenses	-	17,98,318
Other expenses	-	20,06,191

V Share of Contingent Liabilities

(Guarantee given if any)

Note : The company is a partner in Gripsurya Recycling LLP in which it was having 50% stake. From 06-Jul-2016 it has been increased to 99.97% by acquiring majority interest of JV partner for a consideration amounting to ₹ 1,49,91,000/-. The difference between the cost of investment in the LLP & the company's share of net assets at the time of acquisition of stake in jointly controlled entity is recognised on the basis of unaudited financial statements for the said period as Goodwill. Goodwill arising on acquisition of stake is disclosed under fixed assets and is not amortised but will be tested for impairment annually.

20 Earnings per Share:

	Year ended 31-03-2017	Year ended 31-03-2016
- Net Profit after tax for the year	(1,38,60,096)	(6,45,747)
- Excess Provision for tax for earlier years	(181)	(20,462)
- Net Profit attributable to Equity Shareholders	(1,38,59,915)	(6,25,285)
- Number of equity shares of ₹ 10/- each.	50,000	50,000
- Earnings per share - Basic	(277.20)	(12.51)
- Earnings per share -Diluted	(277.20)	(12.51)

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

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

(i) Details of investment made are given in Note 9.

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

Name of the Entity	Relationship	As at 31-03-2017	As at 31-03-2016
Gripsurya Recycling LLP	Subsidiary LLP	68,00,000	-

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

22 In the opinion of the Board, the current assets, loan and advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

23 Segment reporting as defined in Accounting Standard 17 is not applicable.

24 Figure of the previous year have been re-arranged or re-grouped wherever necessary to make them comparable with that of the current year.

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

As per our Report of even date

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

For and on behalf of the Board of Directors

Rajesh S. Shah
Partner
Membership no. 017844

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

Place : Mumbai
Date : 29th May, 2017

A. B. MODI & ASSOCIATES

CHARTERED ACCOUNTANTS

T-1 , 6th floor, Sunbeam Chamber, 7, Vithaldas Thackersey Marg, New Marine lines, Mumbai 400020

Independent Auditors' Report on Consolidated Financial Statements

To the Members of Grip Polymers Limited

Report on the Consolidated Financial Statements

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

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated financial statement in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statement of a LLP in which wholly owned subsidiary company is having majority share, whose financial statements reflect total assets of Rs.518.60 lakhs and net assets of Rs.239.08 lakhs as at 31st March, 2017, total revenues of Rs.667.54 lakhs and net loss Rs.110.98 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statement has been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this LLP in which Company is holding majority share is based solely on the reports of the other auditors.

Our Opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Company, Its subsidiary included in the group and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Company.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Company and its subsidiary LLP

including relevant records record relating to the preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding company is disqualified as on March 31, 2017 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, which are company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has no pending litigations as at March 31, 2017.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. The provision relating to the Investor Education and Protection Fund are not applicable since there was no unclaimed dividend amount during the year.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 on the basis of information available with the Company. Based on audit procedure and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. - Refer Note 15 of Notes to Financial Statements.

For A. B. Modi & Associates
Chartered Accountants
Firm's registration number: 106473W

Rajesh S Shah
Partner
Membership number: 017844

Mumbai: 29th May, 2017

A. B. MODI & ASSOCIATES

CHARTERED ACCOUNTANTS

T-1 , 6th floor, Sunbeam Chamber, 7, Vithaldas Thackersy Marg, New Marine lines, Mumbai 400020

Annexure - A to the Auditors' Report on Consolidated Financial Statements

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Grip Polymers Limited ("the Holding Company"). However subsidiary being LLP the provisions of internal financial control are not applicable and hence same is not considered for this report.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Opinion

8. In our opinion, the Holding Company 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 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A. B. Modi & Associates
Chartered Accountants
Firm's registration number: 106473W

Rajesh S Shah
Partner
Membership number: 017844

Mumbai : 29th May, 2017

GRIP POLYMERS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at 31-03-2017 Amount in ₹	As at 31-03-2016 Amount in ₹
Equity and Liabilities			
Shareholders' funds			
Share capital	2	5,00,000	5,00,000
Reserves and surplus	3	(1,06,27,627)	17,32,292
		(1,01,27,627)	22,32,292
		6,548	-
Minority Interest			
Non-current Liabilities			
Long term Borrowings	4	4,75,08,334	1,93,90,625
		4,75,08,334	1,93,90,625
Current Liabilities			
Short term borrowings	5	47,65,440	19,32,079
Trade payables	6	54,75,340	33,83,222
Other current liabilities	7	80,37,416	17,26,307
Short term provisions	8	-	6,947
		1,82,78,196	70,48,555
Total Equity & Liabilities		5,56,65,451	2,86,71,472
Assets			
Non-current assets			
Fixed assets			
-Tangible assets	9	3,57,27,750	1,91,76,651
-Intangible assets	9	10,04,273	-
-Capital work-in-progress	9	42,694	21,347
Non current investments	10	85,000	85,000
Long term loans and advances	11	38,91,432	6,76,225
Other Non Current Assets	12	1,90,280	1,73,170
		4,09,41,429	2,01,32,393
Current Assets			
Inventories	13	90,13,668	45,59,851
Trade receivables	14	27,65,015	5,44,105
Cash and Bank Balance	15	27,54,941	28,59,353
Short term loans and advances	16	1,90,398	3,46,271
Other current assets	17	-	2,29,500
		1,47,24,022	85,39,079
Total Assets		5,56,65,451	2,86,71,472

Significant Accounting policies and Notes on Financial Statements

1 - 32

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

As per our Report of even date

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

For and on behalf of the Board of Directors

Rajesh S. Shah
Partner
Membership no. 017844

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

Place : Mumbai
Date : 29th May, 2017

GRIP POLYMERS LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	Year ended 31-03-2017 Amount in ₹	Year ended 31-03-2016 Amount in ₹
Revenue :			
Sale of products	18	5,43,76,979	3,28,41,353
Other income	19	2,63,682	2,51,393
Total revenue		5,46,40,661	3,30,92,746
Expenses :			
Cost of Material consumed	20	4,47,64,697	3,06,14,549
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	32,08,321	(44,21,269)
Employee Benefits expenses	22	47,49,754	19,57,673
Finance cost	23	40,27,746	16,65,484
Depreciation and amortization expense	24	40,75,109	17,98,318
Other expenses	25	72,29,246	20,71,738
Total expenses		6,80,54,873	3,36,86,492
Profit before tax		(1,34,14,212)	(5,93,747)
Tax expense			
Current tax		40,100	52,000
(Excess) / short provision of earlier years		4,08,059	(20,462)
Profit after tax		(1,38,62,371)	(6,25,285)
Minority Interest		(2,452)	-
Profit / (Loss) for the period		(1,38,59,919)	(6,25,285)

Earnings per equity share of face value of ₹ 10/- each fully paid up	27		
(1) Basic		(277.20)	(12.51)
(2) Diluted		(277.20)	(12.51)

Significant Accounting policies and Notes on Financial Statements 1 - 32

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

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

For and on behalf of the Board of Directors

Rajesh S. Shah
Partner
Membership no. 017844

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

Place : Mumbai
Date : 29th May, 2017

GRIP POLYMERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	Year ended	Year ended
A Cash flow from Operating activities		
Net profit before tax and extra ordinary items	(1,34,14,212)	(5,93,747)
Adjustments for		
- Depreciation and Discarded	40,75,109	17,98,318
- Interest (Net)	38,32,070	10,22,321
- Interest on taxes	5,795	-
- Preliminary expenses	4,184	-
- Dividend Income	-	(16,000)
	79,17,158	28,04,639
Operating Profit before working capital changes	(54,97,054)	22,10,892
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(50,68,922)	(8,19,759)
- (Increase)/Decrease in Inventories	(44,53,817)	(45,59,851)
- Increase/(Decrease) in Trade payable	24,74,888	32,62,686
	(70,47,851)	(21,16,924)
Cash generated from operations	(1,25,44,905)	93,968
Direct taxes paid	(4,64,020)	(49,263)
Net cash from operating activities	(1,30,08,925)	44,705
B Cash flow from investing activities		
- Interest received	1,95,676	2,33,571
- Dividend Income	-	16,000
- Fixed Deposits in Bank with Maturity period of more than 3 months	3,56,242	53,970
- Purchase of fixed assets	(2,16,51,827)	(1,77,27,159)
Net cash used in Investing activities	(2,10,99,909)	(1,74,23,618)
C Cash flow from financing activities		
- Loans borrowed (Net of repayment)	3,43,13,037	1,72,02,071
- State Government Subsidy received	15,00,000	-
- Capital introduced by additional partner in LLP	9,000	-
- Interest paid	(14,61,373)	(1,25,590)
Net cash used in financing activities	3,43,60,664	1,70,76,481
Net increase / (Decrease) in cash and cash equivalents	2,51,830	(3,02,433)
Cash and cash equivalents at the beginning of the year	2,37,610	5,40,043
Cash and cash equivalents at the closing of the period	4,89,440	2,37,610
Cash and cash equivalents includes:		
- Cash & Bank Balance	27,54,941	28,59,353
Less: Deposit with Maturity period of more than 3 months	(22,65,501)	(26,21,743)
	4,89,440	2,37,610

Notes:

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

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

As per our Report of even date

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

For and on behalf of the Board of Directors

Rajesh S. Shah
Partner
Membership no. 017844

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017

Place : Mumbai
Date : 29th May, 2017

GRIP POLYMERS LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

1 I Basis of Consolidation

(A) The consolidated financial statements present the consolidated accounts of GRIP Polymers Limited with its following Subsidiary LLP (previously Jointly controlled entity)

Entity considered in the consolidated financial statements is :

Name of the Entity	Proportion of Ownership Interest	
	FY 2016-17	FY 2015-16
Gripsurya Recycling LLP	99.97%	50.00%

(B) Principles of consolidation :

The financial statements of the parent company and its subsidiary LLP (previous year jointly controlled entity) have been consolidated on a line - by - line basis (previous year proportionate consolidation method) by adding together, the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and the unrealised profits.

1 II Significant Accounting Policies:

(A) Basis of accounting :

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

(B) Accounting Estimates :

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

(C) Fixed Assets :

i) Tangible fixed assets

Fixed Assets are stated at historical Cost less accumulated depreciation and impairment losses.

ii) Intangible fixed assets

Intangible Asset acquired separately is measured on initial recognition at cost. Following initial recognition, intangible asset is carried at cost less accumulated amortisation and accumulated impairment losses if any.

iii) Depreciation

The subsidiary entity accounts depreciation on fixed assets on written down value method using the rates specified under the Income Tax Act, 1961.

(D) Impairment of Assets

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

(E) Investments :

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

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

(F) Taxes :

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

(G) Inventories :

Raw materials, work in progress and finished goods are carried at the lower of cost and net realizable value. Work-in-progress is carried at lower of cost and net realizable value. Finished goods produced by the company are carried at lower of cost and net realizable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

(H) Income Recognition :

(i) Domestic Sales are recognized on dispatch of goods from factory 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) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iii) Dividend income is recognised when the right to receive dividend is established.

(I) Employees Benefits :

Long Term Employee Benefits :

Defined Contribution Plans : Provident Fund

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

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.

GRIP POLYMERS LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

(j) Provisions, Contingent Liabilities and Contingent Assets

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

(k) Earning per Share

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

(l) Cash and cash equivalents

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

	As at 31-03-2017	As at 31-03-2016
2 Share Capital:		
Authorized:		
50,000 (March 31, 2016: 50,000) equity shares of ₹ 10 each	5,00,000	5,00,000
Issued, Subscribed and Paid up		
50,000 (March 31, 2016: 50,000) equity shares of ₹ 10 each fully paid-up	5,00,000	5,00,000
Total Share Capital	5,00,000	5,00,000

(a) 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.

(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016, is set out below :

Equity Shares:

	As at 31-03-2017	As at 31-03-2016
At the beginning		
- Number of shares	50,000	50,000
- Amount	5,00,000	5,00,000
At the end		
- Number of shares	50,000	50,000
- Amount	5,00,000	5,00,000

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

	As at 31-03-2017		As at 31-03-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Holding company				
GRP Limited	50,000	100.00%	50,000	100.00%

	As at 31-03-2017	As at 31-03-2016
3 Reserves and Surplus:		
Special capital incentive and subsidy		
Balance as per last Balance sheet	15,00,000	-
General Reserve		
Balance as per last Balance sheet	8,41,711	8,41,711
Surplus in Statement of Profit & Loss		
Balance as at beginning of the year	8,90,581	15,15,866
Profit / (Loss) for the year	(1,38,59,919)	(6,25,285)
Balance as at end of the year	(1,29,69,338)	8,90,581
Total reserves and surplus	(1,06,27,627)	17,32,292

	As at 31-03-2017	As at 31-03-2016
4 Long Term Borrowings:		
Secured Loan		
Rupee Term Loans from Banks	67,08,334	-
Share in Rupee Term Loans in jointly controlled entity	-	53,90,625
Unsecured Loan		
From GRP Ltd. (Holding Company)	4,08,00,000	1,40,00,000
Total Long Term Borrowings	4,75,08,334	1,93,90,625

Rupee Term loan from HDFC Bank Ltd of ₹ 1,05,41,667 (March 31, 2016 : ₹ 57,50,000) for Capex

First exclusive charge by way of mortgage of immovable properties (including land & building) and hypothecation of all movable fixed assets (including plant & machinery) and current assets of the jointly controlled entity located at Pithampur, Dist. Dhar, Madhya Pradesh factory.

The unsecured loan carry interest at the rate of 10% p.a. The terms of loan is for 3 years from the date of disbursement.

Financial Year	Amount
FY 2018-19	94,08,000
FY 2019-20	2,68,00,000
FY 2020-21	45,92,000

GRIP POLYMERS LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	As at 31-03-2017	As at 31-03-2016								
5 Short Term Borrowings:										
Secured Loan										
Working Capital Rupee Loan payable on demand from banks	47,65,440	-								
Share in Working Capital Rupee Loan in Jointly controlled entity	-	19,32,079								
Total Short-term borrowings	47,65,440	19,32,079								
<p>Working Capital Loan from HDFC Bank Ltd of ₹ 47,65,440 (March 31, 2016 : ₹ 19,32,079) First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the LLP.</p>										
6 Trade Payables:										
Trade payables	54,75,340	16,713								
Share in Trade payables in jointly controlled entity	-	33,66,509								
Total trade payables	54,75,340	33,83,222								
7 Other Current Liabilities:										
Current maturities of Long-term Rupee Term Loan (refer note 4)	38,33,333	-								
Statutory dues	4,17,674	34,904								
Interest Accrued	37,86,409	12,20,036								
Share in Other current liabilities in jointly controlled entity	-	4,71,367								
Total other current liabilities	80,37,416	17,26,307								
8 Short Term provisions:										
Provision for Taxations (Net of advance tax Rs 43,219/- (March 31, 2016 : Rs 1,17,066/-))	-	6,947								
Total short-term provisions	-	6,947								
9 Fixed Assets:										
Particulars	Original Cost				Depreciation & Amortisation				Net Book Value	
	As at 01-04-2016	Additions	Disposal / Adjustment	As at 31-03-2017	As at 01-04-2016	For the period	Disposal / Adjustment	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016
(a) Tangible Assets										
Own Assets :										
Land	29,35,403	29,35,403	-	58,70,806	-	-	-	-	58,70,806	29,35,403
Building	50,00,950	49,40,501	-	99,41,450	5,00,095	8,36,709	-	13,36,804	86,04,646	45,00,855
Plant & Machinery	1,29,63,194	1,14,33,676	(22,764)	2,43,74,106	12,76,710	30,88,967	(3,415)	43,62,262	2,00,11,844	1,16,86,484
Furniture & Fixtures	-	10,28,962	-	10,28,962	-	75,283	-	75,283	9,53,679	-
Office equipments	46,119	1,81,588	-	2,27,707	3,931	32,223	-	36,154	1,91,553	42,188
Computer Hardware	29,304	40,118	-	69,422	17,583	29,423	-	47,006	22,417	11,722
Vehicles	-	12,500	-	12,500	-	938	-	938	11,562	-
Material Handling Systems	-	46,710	22,764	69,473	-	4,815	3,415	8,230	61,243	-
Total (a) :	2,09,74,969	2,06,19,457	-	4,15,94,426	17,98,318	40,68,359	-	58,66,676	3,57,27,750	1,91,76,651
(b) Intangible Assets										
Own Assets :										
Goodwill	-	9,75,023	-	9,75,023	-	-	-	-	9,75,023	-
Computer Software	-	36,000	-	36,000	-	6,750	-	6,750	29,250	-
Total (b) :	-	10,11,023	-	10,11,023	-	6,750	-	6,750	10,04,273	-
Total (a + b) :	2,09,74,969	2,16,30,480	-	4,26,05,449	17,98,318	40,75,109	-	58,73,426	3,67,32,023	1,91,76,651
Previous Year:	29,35,403	1,80,39,566	-	2,09,74,969	-	17,98,318	-	17,98,318	1,91,76,651	29,35,403
Capital Work-in-progress										
WIP									42,694	-
Share in Capital WIP in jointly controlled entity									-	21,347
Total (c) :									42,694	21,347
Total fixed assets (net)									3,67,74,717	1,91,97,998
Notes										
1) Opening Balance & additions during the year to fixed assets include proportionate share of each assets in Joint venture till the date of Jointly controlled entity.										
2) Goodwill arises upon the acquisition of jointly controlled interest of the JV Partner of LLP. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities.										
10 Non-current Investments:									As at 31-03-2017	As at 31-03-2016
a) Long Term-Non Trade Investment										
Investment in Equity Share (Quoted)										
5,000 equity shares of ₹ 2 /- each fully paid up held in Bank of Baroda (Market Value ₹ 8,64,750/- (March 31, 2016 : ₹ 7,35,500/-))									85,000	85,000
Total non-current investment									85,000	85,000

GRIP POLYMERS LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	As at 31-03-2017	As at 31-03-2016	
11 Long-term Loans and Advances:			
Other Advances & Deposits	38,91,432	-	
Share in Other Advances & Deposits in jointly controlled entity	-	6,76,225	
Total long-term loans and advances	38,91,432	6,76,225	
12 Other Non Current Assets:			
Others			
In Fixed Deposit accounts with Bank (Maturity more than 12 months)	1,56,809	1,54,341	
Preliminary Expenses	33,471	-	
Share in Preliminary expenses in jointly controlled entity	-	18,829	
Total Non Current Assets	1,90,280	1,73,170	
Notes:			
Fixed Deposit with Bank include deposit of ₹ 28,586/- (March 31, 2016 : ₹ 26,719/-) lien with the Maharashtra Value Added Tax Department.			
13 Inventories:			
Raw Material	78,00,720	-	
Finished Goods	12,12,948	-	
Share in Inventories in jointly controlled entity	-	45,59,851	
Total Inventories	90,13,668	45,59,851	
14 Trade Receivables:			
Unsecured, considered good			
Outstanding less than six months	27,65,015	-	
Share in Trade Receivables in jointly controlled entity	-	5,44,105	
Total trade receivables	27,65,015	5,44,105	
15 Cash and Bank Balances:			
Cash & Cash Equivalents			
Balance with banks			
- In current accounts	3,53,731	1,17,117	
- In Fixed Deposit accounts (Maturity less than 3 Months)	-	-	
Cash in hand	1,35,709	5,099	
	4,89,440	1,22,216	
Other Bank Balances			
- In Fixed Deposit accounts (Maturity more than 3 Months but less than 12 months)	22,65,501	26,21,743	
	27,54,941	27,43,959	
Share in Cash & Bank balances in jointly controlled entity	-	1,15,394	
Total Cash and Bank Balance	27,54,941	28,59,353	
Disclosure on Specified Bank Notes (SBNs)			
As required by the MCA vide notification no. GSR 308(E) dated 30th March, 2017, the details of Specified Bank Notes (SBNs) and other denomination notes held & transacted during the period from 8th November, 2016 to 30th December, 2016 is given below.			
	Specified Bank Notes (SBN)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	3,34,000	1,62,463	4,96,463
(+) Permitted receipts	-	3,85,200	3,85,200
(-) Permitted payments	-	4,31,708	4,31,708
(-) Amount deposited in Banks	3,34,000	-	3,34,000
Closing cash in hand as on 30.12.2016	-	1,15,955	1,15,955
16 Short Term Loans and Advances:			
Advances recoverable in cash or in kind	82,745	49,471	
Current maturity of Prepaid Expenses	1,04,534	-	
Advance Income-tax (Net of provisions ₹ 40,100/- : March 31, 2016 : ₹ 1,39,000/-)	3,119	-	
Share in Short Term Loans & Advances in jointly controlled entity	-	2,96,800	
Total short-term loans and advances	1,90,398	3,46,271	
17 Other Current Assets:			
Share in Other Current Assets in jointly controlled entity	-	2,29,500	
Total Other Current Assets	-	2,29,500	
18 Revenue:			
Sale of products	5,43,76,979	-	
Share in Revenue in jointly controlled entity	-	3,28,41,353	
Total revenue	5,43,76,979	3,28,41,353	

GRIP POLYMERS LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

	Year ended 31-03-2017	Year ended 31-03-2016
19 Other income:		
Interest received	1,95,676	2,33,571
Dividend Income	-	16,000
Other Income	68,006	-
Share in Other Income in jointly controlled entity	-	1,822
Total other income	2,63,682	2,51,393
20 Cost of Material consumed:		
Raw material consumed:		
Opening inventories	1,38,582	-
Add : Purchases (including incidental expenses of ₹ 15,02,488, March 31, 2016 : ₹ 3,99,289)	5,24,26,835	-
	5,25,65,417	-
Less : Closing Inventories	78,00,720	-
Share in Raw material Consumed in jointly controlled entity	-	3,06,14,549
Total cost of material consumed	4,47,64,697	3,06,14,549
21 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Stock at the end of the year:		
Finished goods	12,12,948	-
Total (A)	12,12,948	-
Stock at the beginning of the year:		
Finished goods	44,21,269	-
Total (B)	44,21,269	-
Share in Changes in inventory in jointly controlled entity	-	44,21,269
Increase / (Decrease) in Stock	(32,08,321)	44,21,269
22 Employee Benefits expenses:		
Salaries, Wages and Bonus	42,82,192	-
Contribution to Provident fund and Pension fund	2,56,981	-
Contribution to other funds	1,71,766	-
Welfare and other benefits	38,815	-
Share in Employee Benefits expenses in jointly controlled entity	-	19,57,673
Total employee benefits expenses	47,49,754	19,57,673
23 Finance cost:		
Interest on Term & Working Capital Loans	11,76,220	-
Interest on Other Loans	28,51,526	12,55,892
Share in Finance cost in jointly controlled entity	-	4,09,592
Total finance cost	40,27,746	16,65,484
24 Depreciation and Amortization expenses:		
Depreciation on Tangible Assets	40,75,109	-
Share in Depreciation & Amortization expenses in jointly controlled entity	-	17,98,318
Total depreciation and amortization expenses	40,75,109	17,98,318
25 Other expenses:		
Manufacturing Expenses		
Power, Fuel & Water Consumed:-		
- Power Consumption	32,40,820	-
- Water Consumption	87,114	-
Repairs & Maintenance Expenses:-		
- Plant & Machineries	5,45,071	-
Sales & Distribution expenses		
Other Selling and Distribution expenses	66,304	-
Administration & Other Expenses		
Insurance	57,791	-
Vehicle Expenses	5,47,756	-
Printing & Stationery	37,773	-
Rent, Lease Rent & Other Charges	3,06,033	-
Retainer fees, Legal fees & Prof charges	3,58,005	-
Bank Charges	35,391	599
Travelling & Conveyance	1,75,709	-
Postage, Telegram & Telephones	1,03,347	23,764
Payment to Auditors:		
- Audit fee	58,625	8,588
- Taxation matters	5,750	5,725
Factory / Office Expenses	2,91,026	-

GRIP POLYMERS LIMITED

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in ₹

Other Expenses	10,31,461	25,871
Bad Debts Written off	2,64,922	-
Interest on taxes	16,348	1,000
Share in Other Expenses in jointly controlled entity	-	20,06,191
Total other expenses	72,29,246	20,71,738

26 Related parties disclosure:

(A) Names of the related parties :

(i) Parties where control exists :

Holding Company

GRP Limited

(100% of total shareholdings held by the company)

(ii) Directors of the company :-

- Key Management Personnel

Rajendra V. Gandhi, Chairperson

Nayna R. Gandhi , Director

Harsh R. Gandhi , Director

	Year ended 31-03-2017	Year ended 31-03-2016
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Summary of transactions with related parties in the ordinary course of business

A) <u>Loan Payable</u>		
GRP Limited	4,08,00,000	1,40,00,000
B) <u>Loan received during the year</u>		
GRP Limited	2,68,00,000	94,08,000
C) <u>Interest Expenses</u>		
GRP Limited	28,51,526	12,55,892

27 Earnings per share:

	Year ended 31-03-2017	Year ended 31-03-2016
- Net Profit after tax for the year	(1,34,51,860)	(6,45,747)
- Excess Provision for tax for earlier years	4,08,059	(20,462)
- Net Profit attributable to Equity Shareholders	(1,38,59,919)	(6,25,285)
- Number of equity shares of Rs.10/- each.	50,000	50,000
- Earnings per share - Basic	(277.20)	(12.51)
- Earnings per share -Diluted	(277.20)	(12.51)

28 The company acquired interest of JV partner of LLP as per MOU dated 06-Jul-2016. The unaudited accounts for the period 01-Apr-2016 to 30-Jun-2016 of the LLP was prepared & considered by the management.

29 In the opinion of the board, the current assets, loan and advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

30 Segment reporting as defined in Accounting Standard 17 is not applicable since there is only one business segment.

31 Provision for taxation is made as per normal provision for income-tax.

32 Figure of the previous year have been re-arranged or re-grouped wherever necessary to make them comparable with that of the current year.

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

As per our Report of even date

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

Rajesh S. Shah
Partner
Membership no. 017844

Place : Mumbai
Date : 29th May, 2017

For and on behalf of the Board of Directors

Rajendra V Gandhi
Chairperson

Place : Mumbai
Date : 29th May, 2017