

GRP LIMITED

CIN : L25191GJ1974PLC002555

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

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

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

NOTICE

NOTICE is hereby given that the **FORTY SECOND ANNUAL GENERAL MEETING** of the Members of **GRP LIMITED** will be held at the Registered Office of the Company at Plot No.8, GIDC Estate, Ankleshwar - 393 002, Dist. Bharuch, Gujarat State on **Wednesday, 21st September, 2016 at 12.30 p.m.** to transact the following business :

Ordinary Business:

1. a) To consider and adopt the audited financial statement of the company for the financial year ended 31st March, 2016, the Reports of the Board of Directors and Auditors thereon.

b) To consider and adopt the audited consolidated financial statement of the company for the financial year ended 31st March, 2016.
2. To declare dividend on equity shares for the financial year 2015 -16.
3. To appoint a director in place of Mahesh V. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To reappoint M/s. A.B.Modi & Associates, Chartered Accountants, the retiring auditors of the company as Auditors, who shall hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General meeting and to authorize Board of Directors to fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Alpana Parida (DIN: 06796621), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 20th May, 2016, and who holds office up to the date of forthcoming annual general meeting under Section 161 of the Companies Act, 2013, and in respect of whom Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Smt. Alpana Parida as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 19th May, 2021, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) subject to such sanctions as may be necessary, the approval of the Company be and is hereby accorded to the reappointment of Shri Rajendra V. Gandhi, (DIN : 00189197) as Managing Director of the Company for a period of three years with effect from 1st August, 2016 upon the terms and conditions as to remuneration, perquisites, allowances and benefits as set out in the draft agreement proposed to be entered into between the company and Shri Rajendra V. Gandhi, a copy whereof is placed before this meeting and is hereby specifically approved."

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

“RESOLVED FURTHER THAT during the currency of the tenure of Shri Rajendra V. Gandhi as Managing Director, where in any financial year, the company has no profits or its profits are inadequate, the company do pay to Shri Rajendra V. Gandhi, Managing Director, remuneration by way of salary, commission, perquisites and allowances as specified above as per the applicable provisions of the said Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) including Schedule V thereto (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to execute all Agreements and other documents and take such steps expedient or necessary to give effect to the above resolutions.”

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

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), an amount not exceeding one per cent (1%) of the net profits of the Company for a particular financial year computed in the manner specified under Section 198 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), be paid and distributed to the directors of the Company or some or any of them (other than the Managing Director, Executive Director and the Whole-time Director, if any) as remuneration by way of Commission, in addition to the sitting fees for attending the Meetings of the Board of Directors and/or any Committee thereof, of such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors as it may deem fit, for a period of five years w.e.f. financial year 2016-17.”

NOTES :

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions / authority, as applicable. Member / Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting. The proxy holder shall prove his / her identity at the time of attending the meeting.
- b. The Register of Members and Transfer Books of the company will be closed from Thursday, 15th September, 2016 to Wednesday 21st September, 2016, both days inclusive.
- c. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made credited / dispatched within 30 days from 21st September, 2016.

- i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on 14th September, 2016.
 - ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 14th September, 2016.
- d. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service, Electronic Clearing Service, mandates, nominations, power of attorney, change of address, change of name and e-mail address etc., to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Universal Capital Securities Pvt. Ltd. (UCS) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to UCS.
- e. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or UCS for assistance in this regard.
- f. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or UCS the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- g. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- h. The unclaimed dividend up to the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government pursuant to Section 205A (5) of the Companies Act, 1956. Members, who have not encashed their dividend warrants up to the financial year ended 31st March, 1995 are requested to claim the same from the Registrar of Companies, Gujarat at Ahmedabad.
- i. Pursuant to Section 205A and 205C of the Companies Act, 1956, any dividend remaining unclaimed with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid account, will be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, unclaimed dividends for the financial year ended 31st March, 1995 to 31st March, 2008 and unclaimed interim dividend for the financial year ended 31st March, 2009 have been transferred to the said fund. Members, who have not encashed their dividend warrant(s) so far, for the final dividend for the financial year ended 31st March, 2009 and for the interim and final dividends for subsequent financial years, are requested to make their claims to the Company or to UCS. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall lie against the Company in respect of any amounts which were unclaimed for a period of seven years from the dates that they first become due for payment and no payment shall be made by the company in respect of any such claims.

- j. As required by the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, brief profile of the Directors proposed to be appointed / re-appointed at the annual general meeting is given below:

Name of the Director	Rajendra V. Gandhi	Smt. Alpana Parida	Mahesh V. Gandhi
Date of birth	17 th December, 1949	22 nd January, 1963	10 th February, 1944
Date of appointment	1 st August, 2013	20 th May, 2016	29 th June, 1974
Experience in specific functional areas	Varied experience of more than 45 years in rubber industry.	Experience of more than 30 years in the field of marketing and Brand Development.	Experience of more than 30 years as director in other companies.
Qualification	Graduate Engineer from the Indian Institute of Technology (IIT, Mumbai),	Graduate from IIM (Ahmedabad) and Bachelor's Degree in Economics	Graduate.
Directorship held in other public companies (excluding GRP Limited)	1) Grip Polymers Ltd. 2) Steelcast Limited	1) Cosmo Films Limited 2) S. H. Kelkar and Company Limited 3) Prime Securities Limited 4) DMA Yellow Works Ltd.	1) Indo – Nippon Chemical Co. Ltd
Memberships / Chairmanship of committees of all public companies	Chairman of the Board Committee: 1) Steelcast Ltd. • Audit Committee Membership of the Board Committee: 1) GRP Ltd. • Stakeholders Relationship Committee • CSR Committee 2) Steelcast Ltd. • Audit Committee • Nomination & Remuneration Committee • Stakeholders Relationship Committee • CSR Committee	Chairman of the Board Committee: None Membership of the Board Committee: 1) Cosmo Films Ltd. • Stakeholder Relationship Committee • CSR Committee 2) S. H. Kelkar and Co. Ltd. • Nomination & Remuneration Committee 3) Prime Securities Ltd. • Audit Committee • Stakeholder Relationship Committee	----
No. of shares held in the company	22335	Nil	62500

- k. Electronic copy of the following documents : i) Annual Report for the financial year 2015-16 ii) Notice of the 42nd Annual General meeting of the company *inter alia* indicating the process and manner of e-voting iii) Attendance slip and proxy form for the 42nd Annual General meeting, are being sent by email to all the members whose email IDs are registered with the company / depository participants for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of all the aforesaid documents is being sent by the permitted mode.
- l. Notice of the 42nd Annual General meeting, attendance slip, proxy form and the annual report for the financial year 2015-16 is also available on the website of the company www.grpweb.com. Route map and prominent land mark for easy location of the venue of this meeting is attached separately and the same is also hosted on the website of the company.
- m. All documents referred to in the accompanying notice and the explanatory statement shall be available for inspection at the registered office of the company at Ankleshwar during normal business hours (9 am to 5 pm) on all working days except Saturdays and Sundays, till the date of the Annual General Meeting.

n. Voting through electronic means :

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the company has provided to the members facility to exercise their right to vote on resolutions proposed to be considered at the 42nd Annual General meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using e-voting system from a place other than the venue of the AGM (remote e-voting) will be provided by National Securities Depository Ltd. (NSDL).
- ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall have the option to exercise their right to vote at the meeting through ballot paper.
- iii. Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. Remote e-voting period commences on 18th September, 2016 (9 am) and ends on 20th September, 2016 (5 pm). During this period, members of the company, as on the cut-off date of 14th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. The process and manner of remote e-voting are as under :
 - I. In case a member receives an email from NSDL (for members whose email IDs are registered with the company / depository participants) :
 - a) Open email and open PDF file, viz: "GRP Ltd. remote e-voting.pdf" with your client ID or folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.
 - b) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com>
 - c) Click on shareholder login
 - d) Put user ID and password as initial password / PIN noted in step (a) above. Click login.
 - e) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. Do not share your password with any other person and take utmost care to keep your password confidential.
 - f) Home page of remote e-voting opens. Click on remote e-voting : Active Voting Cycles.
 - g) Select "EVEN" of GRP Ltd.
 - h) Now you are ready for remote e-voting as Cast Vote page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j) Upon confirmation, the message "Vote Cast Successfully" will be displayed.
 - k) Once you have voted on resolution, you will not be allowed to modify your vote.
 - l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolutions / authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email to shah_cr@yahoo.co.in with a copy marked to evoting@nsdl.co.in
 - II. In case a member receives physical copy of the notice of AGM (for members whose email IDs are not registered with the company / depository participants or requesting physical copies):
 - a) Initial password is provided as below at the bottom of the attendance slip for the AGM :

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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 - b) Please follow all steps from serial No.(b) to serial No.(l) of I above, to cast vote

- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of www.evoting.nsdl.com or call on toll free No.1800 222 990.
- vii. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.
- viii. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication.
- ix. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of 14th September, 2016.
- x. Any person who acquires shares of the company and become member of the company after dispatch of the notice of AGM and holding shares as on the cut-off date i.e. 14th September, 2016, may obtain the login ID and password by sending a request to email ID : evoting@nsdl.co.in or to email ID investor.relations@grpweb.com. However if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com.
- xi. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- xii. Chetan R. Shah, Practicing Company Secretary (Membership No.FCS 2703) (email ID : shah_cr@yahoo.co.in) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ballot paper voting process, in a fair and transparent manner.
- xiii. The Chairperson of the AGM shall at the end of the discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xiv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson of the AGM or a person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- xv. The results declared along with the report of the Scrutinizer shall be placed on the website of the company www.grpweb.com and on the website of NSDL immediately after declaration of results by the Chairperson of AGM or a person authorised by him in writing. The results and the report shall also be immediately forwarded to the Stock Exchange/s, where the shares of the company are listed.

By Order of the Board of Directors

Place : Mumbai
Date : 20th May, 2016

Rajendra V. Gandhi
Managing Director

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

Annexure to the Notice

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

Item No.5:

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Smt. Alpana Parida as an Additional Director with effect from 20th May, 2016, to hold office as Director till the date of the forthcoming Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Smt. Alpana Parida will hold office up to the date of forthcoming Annual General Meeting. The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Smt. Alpana Parida for the office of Independent director.

Smt. Alpana Parida, being eligible, this resolution seeks the approval of the members for her appointment as Independent director, for a period of five years from 20th May, 2016 to 19th May, 2021, and that she shall not be liable to retire by rotation during this tenure.

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

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

Smt. Alpana Parida is graduate from IIM (Ahmedabad) in 1985 and has a Bachelor's degree in Economics from St.Stephen's College, Delhi University. Over a 30 year marketing career, spanning USA and India; Smt. Alpana Parida has long believed that advertising no longer sells products and strong brands are built in culture. She helms India's largest brand Strategy & Brand Design that has clients from PepsiCo, L&T, Mahindra, Godrej, NDDB and many others. She has worked in the United States as the CMO of a Natural Food Brand and later with Tanishq (A TATA Company) as Director Marketing & Merchandising, being responsible for profitability of a retail chain of over 200 stores. At DY Works, she has worked to define strategic design as a business driver for the last 6 years – winning prestigious accounts such as the branding of the Shanghai based BRICS bank and India's first smart city branding for Aurangabad. She is a regular speaker at global Semiotics conferences and a columnist on the power of design, she has long evangelized the power of the brand for market building.

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

None of the Directors or Key Managerial Personnel or their respective relatives, except Smt. Alpana Parida, to whom the resolution relates, are in any way concerned or interested, financially or otherwise in this resolution.

Item No. 6 :

Under the guidance and mentorship of Mr. Rajendra V. Gandhi, Managing Director, Company has successfully entered into Joint venture agreement with Marangoni S.p.a. He has been appointed as the President of Indian Rubber Manufacturers' Research Association (IRMRA) for a period of 3 years starting December 2015. The IRMRA is a premier research body of the Rubber Industry supported by the Government of India, under the Ministry of Commerce. The appointment of Mr. Rajendra V. Gandhi as the president is a mark of goodwill that he enjoys in the Indian rubber industry and the respect he commands from peers across the industry and in the ministry. He is the first individual from the non-tyre sector to be appointed to this position.

Considering the business expertise, experience and in view of the substantial contribution made by him for the growth, progress and financial stability of the company, the Board of Directors at its meeting held on 20th May, 2016, on the recommendation of the Nomination and Remuneration Committee, has decided that subject to approval of the shareholders by way of a special resolution and subject to such other approval/s as may be necessary, Rajendra V. Gandhi be reappointed as Managing Director for a further period of three years with effect from 1st August, 2016 upon the terms and conditions as to remuneration, perquisites, allowances and benefits as mentioned in the draft agreement proposed to be entered into between the company and Rajendra V. Gandhi.

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

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

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

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

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

Term: 3 (Three) years, from 1st August, 2016 to 31st July, 2019 (both days inclusive)

Remuneration:

A) Salary : Rs.500,000/- to Rs.800,000/- per month.

B) Commission :

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

C) Perquisites and Allowances :

i) In addition to salary and commission payable, Rajendra V. Gandhi, Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs and other allowances, medical expenses reimbursement, club fees and leave travel concession for self and his family, personal accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Nomination and Remuneration Committee and / or the Board of Directors and Rajendra V. Gandhi. However, such perquisites and allowances shall be subject to a maximum of 100% of the annual salary.

ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

iii) Provision for use of Company's car for office duties and telephone and other communication facilities at residence shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

iv) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the aforesaid ceiling on perquisites and allowances to the extent these, either singly or together are not taxable under the Income Tax Act.

v) Leave as per the rules of the Company.

vi) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of the limits for the perquisites and allowances as aforesaid.

D) Minimum Remuneration

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

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

I. General Information:

1. Nature of Industry

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

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

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

4. Financial Performance based on given indicators:

Significant Financial Indicators for last five years	(Rs. In lacs)				
	Years ended 31 st March				
	2012	2013	2014	2015	2016
Total Income	25,303	28,134	31,199	34,638	31,508
Operating profit	4,532	2,786	3,021	2,574	2,458
Profit after tax	2,580	1,175	1,082	887	802
Net Worth	8,790	9,726	10,559	11,247	11,888
Borrowed Funds	7,628	9,027	8,498	6,722	6,760
Fixed Assets (Gross)	14,370	18,443	19,360	20,140	21,584
Net Current Assets	2,277	940	755	500	1,129
Book Value Per Share (Rs.)	659	729	792	844	892
Earning Per Share (Rs.)	192.91	87.79	81.20	66.51	60.12
Dividend (%)	330	150	160	112.50	100
Ratios :					
Debt Equity	0.61	0.75	0.66	0.47	0.47
Operating Profit To Sales	18%	10%	10%	7%	8%
Interest Coverage	12	5	5	6	7

5. Foreign Investments and Collaborations, if any : Nil

II. Information about Rajendra V. Gandhi :

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

2. Past remuneration: Gross remuneration (excluding exempt perquisites) for last three financial years is as under :

Financial Year	Gross Remuneration (Rs.lacs)
2013-14	90.75
2014-15	75.20
2015-16	78.00

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

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

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

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

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

III. Other Information:

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

2. Steps taken or proposed to be taken for improvement : Company under the guidance and mentorship of Rajendra V. Gandhi is constantly endeavoring for :

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

Item No.7:

Section 197 of the Companies Act, 2013 permits payment of remuneration to Non-Executive Directors of a Company by way of commission, if the Company authorises such payment by way of a resolution of members.

The members of the Company at the Annual General Meeting held on 25th August, 2011, approved the remuneration payable to Non-Executive Directors of the Company by way of commission not exceeding one per cent of the net profits of the Company for each year for a period of five years commencing from the financial year 2011-12 and ending with financial year 2015-16.

Pursuant to Section 309 (7) of the erstwhile Companies Act, 1956 such approvals obtained from shareholders are valid only for a period of 5 years. Since the validity of the earlier resolution passed by the shareholders expired in the financial year i.e., 2015-16, approval is sought from Shareholders for renewal of the resolution for a further period of 5 years commencing from 1st April, 2016.

Considering the rich experience and expertise brought to the Board by the Non-Executive Directors, it is proposed that, sum not exceeding one per cent of the net profits of the Company computed in the manner specified under Section 198 of the Companies Act, 2013, be continued to be paid and distributed to the directors of the Company or some or any of them (other than the Managing Director, Executive Director and the Whole-time Director, if any) as remuneration by way of Commission, in accordance with the recommendations of the Nomination and Remuneration Committee of the Board and approval by the Board of Directors of the Company, for a further period of five years commencing from 1st April 2016. Such payment will be in addition to the sitting fees for attending Board/Committee meetings.

Details of commission and sitting fees paid to Non-Executive Directors during the Financial Year 2015-16 is provided in the annexure to the Directors Report and the Corporate Governance Report.

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Non-Executive Directors of the Company to whom the resolution relates are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of the notice.

The Board recommends the resolution set forth in Item No.7 for the approval of the Members

By Order of the Board of Directors

Place : Mumbai
Date : 20th May, 2016

Rajendra V. Gandhi
Managing Director

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