

CIN : L25191GJ1974PLC002555

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

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

**NOTICE**

NOTICE is hereby given that the FORTY FIFTH 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 on Thursday, 22<sup>nd</sup> day of August, 2019 at 12.30 p.m. to transact the following business :

**Ordinary Business:**

1. a) To consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
- b) To consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 together with the Report of Auditors thereon.
2. To declare dividend on equity shares for the financial year 2018 -19.
3. To appoint a director in place of Rajendra V. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mahesh V. Gandhi, who retires by rotation and being eligible, offers himself for re-appointment, by passing with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and pursuant to the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mahesh V. Gandhi (DIN: 00133203) Director of the Company, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, notwithstanding that he has attained the age of 75 (seventy five) years on 10<sup>th</sup> February, 2019."

**Special Business:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution 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 ("the Act") 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) and subject to such sanctions as may be necessary, the consent of the members of the Company be and is hereby accorded to the reappointment of Rajendra V. Gandhi (DIN: 00189197) as Managing Director of the Company whose office will be liable to determination by retirement of directors by rotation, for a period of 3 (three) years with effect from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2022 upon the terms and conditions as to remuneration by way of salary, commission, perquisites, allowances and performance linked bonus as set out in the Explanatory Statement annexed to the Notice convening this meeting."

**"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 Rajendra V. Gandhi as Managing Director shall be within the limits set out in that behalf in the 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 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 Rajendra V. Gandhi, Managing Director, remuneration by way of salary, commission, perquisites, allowances and performance linked bonus 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."

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

**"RESOLVED THAT** pursuant to the Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and further to the approval already accorded by the members at the forty second Annual General Meeting held on 21<sup>st</sup> September, 2016 for the payment of remuneration by way of Commission, to the non-executive directors of the Company or some or any of them, for a period of five years w.e.f. financial year 2016-17, consent of the members of the Company be and is hereby accorded for the payment of the remuneration by way of commission to Rajeev M. Pandia (DIN:00021730), Non-Executive Independent Director for the financial year ending 31<sup>st</sup> March, 2020, which is likely to exceed fifty percent (50%) of the total annual remuneration payable to all the Non-Executive Directors of the Company for the said year."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), the remuneration of ₹1,30,000/- (Rupees One Lakh Thirty Thousand only) plus out of pocket expenses and applicable taxes, as recommended by the Audit Committee and approved by the Board of Directors of the Company, payable to M/s. Jitendrakumar & Associates, Cost Accountants (Firm Registration No. 101561) as cost auditor for auditing the cost accounting records of the Company for the financial year ending 31<sup>st</sup> March, 2020, be and is hereby ratified."

## NOTES :

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself 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 Saturday 17<sup>th</sup> August, 2019 to Thursday 22<sup>nd</sup> August, 2019, 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 credited / dispatched within 30 days from 22<sup>nd</sup> August, 2019.
  - 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 16<sup>th</sup> August, 2019.
  - 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 16<sup>th</sup> August, 2019.
- d. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service, Electronic Clearing Service, mandates, nominations, power of attorney, change of address, change of name and e-mail address etc., to their Depository Participant. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agent, Universal Capital Securities Pvt. Ltd. (UCS) to provide efficient and better services. Pursuant to SEBI circular dated 20<sup>th</sup> April, 2018, members holding shares in physical form are requested to provide latest bank account details along with original cancelled cheque leaf/ copy of bank passbook/ statement attested by the bank and copy of PAN card to UCS.
- e. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or UCS for assistance in this regard.
- f. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or UCS the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- g. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- h. The unclaimed dividend up to the financial year ended 31<sup>st</sup> March, 1995 have been transferred to the General Revenue Account of the Central Government pursuant to Section 205A(5) of the Companies Act, 1956. Members, who have not encashed their dividend warrants up to the financial year ended 31<sup>st</sup> March, 1994 are requested to claim the same from the Registrar of Companies, Gujarat at Ahmedabad.
- i. Pursuant to Section 124 and 125 of the Companies Act, 2013 and rules made thereunder, any dividend remaining unclaimed with the Company on the expiry of 7 (seven) years from the date of its transfer to the unclaimed / unpaid account, will be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, unclaimed dividends for the financial year ended 31<sup>st</sup> March, 1995 to 31<sup>st</sup> March, 2011 and unclaimed interim dividend for the financial year ended 31<sup>st</sup> March, 2012 have been transferred to the said fund. Members, who have not encashed their dividend warrant(s) so far, for the final dividend for the financial year ended 31<sup>st</sup> March, 2012 and for the interim and final dividends for subsequent financial years, are requested to make their claims to the Company / UCS.

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

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

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

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

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

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

- j. As required by the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Secretarial Standard-2 of ICSI, 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	Mr. Mahesh V. Gandhi
Date of birth	17 <sup>th</sup> December, 1949	10 <sup>th</sup> February, 1944
Date of first appointment	29 <sup>th</sup> June, 1974	29 <sup>th</sup> June, 1974
Experience in specific functional areas	Varied experience of more than 48 years in rubber industry.	Experience of more than 32 years as director in other companies.
Qualification	B. Tech. from the Indian Institute of Technology (IIT) Mumbai.	Graduate from Mumbai University
Directorship held in other public companies (excluding GRP Limited)	1) Grip Polymers Ltd. 2) Steelcast Limited	Indo – Nippon Chemical Co. Ltd.
Memberships / Chairmanship of committees of all public companies	<u>Chairman of the Board Committee:</u> 1) Steelcast Ltd. • Audit Committee <u>Membership of the Board Committee:</u> 1) GRP Ltd. • Stakeholders Relationship Committee 2) Steelcast Ltd. • Nomination & Remuneration Committee • Stakeholders Relationship Committee	<u>Chairman of the Board Committee</u> None <u>Membership of the Board Committee</u> None
No. of shares held in the Company	25594	62550

- k. Electronic copy of the following documents :i) Annual Report for the financial year 2018-19 ii) Notice of the 45<sup>th</sup> Annual General meeting of the Company *inter alia* indicating the process and manner of e-voting iii) Attendance slip and proxy form for the 45<sup>th</sup> Annual General meeting, are being sent by email to all the members whose email IDs are registered with the Company / depository participants for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of all the aforesaid documents is being sent by the permitted mode.
- l. Notice of the 45<sup>th</sup> Annual General meeting along with Route map and prominent land mark for easy location of the venue of this meeting, attendance slip, proxy form and the annual report for the financial year 2018-19 is also available on the website of the Company www.grpweb.com.
- m. All documents referred to in the accompanying notice and the explanatory statement shall be available for inspection at the Registered Office of the Company at Ankleshwar during normal business hours (10 a.m. to 1 p.m.) on all working days except Saturday, Sunday and Public Holidays, till the date of the Annual General Meeting.
- n. **Voting through electronic means :**
- 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 the facility to exercise their right to vote on resolutions proposed to be considered at the 45<sup>th</sup> Annual General meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using e-voting system from a place other than the venue of the AGM (remote e-voting) will be provided by National Securities Depository Ltd. (NSDL).
  - 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.
  - 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.
  - Remote e-voting period commences on 19<sup>th</sup> August, 2019 (10 a.m.) and ends on 21<sup>st</sup> August, 2019 (5 p.m.). During this period, members of the Company, as on the cut-off date of 16<sup>th</sup> August, 2019, 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.
  - The details of the process and manner for remote e-voting are explained herein below :  
Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2: Cast your vote electronically on NSDL e-Voting system.

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL either on a Personal Computer or on a mobile:  
<https://www.evoting.nsdl.com/>
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:

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

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

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

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

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

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

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

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

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [shah\\_cr@yahoo.co.in](mailto:shah_cr@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
- vi. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free No. 1800 222 990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - vii. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password/PIN for casting your vote.
  - viii. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication.

- ix. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16<sup>th</sup> August, 2019.
- 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. 16<sup>th</sup> August, 2019, may obtain the login ID and password by sending a request to email ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to email ID [investor.relations@grpweb.com](mailto:investor.relations@grpweb.com). However if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- xi. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- xii. Chetan R. Shah, Practicing Company Secretary (Membership No.FCS 2703) (email ID : [shah\\_cr@yahoo.co.in](mailto:shah_cr@yahoo.co.in)) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ballot paper voting process, in a fair and transparent manner.
- xiii. The Chairperson of the AGM shall at the end of the discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xiv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson of the AGM or a person authorised by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- xv. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.grpweb.com](http://www.grpweb.com) and on the website of NSDL immediately after declaration of results by the Chairperson of AGM or a person authorised by him in writing. The results and the report shall also be immediately forwarded to the Stock Exchange/s, where the shares of the Company are listed.

**By Order of the Board of Directors**

Place : Mumbai

Harsh Gandhi

Date : 27<sup>th</sup> May, 2019

Joint Managing Director

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

### **Annexure to the Notice**

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

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

Pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members by way of a Special Resolution is necessary for appointment / continuation of appointment of any Non-Executive Director who has attained the age of 75 (Seventy Five) years.

Mahesh V. Gandhi is a Non-Executive Non-independent Director of the Company liable to retire by rotation.

Mahesh V. Gandhi is a Director of our Company since its incorporation, i.e., 29<sup>th</sup> June, 1974. He is energetic and actively participates in the Board meetings and the policy and governance work of the Board. The Board considers that his continued association would be of immense benefit to the Company.

The Board of Directors accordingly recommends this resolution for the approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their respective relatives, except Mahesh V. Gandhi to whom the resolution relates and Rajendra V. Gandhi, Managing Director being his relative, are in any way concerned or interested, financially or otherwise in this resolution.

##### **Item No. 5**

Rajendra V. Gandhi is presently designated as Managing Director of the Company. He is a Graduate Engineer from the Indian Institute of Technology (IIT) Mumbai. He has varied experience of more than 48 years in Rubber Industry. Since incorporation, the Company has been taking the advantage of his guidance and mentorship. Because of his sustained efforts, the Company has sustained a growth pattern and has achieved success in creating a brand image in the global Reclaimed Rubber Industry. He was the President of Indian Rubber Manufacturers' Research Association (IRMRA) for a period of 3 (three) years till December 2018.

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 27<sup>th</sup> May, 2019 has, on the recommendation of the Nomination and Remuneration Committee, subject to approval of the shareholders by way of a special resolution and subject to such other approval/s as may be necessary, reappointed Rajendra V. Gandhi as Managing Director for a further period of three years with effect from 1<sup>st</sup> August, 2019 upon the terms and conditions of remuneration by way of salary, commission, perquisites, allowances and performance linked bonus as mentioned in the draft agreement proposed to be entered into between the Company and Rajendra V. Gandhi.

Rajendra V. Gandhi satisfies all the conditions set out in part I of Schedule V of the Companies Act, 2013 and sub section (3) of Section 196 of the Act. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

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 recommends this resolution for the approval by the members of the Company.

None of the directors and Key Managerial Personnel of the Company except Rajendra V. Gandhi to whom the resolution relates and Harsh R. Gandhi,

Joint Managing Director, Mahesh V. Gandhi, Director and Nayna R. Gandhi, Director, being his relatives, are in any way concerned or interested, financially or otherwise in this resolution.

The material terms and conditions of the said reappointment and remuneration as referred to in the resolution are as follows:

**Term:** 3 (Three) years, from 1<sup>st</sup> August, 2019 to 31<sup>st</sup> July, 2022 (both days inclusive)

**Remuneration:**

**A) Salary :** ₹ 7,00,000/- to ₹ 10,00,000/- per month.

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

**B) Commission :**

Remuneration by way of commission not exceeding 1% of the net profits of the Company as determined under Section 198 of the Companies Act, 2013 of a particular financial year, subject to a maximum of 12 (twelve) 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) Following perquisites shall not be included in the computation of the aforesaid ceiling on perquisites and allowances:
  - a) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act.
  - b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
  - c) Encashment of leave at the end of the tenure
- v) Leave as per the rules of the Company.

**D) Performance Linked Bonus :**

In addition to the Salary, Commission, Perquisites and Allowances, Rajendra V. Gandhi may be paid such remuneration by way of annual performance linked bonus. This performance linked bonus would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Nomination & Remuneration Committee and / or the Board of Directors in its absolute discretion. However, such performance linked bonus shall be subject to a maximum of ₹ 1,00,00,000/- per annum.

**E) Minimum Remuneration :**

Notwithstanding anything contained herein, where in any financial year, during the currency of the tenure of Rajendra V. Gandhi, Managing Director, the Company has no profits or its profits are inadequate, the Company may pay him remuneration by way of salary, commission, perquisites, allowances and performance linked bonus 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, engineering plastics and polymer composites.

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, engineering plastics since June, 2009 and polymer composite since December, 2017.

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

4. Financial Performance based on given indicators:

**Significant Financial Indicators for last five years**

	Years ended 31 <sup>st</sup> March				
	2015	2016	2017	2018	2019
Total Income	34,638	31,508	32,237	29,914	35,792
Operating profit	2,574	2,458	2,594	1,583	2,120
Profit after tax	887	802	829	98	638
Net Worth	11,247	11,888	12,748	12,699	13,379
Borrowed Funds	6,722	6,760	6,582	5,665	6,451
Fixed Assets (Gross)	20,140	21,584	22,987	23,388	24,143
Net Current Assets	500	1,129	2,028	2,121	2,540
Book Value Per Share (₹)	844	892	956	952	1,003
Earning Per Share (₹)	66.51	60.12	62.20	7.37	47.86
Dividend (%)	112.50	100.00	100.00	12.50	80.00
Ratios :					
Debt Equity	0.60	0.57	0.52	0.45	0.48
Operating Profit To Sales	7%	8%	9%	5%	6%
Interest Coverage	6	7	8	5	6

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 the Explanatory statement of item No.5 mentioned above.

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

Financial Year Remuneration (₹ lakh)

2016-17	78.00
2017-18	84.00
2018-19	90.20

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 not exceeding the maximum limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

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

Taking into consideration the size of the Company, the nature of the industry, the profile, knowledge, skills and responsibilities shouldered by 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, Joint Managing Director, Mahesh V. Gandhi, Director and Nayna R. Gandhi, Director of the Company.

**III. Other Information :**

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

2. Steps taken or proposed to be taken for improvement : Company under the 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.6 :**

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 forty second Annual General Meeting held on 21<sup>st</sup> September, 2016, 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 2016-17.

The Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is effective from 1<sup>st</sup> April, 2019 requires approval of shareholders by special resolution every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.

Commission amount paid to Rajeev M. Pandia, Non-Executive Independent Director for the past few years was exceeding fifty per cent of the total annual remuneration paid to all non-executive directors. Therefore, Company has the practice of paying remuneration in the form of commission to a single non-executive director exceeding fifty per cent of the total annual remuneration payable to all non-executive directors. Hence, this Special Resolution is placed before the shareholders for adoption.

The Board of Directors accordingly recommends this resolution for the approval by the members of the Company.

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

**Item No.7 :**

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

M/s Jitendrakumar & Associates, Cost Accountants (Firm Registration No.101561), has, as required under Section 141 of the Companies Act, 2013, confirmed its eligibility to conduct the audit of the cost accounting records of the Company for the financial year 2019-20 and has consented to act as the Cost Auditor of the Company.

At the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Jitendrakumar & Associates, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2019-20 at a remuneration of ₹1,30,000/- (Rupees One Lakh Thirty Thousand only) plus out of pocket expenses and taxes.

Section 148 (3) of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014, requires the remuneration payable to the Cost Auditors to be ratified by the Members of the Company. Accordingly, the approval of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

The Board of Directors accordingly recommends this resolution for the approval by the members of the Company.

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

**By Order of the Board of Directors**

Place : Mumbai  
Date : 27<sup>th</sup> May, 2019

Harsh Gandhi  
Joint Managing Director

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

