

GRP LIMITED

(Formerly known as Gujarat Reclaim and Rubber Products Limited).



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

NOTICE

NOTICE is hereby given that the **THIRTYNINTH 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, 4th September, 2013 at 2.30 p.m.** to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year 2012-13.
3. To appoint a director in place of Mr. Kandathil M. Philip, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. Peter Philip, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to authorize Board of Directors to fix their remuneration.

Special Business:

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 & 311 read with Schedule XIII & other applicable provisions, if any, of the Companies Act, 1956 (the Act) and 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, as Vice Chairman & Managing Director of the Company for a period of three years with effect from 1st August, 2013 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 Remuneration Committee and / or the Board of Directors may consider appropriate, provided however, that the remuneration payable to Shri Rajendra V. Gandhi as Vice Chairman & Managing Director shall be within the limits set out in that behalf in the said Act including Schedule XIII 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 Vice Chairman & 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, Vice Chairman & Managing Director, remuneration by way of salary, perquisites and allowances as specified above as per the applicable provisions of the said Act including Schedule XIII thereto."

"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."

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.
- b. The Register of Members and Transfer Books of the company will be closed from Tuesday, 27th August, 2013 to Wednesday, 4th September, 2013, 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 on 13th September, 2013 as under:
 - 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 26th August, 2013.

- 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 26th August, 2013.
- 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, 1994 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, 1994 are requested to claim the same from the Registrar of Companies, Gujarat at Ahmedabad.
- i. In terms of Sections 205A and 205C of the Companies Act, 1956 any dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, unclaimed dividends for the financial years ended 31st March, 1995 to 31st March, 2005 and unclaimed interim dividend for the financial year ended 31st March, 2006 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, 2006 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 IEPF or 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 in respect of any such claims.
- j. As required by Clause 49 of the Listing Agreement signed by the company with the Bombay Stock Exchange Ltd. (BSE), brief profile of the Directors proposed to be appointed / re-appointed at the annual general meeting is given below:

Name of the Director	Kandathil M. Philip	Dr. Peter Philip
Date of birth	May 2, 1912	June 16, 1943
Date of appointment	July 4, 1975	April 1, 1981
Experience in specific Functional areas	He is an industrialist and is one of the pioneers and foremost authority of the Indian Rubber Industry.	He is an industrialist having varied experience of more than 33 years in general management.
Qualification	Graduate	Doctorate in Economics
Name of the Companies in which he holds Directorship / committee Membership	Chairman of - GRP Limited - India Coffee & Tea Dist. Co. Ltd. - Commercial Broadcasts Ltd. - Rembrandt & Vandykes Pvt. Ltd. Director in : - MRF Ltd.	Director in - GRP Limited. - India Coffee & Tea Dist. Co. Ltd. - Commercial Broadcasts Ltd. - Malayala Manorama Co. Ltd. - Devon Plantations & Industries Ltd. - Indo Bloom Limited. - Rembrandt & Vandykes Pvt. Ltd. - Philips Investments Pvt. Ltd. - M. M. Research Co. Pvt. Ltd.

GRP LIMITED

(Formerly known as Gujarat Reclaim and Rubber Products Limited).



		Committee Membership Audit Committee Remuneration Committee Selection Committee Project Committee
No. of shares held in the company	16,966	1,333

By Order of the Board of Directors

Place : Mumbai
Date : 28th May, 2013

Rajendra V. Gandhi
Vice Chairman & Managing Director

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 6

The existing term of Shri Rajendra V. Gandhi, as Vice Chairman & Managing Director of the company expires on 31st July, 2013. Under his dynamic leadership, the company over the last many years has seen the business grow significantly. The Board of Directors therefore consider appropriate and in the interest of the company to reappoint Shri Rajendra V. Gandhi, as Vice Chairman & Managing Director of the company for a further period of three years with effect from 1st August 2013 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 Shri Rajendra V. Gandhi.

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

Remuneration:

A. Salary:

Rs.2,85,000/- - Rs.5,00,000/- per month

The annual increments will be decided by the Remuneration Committee and/or the Board of Directors in its absolute discretion.

B. Commission:

Remuneration by way of commission equal to 1% of the net profits of the company as determined under Section 349 of the Companies Act, 1956 of a particular financial year, subject to a maximum of twelve months' salary of that particular financial year.

C. Perquisites and Allowances :

- In addition to salary and commission payable, Shri Rajendra V. Gandhi, Vice Chairman & 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 Remuneration Committee and/or the Board of Directors and Shri Rajendra V. Gandhi, Vice Chairman & Managing Director. However, such perquisites and allowances shall be subject to a maximum of 100% of the annual salary.
- 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.
- 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.
- 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.
- Leave as per the rules of the Company.
- Gratuity payable as per the rules of the Company 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 Shri Rajendra V. Gandhi as Vice Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company may pay him remuneration by way of salary, perquisites and allowances as specified above, as per the applicable provisions of law including Schedule XIII to the Companies Act, 1956.

This explanation and the accompanying notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956 in respect of the terms and conditions of reappointment and remuneration of Shri Rajendra V. Gandhi, Vice Chairman & Managing Director.

None of the directors of the company other than Shri Rajendra V. Gandhi, himself and Shri. Mahesh V. Gandhi and Shri Harsh R. Gandhi being his relatives are in any manner concerned or interested in this resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 28th May, 2013

Rajendra V. Gandhi
Vice Chairman & Managing Director

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

OUR TECHNOLOGY IS
FUELLED BY OUR
POSITIVE INTENT



ANNUAL REPORT 2012-13

GRP LIMITED

(FORMERLY KNOWN AS GUJARAT RECLAIM AND RUBBER PRODUCTS LTD)

OUR SUCCESS

Consistency is a key component in making GRP successful. At GRP long term positive habits are imbibed to pursue diverse opportunities, with focus on great customer service, along with understanding the risks and rewards to grow and sustain, GRP leads in creating an Impact Positive

www.grpweb.com

GRP RECLAIM RUBBER | GRP INDUSTRIAL POLYMERS | GRP CUSTOM DIE FORMS

GRP
IMPACT POSITIVE

Significant Financial Indicators For Last Five Years

(` in lakhs)

	Years ended 31st March				
	2009	2010	2011	2012	2013
Total Income	13,395	14,304	19,103	25,303	28,134
Operating Profit	2,489	2,572	3,089	4,532	2,786
Profit After Tax	1,354	1,381	1,762	2,580	1,175
Net Worth	4,257	5,326	7,631	8,790	9,726
Borrowed Funds	1,779	2,435	4,042	7,628	9,027
Fixed Assets (Gross)	5,956	7,430	9,929	14,370	18,443
Net Current Assets	1,341	1,247	1,283	2,277	940
Book Value Per Share (`)	319	399	505	659	747
Earning Per Share (`)	101.33	103.56	132.16	192.91	87.79
Dividend (%)	175	200	230	330	150
Ratios:					
Debt Equity	0.28	0.25	0.34	0.61	0.77
Operating Profit To Sales	19%	18%	17%	19%	10%
Interest Coverage	15	17	17	13	4

Regd. Office : Plot No.8, G.I.D.C. Estate, Ankleshwar - 393 002
Dist. Bharuch (Gujarat)

BOARD OF DIRECTORS

Kandathil M.Philip, Chairman
Rajendra V.Gandhi, Vice Chairman & Managing Director
Mahesh V.Gandhi
Dr.Peter Philip
Bhagwandas T.Doshi
Atul S.Desai
Nikhil M.Desai
Rajeev M. Pandia
Harsh R.Gandhi, Executive Director

AUDITORS

A.B.Modi & Associates
Chartered Accountants
Mumbai

BANKERS

HDFC Bank Ltd. & Citibank

WORKS

Ankleshwar & Panoli (Gujarat),
Akkalkot Road & Chincholi Solapur (Maharashtra),
Perundurai (Tamilnadu)

CORPORATE OFFICE

510, 'A' Wing, Kohinoor City Commercial I,
Kirol Road, Off.L.B.S. Marg, Kurla (W),
Mumbai –400 070.

SHARES LISTED ON

Bombay Stock Exchange Ltd.
Listing fees paid for the year 2013-2014

**REGISTRAR & TRANSFER
AGENTS**

Universal Capital Securities Pvt.Ltd.
21, Shakil Niwas, Opp. Satya Saibaba Temple,
Mahakali Caves Road, Andheri (East),
Mumbai - 400 093.

ISIN No.

INE 137I01015

E-mail

investor.relations@grpweb.com

Web Site

www.grpweb.com

Directors' Report to the Members,

Your Directors are pleased to present the **THIRTY NINTH ANNUAL REPORT & AUDITED ACCOUNTS** for the year ended **31st March, 2013**.

FINANCIAL RESULTS	Year ended 31st March	
	2013	2012
	(` in lakhs)	(` in lakhs)
Sales & Other Income	27,659	24,930
Profit before depreciation & tax	2,786	4,532
Depreciation	1,015	687
Profit before tax	1,771	3,845
Provision for tax (net of MAT entitlement)	Nil	783
Deferred tax expenditure	596	482
Profit after tax for the year	1,175	2,580
(Short) Provision of earlier year	(4)	(8)
Brought forward profit	4,561	3,002
Amount available for appropriation	5,732	5,574

Out of which the following appropriations have been made:

Transfer to General Reserve	1,000	500
Interim Dividend	Nil	93
Proposed Dividend/Final Dividend	200	213
Proposed Special Dividend	Nil	134
Tax on dividend	34	73
Balance carried to Balance Sheet	4498	4,561
	5,732	5,574

DIVIDEND

Based on performance of the company for the year under report, the board recommends a dividend of ` 15/- per share (150%) for the year ended 31st March, 2013, absorbing a sum of ` 200 lakhs. Previous year total dividend was ` 33/- per share (330%).

CURRENT PERFORMANCE AND FUTURE OUTLOOK

The financial year 2012-13 was a challenging one for the global as well as the Indian economy. While the world economy grew at 2.3%, the Indian economy grew at a mediocre 5%, and against this backdrop, the company has registered a growth in revenue of 11% for the year ended 31st March, 2013. This muted growth compared with the previous years has been a result of slow down in demand from the international markets, a slow automotive growth in India and low commodity prices. Despite recessionary trends in its major markets of Europe and North America, your company was able to grow export revenues on the back of entry into new geographies and introduction of reclaim rubber into new applications. The export presence of the company contributes 65% share of total revenue and your company's exports account for a commendable 50% of India's reclaim rubber exports. The domestic markets are going through a challenging phase, with an overcapacity of tyre production, a not so encouraging growth in the automobile sales and a weak infrastructure sector leading to lower mining activity and consequently lower demand for related products. In these trying circumstances, the company was able to enlarge market share among the organized consumers of reclaim rubber in India and maintain a dominant share overall.

The company's marginal growth in volume has not mirrored the ability to pass on input price increases through to the customers. With reduction in global prices of natural rubber, synthetic rubber and most other compounding ingredients, there has been considerable pressure on the company to reduce prices. Owing to your company's standing in the industry and deep customer relationships, the company has been able to ward off price reduction pressures and maintain its price position across all markets. Increase in input costs, on the other hand depressed margins, with raw materials accounting a major portion of total input cost pressure. Alternate uses of end of life tyres for pyrolysis, as fuel in cement industry and for road surfacing have put the supply chain under pressure and continue to reflect in higher prices. Your company has invested in the past in captive power generation plants to meet its energy

demand. With Natural Gas prices rising unabated and grid tariffs rising by upto 30% per unit, energy costs have further burdened operating margins. Your company was unable to utilize capacity at its plant in Perundurai (Tamil Nadu) due to unavailability of adequate power resulting in poor efficiencies.

The performance of the company in the industrial polymers business unit continues to inspire confidence for the future and several R&D initiatives undertaken to improve product quality are beginning to bear fruit. Your company hopes to undertake commercial scale operations based on the R&D in the current year to augment the existing capacities of industrial polymers.

The achievements of the company have been acknowledged as follows:-

- The K.M.Philip Gold Medal awarded to Mr. Rajendra Gandhi, Vice Chairman & Managing Director for his outstanding contribution to the growth and development of the Indian Rubber industry
- All India Rubber Industries Association's Top Export Award in the Raw Material sector
- Industry 2.0's Green & Sustainable manufacturing Certificate of Achievement to Mr. Harsh Gandhi, Executive Director for the company's initiatives in building a sustainable supply chain
- Quality Circle Forum of India's Gold trophy presented to GRP Ankleshwar plant for achievements in 5S across Gujarat state

SUBSIDIARY AND ASSOCIATE

Pursuant to the Central Government notification No: 5/12/2007-CL-III dated 8th February, 2011 issued by Ministry of Corporate Affairs, granting exemption under Section 212 of the Companies Act, 1956 and with the consent of the Board of Directors, the company will not be attaching the annual accounts (Balance Sheet, Profit & Loss account and schedules forming part thereof and other reports) of the subsidiary company viz. Grip Polymers Limited, to the Annual Report of the holding company viz. GRP Ltd., for the financial year ended 31st March, 2013. Any shareholder interested in obtaining copy of audited annual accounts of the subsidiary company for the year ended 31st March, 2013, may write to the Company Secretary at the registered office of the company.

Your company holds 46% of the equity share capital of Alphanso NetSecure Pvt. Ltd. which is its only associate company.

INSURANCE

The properties and insurable assets and interests of your company, like building, plant and machinery, stocks, etc. are adequately insured.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

Management discussion and analysis and the corporate governance form an integral part of this report. The certificate from auditors of the company, certifying compliance of the conditions of corporate governance as stipulated in clause 49 of the listing agreement, is annexed to the report on corporate governance.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association, K. M. Philip and Dr. Peter Philip, directors of the company retire by rotation and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there has been no material departure.
- b) Appropriate accounting policies have been selected and applied consistently, and judgements and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 and of the profit and loss account and cash flow of the company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on a going concern basis.

AUDITORS

A. B. Modi & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the company, will retire at the ensuing Annual General Meeting and are eligible for reappointment.

PARTICULARS OF EMPLOYEES

As required by the provisions of section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended up to date, the names and the other particulars of the employees are set out in the Annexure to the Directors' Report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining such particulars, may write to the Company Secretary at the registered office of the company.

TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to the extent applicable are as under :

1. Technology Absorption : Research & Development

During the financial year 2012-13, the company has continued to conduct research and development work for improvement in the quality of its product, development of new applications for its product and for development of high quality specialised reclaim rubber which has resulted in company's products being accepted in the international market. Company has incurred during the financial year 2012-13, an amount of ` 6.73 lakhs on various research & development initiatives.

2. Foreign Exchange Earnings & Outgo

	` Lacs
Earnings in foreign exchange towards export of goods	16,031
Foreign exchange outgo on account of imports, commission on exports and other expenses	1,207

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge the contributions made by employees towards the success of your company. Your Directors are also thankful to the company's valued customers, bankers, vendors, insurers, regulatory and Government authorities and its shareholders.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 28th May, 2013

Kandathil M. Philip
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2012-13

Industry Structure and Development:

A key ingredient of economic growth in developed as well as developing industries has been the growth and expansion of the automotive sector by way of increasing penetration of vehicle ownership - commercial as well as personal. Vehicle proliferation leads to increased usage of tyres and like all other tyres too have an end-of-life state when they either need to be discarded or recycled. Accumulation of end-of-life tyres is a world-wide issue receiving attention of governments as well as the producing and consuming industry. Of the many alternatives available for addressing the end-of-life tyres issue is recycling these to manufacture reclaim rubber. The result is recovery of resources and maintenance of environmental balance.

Over the last few decades, reclaim rubber has carved out an important role for itself as a key ingredient in majority of rubber products - tyre as well as non-tyre. Non tyre sector includes conveyor belting, automotive profiles, hoses, flooring and roofing applications, civil engineering etc. Being price stable it has helped these industries in not only avoiding price uncertainty but also optimising product cost. This has led to a growing demand for reclaim rubber around the world, a demand which is expected to sustain as the need to conserve resources, remain environment focused and optimizing product costs remains a priority for all industries.

The custom die forms business of the company is a unique business where end-of-life tyres are used for their residual mechanical properties to cater to specialist requirements ranging from global agricultural equipment manufacturers to dock bumper pads and industrial floor mats, mainly in North America. Since India continues to be the largest source of truck bias tyres (raw material for these products), we expect this business to be robust for many years to come.

Opportunities:

Financial year 2012-13 was a challenging year for the global economy. The world economy grew by 2.3% in the year 2012. The Indian economy which recorded a growth rate of 6.9% by end of March 2012 started showing softening indicators in second half of financial year 2012-13. This was mainly due to inflationary pressures, fluctuating interest rates and slowdown in investments. During the current year inflation continued to remain at higher levels with headline Wholesale Price Index (WPI) staying at 7% and core inflation rate at 4.2%. Despite the turbulence, the Indian economy has shown a moderate growth rate of 5% in the financial year 2012-13.

Automotive segment has been the worst hit with vehicle sales for the first time in the last decade dropping by 2.6% to 15.27 million units in the financial year 2012-13 from 15.68 million units a year earlier. This was just unthinkable a few years ago, as India was being hailed as one of the fastest growing automobile markets in the world. The automotive industry woes have spilled onto the tyre segment as well with growth rates moderating - while the OEM sub-segment has witnessed a sharp fall, growth has been maintained mainly owing to the still robust demand in the after-market, fuelled by years of steady economic growth, increased vehicle population, infrastructure growth and increased travel by motor transport.

A key trend, impacting the business of your company has been the volatility in the price of natural rubber (NR). The year saw a significant drop in prices in India and global markets. Other commodity rubbers such as SBR and BR have also witnessed price lows from levels of the year 2012 and also dating year 2011. With virgin rubber prices reversing through most of 2012 and still continuing, there has been pressure building on reclaim rubber prices as well. While GRP has managed to maintain its product price levels throughout the financial year 2012-13, the pressure on input costs (mainly on account of raw material and energy) has dampened financial performance. The major input raw material (waste tyres) is increasingly being used in alternate applications mainly as a fuel substitute and thus mirrors price of coal and other fuels. With short supplies of coal in the country, use of waste tyres as TDF (tyre derived fuel), in pyrolysis plants and for road surfacing continues to pressure margins. Plants of the company in Gujarat have relied on Natural Gas as a source of fuel for its captive power plants. An unprecedented increase in price of natural gas (to the tune of 30%) coupled with increased grid power prices has led to increased energy costs for the company. Despite the odds, your company has been able to sustain its price positioning in its Key Accounts on the back of its reputation for consistent quality, wide product range and great customer service. The company has taken several initiatives to improve operational performance to counter input price pressures. In challenging times, the value of partnering with a trusted partner like GRP has not been lost on our customers and we continue to enjoy their patronage.

The economic tailwinds that are blowing across the world have not left the company unscathed. While we have maintained our position as the largest manufacturer of reclaim rubber in India and one of the largest globally, growth rates have moderated in 2012-13. However, our new facilities in Solapur and Tamil Nadu will allow the company to tap hitherto untapped markets like Latin America, the CIS countries, South East Asia markets and back home, the growing tyre base in South India. This has increased GRP's footprint in India and new international territories as well as signalled its customers in key consuming industries that it can be banked upon to give supplies across the country.

Research & Development to improve its existing product range as well as adding new grades to penetrate new segments continues to receive attention at GRP. We believe this will continue to be fundamental plank that will differentiate us in the market place.

Segment wise or product wise performance:

In accordance with the Accounting Standard-17 notified by the Companies (Accounting Standards) Rules, 2006, the company has classified its business into two reportable business segments based on nature of business.

a) Reclaim Rubber :

This segment comprises of reclaim rubber sheets for tyre and non-tyre rubber goods industries. The company continues to be the market leader in reclaim rubber segment. The company has achieved a 12% growth in this segment in the current financial year as compared to previous year.

The total sales under this segment is ` 26,548.79 lakhs for the financial year.

b) Windmill:

The company has invested in Windmill at Kuchhadi in Gujarat in the financial year 2009-10. For the power units generated by Windmill, the company gets credit in its electricity bill of its Panoli plant in Gujarat.

Outlook:

Global demand for rubber has been forecast to reach 27.6 million tons during the year 2013, by the International Rubber Study Group (IRSG, November 12, 2012). Going by past trends, this should result in a growth for reclaim rubber as well. GRP believes that its brand equity, wide customer acceptance and enhanced global distribution footprint will help it in taking advantage of this. Going forward while economic growth is expected to remain moderate, if automotive growth returns to India and some key markets around the world (USA, South Asia, Far East), reclaim rubber growth can return to the trend it was witnessing till a year ago. Europe, however, is expected to remain subdued with large parts of EU still unable to come out of their economic woes. For GRP, this region constitutes a significant share of its business and hence has impacted growth; but the company has prudently targeted its efforts to grow business in Latin America, CIS countries & South Asia, regions largely expected to grow in the next few years.

CRISIL Research has forecast that India should grow at 6.7% in the financial year 2013-14 - an improvement over the financial year 2012-13. Going with this trend, for GRP, India will continue to remain a focus market with its share in overall business expected to improve in the next year.

Challenges, Risks and Concerns:

Increasingly demanding customers, escalating energy costs, fierce competition for raw materials (waste tyres, tubes and rubber), volatile crude oil prices, major regulatory changes in European, North American markets and entry of a number of new reclaimers are the challenges facing the company. The management is however well aware of these and proactively drawing up strategies to mitigate the risk arising from them.

The company lays the highest importance to ensure that product quality meets customer specifications. The company does this by continuously monitoring product parameters and stringent testing in its laboratories.

Rising energy costs have a significant impact on margins and the company has been putting in place several steps to arrest soaring power costs at its plants apart from further strengthening its culture of conserving resources. Your company has tapped other sources like wind energy and energy trading to optimize and economise the cost of power.

Competition for raw materials is a significant challenge being faced by the company due to emergence of new applications for the materials and entry of a number of new players into the reclaim rubber business in the last 2-3 years. The company depends upon its strong supplier relations built over many decades and fair practices to ensure an uninterrupted supply of raw materials. The company is also actively developing a wider portfolio of products to mitigate the raw material challenge.

In order to mitigate the risks associated with health and safety of the workers and protecting the environment, the company monitors relevant parameters at its manufacturing sites with reference to statutory regulations laid down by various Government authorities and its own guidelines and policies. The company fulfills its legal requirements related to emissions, waste water and waste disposal.

Like other corporate bodies, your company is also subject to risk arising from interest rate fluctuations. Your company employs prudent borrowing policies to fund its long term and short term funding needs. The company uses packing credit facility and foreign currency loans to reduce its interest cost.

Foreign exchange fluctuations pose a significant threat at the time of repayment of foreign currency loans. However a significant part of the company's business is contributed by exports, thereby providing a natural hedge against this risk.

The company uses SAP ERP for its operations and its business data is stored, maintained and backed up regularly to ensure business continuity.

Internal control system and their adequacy:

The company has implemented and is continuously evaluating the system of internal checks and controls with a view to safeguarding company assets, improve processes and procedures, compliance of statutory obligations and achieve optimum

utilization of available resources.

The company has hired the services of independent firms of professionals to conduct internal audit and to provide reports on observations along with recommendations. Key findings are reported to senior management and executive summary reports are discussed at the Audit Committee meetings periodically.

Discussion on review of operations and financial performance:

The company has recorded a growth of 12% in sales, net of excise during the financial year 2012-13 compared to previous financial year. Sale of reclaim rubber grew by 11%, customs die forms by 76% and thermo plastics by 5%. It has recorded a consolidated profit after tax of ` 1,176.18 lakhs. The following ratios reflect the financial performance for the year in relation to the previous year :

	2012-13	2011-12
Sales (growth in % over previous year)	12.39	29.50
Domestic sales (growth in % over previous year)	14.85	40.30
Export sales (growth in % over previous year)	11.08	24.41
PBDIT (as a % to Sales)	12.68	20.50
PAT (as a % to Sales)	4.33	10.70
ROCE (in %)	24.19	29.26
Debt: Equity ratio	0.77	0.61
Earnings per share (EPS in `)	87.79	192.91

Corporate Social Responsibility:

The company accepts its social responsibilities and strongly believes in the overall growth of the society. As a part of its CSR responsibility the company has contributed ` 40 lakhs to Shroff S R Rotary Institute of Chemical Technology, Ankleshwar for sponsoring "Rubber & Polymer Technology" course. The Institute provides engineering degrees in various fields of chemical technology and opportunities for learning rubber technology with close co-operation from the industry which will generate employment opportunities.

The company has donated ` 5 lakhs to Kunkubai Shrivik Ashram, a girls school in Solapur.

The company is also participating in Standard Chartered Marathon in Mumbai for the last 4 years and contributing towards Nanhi Kali Foundation, an NGO for promoting welfare of underprivileged girls.

Human resources and industrial relations:

Your company's emphasis on attracting and retaining talent in this ever changing business environment continues. The company has laid down and implemented initiatives to train and develop skills of employees at various levels. During the year company with the help of HR consultants has conducted Development Centre Workshop, which is a leadership and management development program for key managerial positions. There has been cordial relations with the employees. Due to rapid industrial growth in Ankleshwar, Panoli and Solapur, attracting and retaining skilled labour continues to be a challenge for the company.

Cautionary Statement

Statement in the Management Discussion and Analysis describing the company's objectives, projections, estimates and expectation may be forward looking within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied. The company assumes no responsibility to publicly amend, modify or reverse any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 28th May, 2013

Kandathil M. Philip
Chairman

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhance shareholder value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibility and authority to the Board of Directors, its committees and senior management employees.

1. Company's Philosophy on Corporate Governance

Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. Any good Corporate Governance provides an appropriate framework for the Board, its committees and senior management, to carry out the objectives that are in the interest of the Company and the stakeholders.

The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities.

We believe that sound Corporate Governance is critical to enhancing retaining investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchange, the details are set out below:

2. Board of Directors

A) Composition

The composition of the Board of Directors of the Company is in conformity with Clause 49 of the Listing Agreement. As on 31st March, 2013, the Board of Directors consists of nine Directors, out of which one Non-Executive Independent Director as Chairman, one Promoter Vice Chairman & Managing Director, four Non-Executive Independent Directors, two Non-Executive Non Independent Directors and one Executive Non Independent Director. Non-Executive Directors are having adequate experience in business, industry and finance. All the directors have made the requisite disclosures regarding Committee positions held by them in other companies.

B) Board Meeting

Six board meetings were held during the financial year ended 31st March, 2013 viz. on 4th April 2012, 11th May 2012, 28th June 2012, 9th August, 2012, 29th October, 2012 and 14th February, 2013.

Board procedure: The agenda is circulated in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The Board is also kept informed of major events/items and approvals taken wherever necessary. The Vice Chairman & Managing Director at the Board meetings keeps the Board apprised of the overall performance of the Company.

Attendance and other directorships: The attendance of the Board of Directors and related information as on 31st March, 2013 is as under:

Name of the Director & Designation	No. of Board Meeting		Attendance at Last AGM on 24th August, 2012	No. of other Boards or Board Committee of which Member/ Chairman	No. of Committees #		Executive / Non Executive/ Independent
	Held	Attended			Member	Chairman	
Kandathil M. Philip Chairman	6	1	Absent	4	-	-	Non-Executive & Independent
Rajendra V. Gandhi Vice Chairman & Managing Director	6	5	Present	4	2	1	Executive (Promoter)
Mahesh V. Gandhi	6	6	Absent	2	-	-	Non-Executive (Promoter Group)
Dr. Peter Philip	6	4	Present	6	-	1	Non-Executive & Independent
Bhagwandas T. Doshi	6	6	Absent	2	1	-	Non-Executive & Independent
Atul S. Desai	6	6	Present	1	2	-	Non-Executive & Independent
Rajeev M. Pandia	6	6	Present	1	1	-	Non-Executive & Independent
Nikhil M. Desai	6	5	Absent	1	-	-	Non-Executive (Promoter Group)
Harsh R. Gandhi	6	6	Present	2	1	-	Executive (Promoter Group)

it excludes committees other than Audit committee, Shareholders/investor Grievance committee and companies other than public limited company but includes committee membership / chairmanship in GRP Ltd.

3. Audit Committee

i) Brief description of terms of reference:

1. Overseeing financial reporting process to ensure that the disclosures of financial information in the financial statement are correct, adequate & credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / applications of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with Internal Auditors, any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee as amended from time to time by the Listing Agreement and the Companies Act, 1956.

ii) Composition, Name of Members and Chairperson

Name of Director	Category	Position in the committee
Dr. Peter Philip	Non-Executive Independent	Chairman
Bhagwandas T. Doshi	Non-Executive Independent	Member
Atul S. Desai	Non-Executive Independent	Member
Rajeev M. Pandia	Non-Executive Independent	Member
Rajendra V. Gandhi	Executive (Promoter)	Member

iii) Meetings and Attendance during the year

The Audit Committee met five times during the financial year 2012-13, on 11th May 2012, 28th June, 2012, 9th August, 2012, 29th October, 2012 and on 14th February, 2013.

The attendance of each member of the committee is given below:

Name of the Director	No. of meetings attended
Dr. Peter Philip	4
Bhagwandas T. Doshi	5
Atul S. Desai	5
Rajendra V. Gandhi	4
Rajeev Pandia	5

4. Remuneration Committee

i) Brief description of terms of reference:

1. Decide the terms and conditions for reappointment of Managing / Executive Director
2. Recommend / review the remuneration package of Managing Director / Executive Director, in accordance with Section 269 read with Schedule XIII of the Companies Act, 1956, based on the financial position of the Company, trend in the industry, qualification, experience, performance and other defined criteria.
3. Decide / recommend to the Board of Directors the annual increment and limit of perquisites and allowances payable to Managing Director / Executive Director.

ii) Composition, Name of members, Chairperson and Attendance during the year

Name of Director	Category	Position in the committee	Attendance at the meeting held on 11.05.2012
Dr. Peter Philip	Non Executive Independent	Chairman	Present
Bhagwandas T. Doshi	Non Executive Independent	Member	Present
Rajeev M. Pandia	Non Executive Independent	Member	Present

iii) Remuneration Policy

The remuneration policy for Vice Chairman & Managing Director and Executive Director is comparable with other companies of similar size and reviewed periodically. The payment of remuneration is duly approved by the Board of Directors and shareholders.

iv) Details of Remuneration paid to the Vice Chairman & Managing Director and Executive Director for the year ended 31st March 2013.

Total remuneration paid to the Vice Chairman & Managing Director and Executive Director during the financial year 2012-13 was as under:

Name	Designation	Salary `	Commission `	Contribution to Provident and Pension Fund `
Rajendra V. Gandhi	Vice Chairman & Managing Director	70,80,000/-	19,77,000/-	7,13,063/-
Harsh R. Gandhi	Executive Director	51,92,800/-	19,77,000/-	9,70,237/-

v) During the financial year 2012-13, the Company has made following payments to Non-Executive Directors:

Sr. No.	Name of the Director	Sitting fee	Commission
		`	`
1	Kandathil M. Philip	15,000/-	---
2	Mahesh V. Gandhi	90,000/-	---
3	Dr. Peter Philip	1,51,000/-	---
4	Bhagwandas T. Doshi	1,46,000/-	---
5	Atul S. Desai.	1,40,000/-	---
6	Nikhil M. Desai	75,000/-	---
7	Rajeev M. Pandia	1,91,000/-	19,77,000/-

5. Investors' Grievance Committee

i) Composition and Name of Members of the Committee:

Name of Director	Category	Position in the committee
Rajendra V. Gandhi	Executive Promoter	Member
Atul S. Desai	Non Executive Independent	Member
Harsh Gandhi	Executive Promoter	Member

ii) Name & Designation of Compliance Officer :

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

iii) A Statement of various complaints received and cleared by the Company during the year ended on 31st March, 2013 is given below:

Nature of Complaints	Received	Cleared	Pending
Non Receipt of shares sent for transfer	1	1	Nil
Non Receipt of dividend	2	2	Nil
Non receipt of Annual Report	Nil	Nil	Nil
Total	3	3	Nil

6. General Body Meetings

Financial Year Ended	Date	Time	Nature	Details of special Resolutions
31st March, 2009	8th September, 2009	2.30 PM	Annual General Meeting	Approval of remuneration of Harsh R. Gandhi, Executive Director
31st March, 2010	12th August, 2010	2.30 PM	Annual General Meeting	Reappointment of Rajendra V. Gandhi, Managing Director as Vice Chairman & Managing Director
31st March, 2011	25th August, 2011	2.30 PM	Annual General Meeting	Payment of commission to Non Executive Director
Not Applicable	12th June, 2012	2.30 PM	Extra Ordinary General Meeting	Approval for the Change of the name of the Company and Reappointment and revision in remuneration of Harsh R. Gandhi as Executive Director
31st March, 2012	24th August, 2012	2.30 PM	Annual General Meeting	No special resolution passed.

Venue for all the above General Body Meetings was Plot no. 8, GIDC Estate, Ankleshwar, Dist Bharuch, Gujarat - 393002.

None of the items transacted at the abovementioned meetings were required to be passed by postal ballot. At the forthcoming Annual General Meeting there is no item on agenda required to be passed by postal ballot. Therefore, procedure for postal ballot has not been specified.

7. Disclosures

- During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, directors and management that had a potential conflict with the interest of the Company at large.
All the transactions with related parties are periodically placed before the Audit Committee. The Register of Contracts detailing transactions in which Directors are interested is placed before the Board at every meeting for its approval. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in Note No. 31 to the Accounts in the Annual report and they are not in conflict with the interest of the Company at large.
- There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years.
- The company has so far not framed a formal whistle blower policy. However, the employees of the company have free access to the Board of Directors, Audit Committee and Senior Management personnel to report their concerns about unethical behaviour, fraud or violation of statutory requirements, with assurance from the management to protect the employees from victimization in case they report any such unethical or fraudulent behaviour.
- The company has complied with the mandatory requirements regarding the Board of Directors, Audit Committee and other Board committees and other disclosures as required under the provisions of the revised Clause 49 of the Listing agreement effective from financial year 2008-09. The company has not adopted non-mandatory requirements of Clause 49 of Listing Agreement.
- Shareholding of the Non-Executive Directors in the company

Name of the Non-executive Director	No. of shares held
Kandathil M. Philip	16,966
Dr. Peter Philip	1,333
Bhagwandas T. Doshi	2,310
Atul S. Desai	9,125
Mahesh V. Gandhi	77,411
Nikhil M. Desai	17,500
Rajeev M. Pandia	Nil

8. Means of Communication

The company regularly publishes its quarterly, half-yearly, and annual results within the prescribed time limit in the prescribed format in National and Regional Daily Newspapers viz. The Indian Express, Loksatta and The Financial Express.

9. General shareholder information :

i. Annual General Meeting

Day, date and time	Wednesday, 4th September, 2013 at 2.30 P.M
Venue	Plot No. 8, G.I.D.C. Estate, Ankleshwar - 393002

ii. Financial year: 1st April to 31st March

iii. Date of Book Closure :

The dates of Book Closure are from 27th August, 2013 to 4th September, 2013 (both days inclusive).

iv. Dividend payment date

Date of payment of dividend for the financial year 2012-13: 13th September, 2013.

v. Listing

The shares of the Company are listed on the Bombay Stock Exchange Limited.

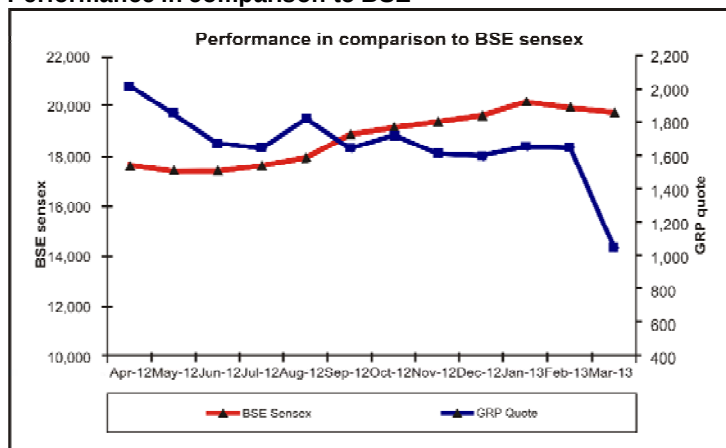
vi. ISIN No. : INE137I01015 Scrip Code : BSE 509152

vii. Market Price Data : High, low during each month in the last financial year.

Monthly Share Price data of the Company's equity shares of ` 10/- each fully paid up, traded on Bombay Stock Exchange for the year ended 31st March, 2013.

Month	Highest Rate `	Lowest Rate `
April 2012	2020	1505
May 2012	1855	1483
June 2012	1675	1505
July 2012	1650	1501
August 2012	1820	1485
September 2012	1651	1521
October 2012	1725	1535
November 2012	1617	1502
December 2012	1605	1226
January 2013	1661	1450
February 2013	1651	975
March 2013	1060	889

viii. Performance in comparison to BSE



ix. Name and Address of the Registrar and Share Transfer Agent

Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Opp.Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400 093. Tel : 022-28207203-05/ 28257641. Fax : 022-28207207. E mail : gamare@unisec.in

x. Share Transfer System

Physical shares lodged for transfer are processed by the Registrar and Transfer Agent on a monthly basis and generally registered and returned within a period of fifteen days from the date of receipt, if the documents are complete in all respects.

The requests for the dematerialisation of shares are processed by Registrar and Share Transfer Agents and if all the documents are found to be in order, the same are approved by them within a period of fifteen days.

Dematerialised Shares are transferred as per the depository procedure directly and Registrar and Share Transfer Agent updates record on weekly basis.

xi. (1) Distribution of Share Holding as on 31st March, 2013

No. of shares held		Shareholders		Shareholding		Share Amount	
From	To	Number	% to Total	Holding	% to Total	`	% to total
1	500	2171	91.45	135568	10.17	1355680	10.17
501	1000	72	3.03	51541	3.87	515410	3.87
1001	2000	41	1.73	60979	4.57	609790	4.57
2001	3000	24	1.01	63256	4.74	632560	4.74
3001	4000	8	0.34	28936	2.17	289360	2.17
4001	5000	13	0.55	61975	4.65	619750	4.65
5001	10000	16	0.67	107717	8.08	1077170	8.08
10001	And Above	29	1.22	823361	61.75	8233610	61.75
	Total	2374	100.00	1333333	100.00	13333330	100.00

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2013.

Categories	No. of Shares	Amount in `	% to total
Promoters' holding	619739	6197390	46.48
Public holding			
Directors (independent)	29734	297340	2.23
Mutual Fund/Banks	50	500	0.00
NRIs / OCBs	5371	53710	0.40
Other Bodies Corporate	49399	493990	3.70
Public	629040	6290400	47.19
Total	1333333	13333330	100.00

xii. Details of shares in demat form as on 31st March, 2013.

Name of Depository	No. of Shareholders	No. of shares	% of Capital
NSDL	1434	913773	68.53
CDSL	772	263672	19.78
Sub-Total	2206	1177445	88.31
Physical	277	155888	11.69
Grand Total	2483	1333333	100.00

xiii. The Company has not issued any GDRs / ADRs, warrants or any other convertible instruments.

xiv. **Plant Location** : Ankleshwar, Panoli, Solapur and Perundurai.

xv. **Address for Correspondence** :

GRP Limited

510, "A" Wing, Kohinoor City Commercial – I,
Kiorl Road, Off. L. B. S. Marg,
Kurla (W), Mumbai – 400 070.

Telephone : +(91)-(22)-67082500/67082600

Fax : +(91)-(22)-25004376 / 67082599

Email : investor.relations@grpweb.com

10. Declaration by the Vice Chairman & Managing Director for compliance with code of conduct in pursuance of Clause 49 I (D) (ii) of the Listing Agreement.

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed to the Board of Directors, their compliance with the Code of Conduct of the Company for the financial year 2012-13, pursuant to Clause 49 I (D) (ii) of the Listing Agreement.

Rajendra V. Gandhi

Vice Chairman & Managing Director

Date: 28th May, 2013

11. CEO / CFO Certification

Certificate from CEO / CFO on the financial statements for the year is annexed to this report.

12. Auditors' Certificate on Corporate Governance

Certificate regarding compliance of conditions of Corporate Governance, as stipulated in the listing agreement with the Stock Exchange, received from M/s. A. B. Modi & Associates, Chartered Accountants, auditors of the company, is annexed to this report. The said certificate will also be sent to the Stock Exchange along with the annual return to be filed by the company.

CEO / CFO certification, issued pursuant to the provisions of Clause 49 of the Listing Agreement

To The Board of Directors
GRP Limited

Sub : CEO / CFO Certificate

We have reviewed financial statements, read with the cash flow statement of GRP Ltd., for the year ended 31st March, 2013 and that to the best of our knowledge and belief, we state that :

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken for rectifying these deficiencies;
- (d) We have indicated to the Auditors and the Audit Committee
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Rajendra V. Gandhi
Vice Chairman & Managing Director

Mumbai, 28th May, 2013

The above certificate was placed before the meeting of Board of Directors held on 28th May, 2013.

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of GRP Limited

We have examined the compliance of conditions of Corporate Governance by GRP Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. B. Modi & Associates
Chartered Accountants
Firm 's Registration No: 106473W

Rajesh S. Shah
Partner
Membership No.17844

Place : Mumbai
Date : 28th May, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of GRP Limited Report on the Financial Statements

We have audited the accompanying financial statements of GRP Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit 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 on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For A. B. Modi & Associates
Chartered Accountants
Firm's Registration No: 106473W

Rajesh S. Shah
Partner
Membership No.17844

Place : Mumbai
Date : 28th May, 2013

Annexure to the Auditors' Report

The annexure referred to in our report of even date to the members of GRP Limited on the financial statements of the company for the year ended 31st March, 2013.

We report that:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) Fixed Assets have been physically verified by the management during the year as per regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
c) The Fixed Assets disposed off during the year were not substantial so as to effect its going concern status.
2. a) As explained to us, the Inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with the third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and on the basis of our examination of the inventory records, the Company is generally maintaining proper records of its inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt within the books of account.
3. a) The Company has granted interest free unsecured loan to an associate company covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loan the maximum amount outstanding at any time during the year is ` 2.63 lakh and the year end balance is ` Nil.
b) In our opinion and according to the information and explanation given to us, the Nil rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company considering that the said loan is to an associate concern in which the company is holding 46% of share capital.
c) There is no stipulation as to interest or repayment of the said loan given. However there is no outstanding balance as at the end of the year.
d) There are no overdue amounts at the end of the year.
e) The Company has taken unsecured loans/deposits from sixteen (16) parties covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved during the year and the year end balance of such loans aggregates to ` 101.00 lakh and ` 98.50 lakh respectively.
f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loans have been taken by the company are not, prima facie, prejudicial to the interest of the Company.
g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts and interest thereon as stipulated.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ` 5 lakh in respect of a party during the year have been made at prices which appear reasonable as per information available with the Company.
6. In our opinion and according to the information and explanation given to us, the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA or any other relevant provisions of the Act and Rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management 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 under section 58A and section 58AA of the Companies Act, 1956.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of business of the Company.
8. According to the information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of the sub section (1) of Section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess were outstanding at the year end for a period of more than six months from the date they became payable.
- b) According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practice in India, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty or Cess which have not been deposited on account of any dispute except details of the amounts not deposited on account of any disputes are as follows:

Name of the Statute	Nature of dues	Financial Year	Amount (` in lakhs)	Forum where dispute is pending
The Bombay Sales Act, 1959	Sales Tax	1995-96	0.51	Tribunal - MST Mumbai
Income Tax Act, 1961	Income Tax	2008-09	29.72	ITAT
Income Tax Act, 1961	Income Tax	2009-10	178.29	CIT(A)
The Central Excise Act, 1944	Central Excise	Feb - 05 to August - 10	64.04	Tribunal - Central Excise
The Central Excise Act, 1944	Central Excise	April - 05 to July - 11	06.23	Commissioner (A) - Central Excise
The Central Excise Act, 1944	Central Excise	Jan - 05 to Jan - 13	35.81	The Excise Department

10. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund /nidhi / mutual benefit fund / societies are not applicable to Company.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures or other Investments and hence, the requirements of Para 4 (xiv) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanation given to us, on overall basis, the term loans have been applied for the purposes for which they were obtained except surplus term loan funds which were lying pending utilisation had been kept in Fixed Deposit Account with Bank.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to explanations given to us, there are no funds raised on short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through a public issue during the year.

GRP LIMITED

(Formerly known as Gujarat Reclaim and Rubber Products Limited).



21. During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company, noticed or reported during the year, nor have we been informed of such cases by management. A case of fraud on the company is reported. During transit of the sealed export container of reclaim rubber from company's plant to port, contraband material was fraudulently substituted by somebody. According to the information and explanation given to us by the management, the company does not foresee any financial and / or any other implication in the matter.

For A. B. Modi & Associates
Chartered Accountants
Firm 's Registration No: 106473W

Rajesh S. Shah
Partner
Membership No.17844

Place : Mumbai
Date : 28th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As At 31-03-2013 (` in lakh)	As At 31-03-2012 (` in lakh)
Equity and Liabilities			
Shareholders' funds			
Share capital	2	133.33	133.33
Reserves and surplus	3	9,593.09	8,656.58
		9,726.42	8,789.91
Non-current Liabilities			
Long term borrowings	4	3,785.01	4,624.38
Deferred tax liabilities (net)	5	2,083.83	1,488.35
Other long term liabilities	6	-	9.44
Long term provisions	7	126.33	43.16
		5,995.17	6,165.33
Current Liabilities			
Short term borrowings	8	3,708.34	2,383.07
Trade payables	9	1,803.60	1,766.82
Other current liabilities	10	1,986.33	1,540.69
Short term provisions	11	413.64	419.07
		7,911.91	6,109.65
Total Equity & Liabilities		23,633.50	21,064.89
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	12	13,833.32	10,613.62
- Intangible assets	12	85.68	57.40
- Capital work-in-progress	12	206.02	1,557.77
Non current investments	13	14.00	14.00
Long term loans and advances	14	642.83	435.24
		14,781.85	12,678.03
Current Assets			
Current investments	15	0.08	0.08
Inventories	16	3,233.56	2,185.94
Trade receivables	17	4,798.66	4,189.48
Cash and Cash Equivalents	18	191.14	1,501.14
Short term loans and advances	19	558.45	487.20
Other current assets	20	69.76	23.02
		8,851.65	8,386.86
Total Assets		23,633.50	21,064.89
Significant Accounting policies and Notes on Financial Statements	1 - 36		

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. 17844

For and on behalf of the Board of Directors

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

GRP LIMITED

(Formerly known as Gujarat Reclaim and Rubber Products Limited).



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	Year ended 31-03-2013 (` in lakh)	Year ended 31-03-2012 (` in lakh)
Revenue :			
Gross Sales	21	27,987.57	24,914.37
Less: Excise duty		980.35	886.34
Net Sales		27,007.22	24,028.03
Other operating income	22	382.63	396.29
Revenue from operations (net)		27,389.85	24,424.32
Other income	23	269.17	505.50
Total revenue		27,659.02	24,929.82
Expenses :			
Cost of materials consumed	24	13,248.12	10,989.24
Purchases of stock-in-trade		13.23	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(474.67)	(374.64)
Employee benefits expenses	26	3,102.35	2,460.19
Finance costs	27	639.36	402.72
Depreciation and amortization expenses	28	1,015.78	687.35
Other expenses	29	8,344.21	6,900.33
Total expenses		25,888.38	21,065.19
Profit before exceptional and extraordinary items and tax		1,770.64	3,864.63
Exceptional items		-	19.96
Profit before tax		1,770.64	3,844.67
Tax expense			
Current tax		356.00	783.00
Mat credit entitlement		(356.00)	-
Deferred tax		595.48	481.30
Excess / (short) provision of earlier years		4.65	8.20
Profit (Loss) for the period		1,170.51	2,572.17
Earnings per equity share (of ` 10/- each)	35		
(1) Basic		87.79	192.91
(2) Diluted		87.79	192.91
Significant Accounting policies and Notes on Financial Statements	1 - 36		

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. 17844

For and on behalf of the Board of Directors

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31-03-2013 (` in lakh)	Year ended 31-03-2012 (` in lakh)
A Cash flow from Operating activities		
Net profit before tax and extra ordinary items	1,770.64	3,844.67
Adjustments for		
- Depreciation	1,015.78	687.35
- Doubtful loans & debts written off	-	32.50
- (Profit) / Loss on sale of assets (Net)	(6.35)	7.90
- Wealth tax provision	6.00	6.30
- Provision for diminution in value of investments	-	19.96
- Foreign currency fluctuation	(40.78)	-
- Interest (Net)	542.37	352.78
- Rent received	(14.86)	(18.87)
	1,502.16	1,087.92
Operating Profit before working capital changes	3,272.80	4,932.59
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(818.09)	(1,256.36)
- (Increase)/Decrease in Inventories	(1,047.61)	(675.62)
- Increase/(Decrease) in Trade payable	200.75	482.42
	(1,664.95)	(1,449.56)
Cash generated from operations	1,607.85	3,483.03
Direct taxes paid	(300.14)	(869.13)
Net cash from operating activities	1,307.71	2,613.90
B Cash flow from investing activities		
- Interest received	17.15	4.14
- Sale proceeds of fixed assets	54.24	7.41
- Rent received	14.86	18.87
- Purchase of fixed assets	(3,310.00)	(4,237.04)
Net cash used in investing activities	(3,223.75)	(4,206.62)
C Cash flow from financing activities		
- Loans borrowed (Net of repayment)	1,491.06	3,586.20
- Exchange difference on revaluation of foreign currency loans	-	(208.19)
- Interest paid	(541.89)	(331.21)
- Dividend paid	(344.21)	(306.52)
Net cash used in financing activities	604.96	2,740.28
Net increase / (Decrease) in cash and cash equivalents	(1,311.08)	1,147.56
Cash and cash equivalents at the beginning of the year	1,482.48	334.92
Cash and cash equivalents at the closing of the period	171.40	1,482.48
A Cash and cash equivalents		
Cash on hand	5.63	6.25
Balance with banks		
(a) In current accounts	80.65	291.12
(b) In EEFC accounts	70.28	123.94
(c) In deposit accounts	-	1,050.90
(d) In earmarked accounts (Refer note no. 18)	14.84	10.27
	171.40	1,482.48
B Other Bank Balance (maturity above 3 months)	19.74	18.66
	191.14	1,501.14

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. 17844

For and on behalf of the Board of Directors

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

Amounts in the financial statements are presented in ` Lakhs, except for per share data and as otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off, are detailed in note.

General company profile :

GRP Limited (the 'Company') is engaged mainly in Reclaim Rubber. Its other business include Power generation from Windmill, Manufacturing of Thermo Plastic Elastomers and Punch & Split products. The Company has manufacturing plants in India and sales in Domestic as well as International market. The Company is a public limited company and is listed on the Stock Exchange, Mumbai (BSE).

1. Significant Accounting Policies :-

(A) Basis of accounting :

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and the realisation in cash and cash equivalent, the company has ascertained its operating cycle less than 12 months.

(B) Dividend on investment in subsidiary companies :

The company recognizes dividend as income only when the right to receive the same is established by the reporting date.

(C) 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 recognized in the period in which the results are known / materialised. Any revision to accounting estimates is recognized prospectively in current and future periods.

(D) Fixed assets & Depreciation :

(i) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable to cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

From accounting periods commencing on or after 7th December 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(ii) Depreciation and Amortisation

Depreciation on fixed assets is provided on straight line method for the period for which the assets have been used as under:

(1) In respect of assets acquired prior to 02-04-1987, at the rates prevailing at that time.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

- (2) In respect of assets acquired subsequent to 02-04-1987, at the rate prescribed in schedule XIV of the Companies Act, 1956. (Also refer to policy on Impairment of Assets and Foreign Currency Transactions).
- (3) The rate of Depreciation on certain temporary structures (Building) has been provided @100%.
- (4) Certain Plant & machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.
- (5) Leasehold land is amortised over the period of lease.

(iii) Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss. The amortisation rates used are :

Asset	Period of amortisation
Computer Software	6 years

(E) 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 recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(F) Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. The borrowing cost eligible for capitalization is being netted off against any income arising on temporary investment of those borrowing. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(G) Government Grants and Subsidy :

Special capital incentive and subsidy received from the government for setting up or expansion of an industrial undertaking in undeveloped area of state, is credited to Special capital incentive and subsidy account under Capital Reserve Account.

(H) 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 recognize 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.

(I) Taxes :

Provision for tax is made for both current and deferred taxes. Provisions for current income tax (including Wealth tax) is made at current tax rates based on assessable income/wealth. 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 recognized if there is a reasonable certainty of realisation. The effect on deferred taxes of a change in tax rates is recognized in the Profit & Loss Account in the period in which it has been enacted.

Minimum Alternative Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax under the Income-tax Act, 1961" issued by ICAI. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. At each balance sheet date the company re-assesses MAT credit assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be and adjusts the same accordingly.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

(J) Inventories :

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores & spares, packing materials are determined on weighted average basis.

Work in - progress and finished goods are valued at lower of cost and net realisable value. Cost of work in progress and finished goods is determined on absorption costing method which include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.

(K) Income Recognition :

- (i) Domestic Sales are recognized on dispatch of goods from factory and export Sales on the basis of date of bill of lading. Sales are recorded net of sales tax, excise duty and sales return.
- (ii) Income from Power generation is accounted on the basis of certification of Gujarat Electricity Development Authority.
- (iii) Commission on sales (other than consignment sales) is accounted on realisation of sales proceeds and commission on consignment sales is accounted on receipt of statement of consignment sale.
- (iv) Rentals and all other expenses in respect of leased assets are treated as revenue expenditure.
- (v) Export Incentive is recognised in the year of export.
- (vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (vii) Dividend income is recognized when the right to receive dividend is established.

(L) Foreign currency & derivative transactions :

- (i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Transaction not covered by forward contracts and outstanding at year end are translated at exchange rates prevailing at the year end and the profit / loss so determined, is recognized in the Profit and Loss account.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of items covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contracts recognized as exchange difference and the premium/discount on forward contract is recognized over the life of the contract.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets in line with notification dated 31.03.2009 issued by Ministry of Corporate Affairs.
- (iv) The company uses derivative instruments like foreign currency forward contracts and foreign currency options to hedge its exposure to movements in foreign exchange rates and currency risks. The objective of these derivative instruments is to reduce the risk or cost to the company and is not intended for trading or speculation purposes.
- (v) Currency swaps entered into by the company for hedging the risks of foreign currency exposure are accounted on basis of mark to market losses, if any.

(M) Employees Benefits :

1 Long Term Employee Benefits :

(a) Defined Contribution Plans : Provident Fund

The company 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

(b) Defined Benefit Plans :

(i) Gratuity

The company has a defined benefit employee retirement scheme in the form of gratuity trust. The Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). Charge for the year is determined on the basis of actuarial valuation made as at the balance sheet date on projected unit credit method of the company's year-end obligation in this regard and the value of year-end assets of the scheme.

Actuarial gains and losses for the year are recognized in the statement of profit and loss account as income or expense. Contributions were deposited with the LIC based on intimation received by the company.

(ii) Leave Encashment

Provision for leave encashment , which is a defined benefit , is made based on actuarial valuation done by an independent agency of notified actuaries by using the projected unit credit method.

(iii) Superannuation

Liability towards Superannuation is funded in accordance with the scheme with LIC.

2 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.

(N) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involved substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(O) Earning per Share :

The company reports basic and diluted earning per share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standard) Rules-2006. 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 at the end of the year.

(P) Segment reporting :

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(Q) Cash and cash equivalents :

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

	As at 31-03-2013	As at 31-03-2012
2 Share Capital:		
Authorized		
1,500,000 (March 31, 2012: 1,500,000) equity shares of ` 10/- each	150.00	150.00
Issued, Subscribed and Paid up		
1,333,333 (March 31, 2012 1,333,333) Equity shares of ` 10/- each fully paid-up	133.33	133.33
	133.33	133.33

(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.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 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 31,2013 and March 31,2012, is set out below :

Equity Shares:

	As at 31-03-2013	As at 31-03-2012
At the beginning		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33
At the end		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33

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

	As at 31-03-2013		As at 31-03-2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr.Mahesh Vadilal Gandhi	77,411	6%	77,411	6%
Enarjee Consultancy & Trading Co LLP (formerly known as Enarjee Investment Pvt Ltd.)	88,464	7%	88,656	7%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

	As at 31-03-2013	As at 31-03-2012
3 Reserves and Surplus:		
Capital reserve		
Special capital incentive and subsidy		
Balance as per last Balance sheet	53.30	53.30
Profit on re-issue of forfeited shares		
Balance as per last Balance sheet	0.01	0.01
Securities Premium account		
Balance as per last Balance sheet	41.67	41.67
Balance as at the end of the year	94.98	94.98
General Reserve		
Balance as at beginning of the year	4,000.00	3,500.00
Add : Transferred from the statement of profit and loss account	1,000.00	500.00
Balance as at the end of the year	5,000.00	4,000.00
Surplus in Statement of Profit & Loss		
Balance as at beginning of the year	4,561.59	3,002.51
Profit for the year	1,170.51	2,572.17
Amount available for appropriation	5,732.10	5,574.68
Less: Appropriations :		
- Interim dividend	-	93.33
- Dividend / Final dividend	200.00	213.34
- Special dividend	-	133.33
- Total dividend	200.00	440.00
- Dividend tax	33.99	73.08
- Amount transferred to general reserve	1,000.00	500.00
Total appropriations	1,233.99	1,013.08
Balance as at end of the year	4,498.11	4,561.60
Total reserves and surplus	9,593.09	8,656.58

4 Long Term Borrowings:	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
	Current Maturity		Non-current portion	
Secured:				
Term Loans from Banks:				
Foreign Currency Loans from Banks	942.16	258.44	2,155.71	2,862.64
Rupee Loans from Banks	564.17	324.17	1,608.35	1,722.53
Total Secured Borrowings	1,506.33	582.61	3,764.06	4,585.17
Unsecured:				
Loans from Banks	21.09	22.35	10.73	22.57
Deferred Sales Tax payments	6.41	6.41	10.22	16.64
Total Unsecured Borrowings	27.50	28.76	20.95	39.21
	1,533.83	611.37	3,785.01	4,624.38
Amount disclosed under the head "Other current liabilities" (refer note 10)	(1,533.83)	(611.37)	-	-
Total long-term borrowings	-	-	3,785.01	4,624.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

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

1 Rupee loan of ` 972.52 lakh (March 31, 2012 : ` 1,296.70 lakh) for Factory (Phase I) at Chincholi, Solapur

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of Land together with factory building and structures situated at Chincholi factory, Solapur.

Repayable in 20 equal quarterly instalments beginning from June, 2011, along with interest of 13 % p.a.

2 Rupee loan of ` 1,200.00 lakh (March 31, 2012 : ` 750.00 lakh) for Factory (Phase II) at Chincholi, Solapur

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur both present and future and by way of mortgage of Land together with factory building and structures situated at Chincholi factory, Solapur.

Repayable in 20 equal quarterly instalments beginning from April, 2013, along with interest of 13 % p.a.

3 Foreign currency loan of ` 110.69 lakh (March 31, 2012 : ` 160.73 lakh) for Wind Mill project.

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 Company.

Repayable in 20 equal quarterly instalments beginning from November 5, 2009, along with interest of 5 % p.a.

4 Foreign currency loan of ` 204.97 lakh (March 31, 2012 : ` 297.64 lakh) for Kurla Office I premises at Mumbai

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 Company.

Repayable in 60 equal monthly instalments beginning from November 5, 2009, along with interest of 5 % p.a.

5 Foreign currency loan of ` 297.90 lakh (March 31, 2012 : ` 367.04 lakh) for Kurla Office II premises at Mumbai

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 Company. During the year Rupee term loan converted into Foreign currency term loan

Repayable in 20 equal quarterly instalments beginning from September'11 along with interest of 8 % p.a.

6 Foreign currency loan of ` 2,484.30 lakh (March 31, 2012 : ` 2,295.67 lakh) for Perundurai factory, in Tamil Nadu

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Perundurai, Tamilnadu, both present and future and by way of mortgage of Land together with factory building and structures situated at Perundurai, Tamilnadu.

Repayable in 15 equal quarterly instalments beginning from April 1, 2013 along with interest @ 5.61% p.a.

B Terms of repayment for unsecured borrowings:

1 Deferred sales-tax payments

Deferred sales-tax payment is interest free loan and repayable from financial year 2006-07 to 2016-17.

2 Loans from Bank

Vehicle loans are secured by vehicles under hypothecation with banks.

Loans are repayable in 36 monthly instalments from the date of respective loans.

Bank loan includes a loan of ` 6.26 lakhs (March 31, 2012 : ` 16.30 lakhs) taken in the name of the director for purchase of car

	As at 31-03-2013	As at 31-03-2012
5 Deferred Tax Liabilities (Net):		
Deferred Tax Liabilities		
Balance B/f	1,529.11	1,042.19
- Depreciation	780.24	486.92
	2,309.35	1,529.11
Deferred Tax Assets		
Balance B/f	40.76	35.13
- Provision for employee benefit	(1.08)	5.63
- Unabsorbed Depreciation	185.84	-
	225.52	40.76
Total deferred tax liabilities (net)	2,083.83	1,488.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

6 Other Long-term Liabilities:		As at 31-03-2013	As at 31-03-2012
Security deposit received against the rental income		-	9.44
Total other long-term liabilities		-	9.44
7 Long-term Provisions:		As at 31-03-2013	As at 31-03-2012
		As at 31-03-2013	As at 31-03-2012
		Current Maturity	Non-current portion
Provision for Employees Benefit expenses:			
Provision for Leave encashment	10.89	14.82	49.54
Provision for Gratuity payment	25.15	-	-
	36.04	14.82	49.54
Mark to market provision on derivative instruments	29.17	-	76.79
	65.21	14.82	126.33
Amount disclosed under the head "Short-term provisions" (refer note 11)	(65.21)	(14.82)	-
Total Long-term provisions	-	-	43.16
8 Short-term Borrowings:		As at 31-03-2013	As at 31-03-2012
Secured:			
Working Capital Loan payable on demand from banks			
Foreign Currency Loan		1,958.48	2,064.84
Rupee Loan		1,195.29	200.00
		3,153.77	2,264.84
Buyer's credit in foreign currency loan		378.38	-
Unsecured:			
Fixed Deposits		176.19	118.23
		176.19	118.23
Total Short-term borrowings		3,708.34	2,383.07

(a) Working Capital Loan from HDFC Bank Ltd of ` 1,675.18 lakh (March 31, 2012 : ` 1,549.23 lakh)

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

(b) Working Capital loan from Citi Bank N. A. of ` 1,478.59 lakhs (March 31, 2012 : ` 715.61 lakhs)

Secured by first pari passu charge in favour of Citi Bank N.A. by way of hypothecation of entire current assets including inventories and such other movables, books debts, bills receivables and second subservient charge on entire movable fixed assets and mortgage of immovable fixed assets of the Company, both present and future.

(c) Buyer's credit in foreign currency loan of ` 378.38 lakhs (March 31, 2012 : Nil) for Capital Goods.

Secured by exclusive charge on an imported recycling machine and all related equipments at Panoli factory. Repayable in one instalment due on 22nd August 2013.

(d) Fixed Deposits (unsecured) carry interest @ 12.50% p.a. and with maturity period of 12 months from the date of deposit.

(e) Fixed Deposits includes deposit accepted from the related parties is ` 79.25 lakhs (March 31, 2012 : ` 74.75 lakhs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

9 Trade Payables:	As at 31-03-2013	As at 31-03-2012
Trade payables	1,803.60	1,766.82
Total trade payables	1,803.60	1,766.82
Under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED Act), certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of this Act is not expected to be material.		
10 Other Current Liabilities:	As at 31-03-2013	As at 31-03-2012
Current maturities of Long-term debts (refer note 4)	1,533.83	611.37
Interest Accrued but not due on borrowings	59.43	40.79
Unclaimed Dividend	12.10	9.64
Advances from customers	30.05	32.75
Vendors for Capital Goods & Services	192.90	736.60
Statutory dues (including Provident fund & Tax deducted at source)	155.33	109.54
Others	2.69	-
Total other current liabilities	1,986.33	1,540.69
11 Short Term provisions:	As at 31-03-2013	As at 31-03-2012
Current maturities of Long-term provisions of Employees Benefit expenses (refer note 7)		
Provision for Leave encashment	10.89	14.82
Provision for Gratuity payment	25.15	-
	36.04	14.82
Other Provisions		
Mark to market provision on derivative instruments	29.17	-
Proposed Dividend	200.00	346.67
Tax On Proposed Dividend	33.99	57.58
Provision for taxation (Net of advance tax paid of ` 3742.24 lakhs, March 31, 2012 : ` 3664.33 lakhs)	114.44	-
	377.60	404.25
Total short-term provisions	413.64	419.07

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

12 Fixed Assets:

Particulars	Gross Block					Depreciation & Amortisation				Net Book Value	
	As at 01-04-2012	Additions	Disposal	Adjustment	As at 31-03-2013	As at 01-04-2012	For the period	Disposal / Adjustment	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
(a) Tangible Assets											
Own Assets :											
Lease hold Land	436.79	205.67	-	-	642.46	12.88	6.16	-	19.04	623.42	423.91
Roads	216.00	263.28	-	-	479.28	16.47	5.72	-	22.19	457.09	99.53
Buildings	4,431.57	1,548.35	-	(1.51)	5,981.43	351.03	135.77	(0.81)	487.61	5,493.82	4,080.54
Plant and Machinery	8,430.82	2,109.55	230.53	1.51	10,308.33	3,069.79	791.93	186.04	3,675.68	6,632.65	5,361.03
Furniture & Fixtures	285.74	57.83	-	-	343.57	43.55	19.57	-	63.12	280.45	242.19
Office equipments	169.12	45.52	-	-	214.64	24.70	9.77	-	34.47	180.17	144.42
Computer Hardware	94.67	19.21	2.64	-	111.24	58.13	13.33	2.40	69.06	42.18	36.54
Vehicles	160.90	16.45	4.94	-	172.41	35.44	16.03	2.60	48.87	123.54	125.46
Total (a):	14,225.61	4,265.86	238.11	-	18,253.36	3,611.99	998.28	190.23	4,420.04	13,833.32	10,613.62
(b) Intangible Assets											
Own Assets :											
Computer Software	144.13	45.77	-	-	189.90	86.73	17.49	-	104.22	85.68	57.40
Total (b):	144.13	45.77	-	-	189.90	86.73	17.49	-	104.22	85.68	57.40
Total (a+b):	14,369.74	4,311.63	238.11	-	18,443.26	3,698.72	1,015.77	190.23	4,524.26	13,919.00	10,671.02
Previous Year:	9,928.91	4,501.69	29.24	31.62	14,369.74	3,056.90	680.16	38.34	3,698.72	10,671.02	6,872.01
(c) Capital Work-in-progress:											
Roads										-	73.34
Factory Building										4.14	511.44
Plant & Machinery										186.13	972.99
Other Assets										15.75	-
Total (c):										206.02	1,557.77
Total fixed assets (net)										14,125.02	12,228.79

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ` 319.24 lakh (March 31, 2012 : ` 208.17 lakh) arising on revaluation of foreign currency term loan and principal only swap rupee loans (POS) as per amended AS11 (notified by Ministry of Corporate Affairs).
- (b) Additions during the year and capital work-in-progress include ` 85.07 lakhs (March 31, 2012 : ` 39.92 lakhs) being borrowing cost capitalised. During the year, the company has parked unutilised portion of loan taken for the capital expenditure in fixed deposit on which interest earned of ` 7.05 lakhs (March 31, 2012 : ` 38.14 lakhs) and the same has been reduced from the borrowing cost.
- (c) Interest earned on account of POS loan amounting to ` 69.10 lakhs has been reduced from the cost of the respective assets (March 31, 2012 : Nil)
- (d) Capital work-in-progress include Capital Stores ` 2.22 lakhs (March 31, 2012 : ` 86.11 lakhs).
- (e) Vehicles include one car of the company acquired in the name of Director and corresponding vehicle loan for one car is included in unsecured loan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

13	Non-current Investments:	As at	As at
		31-03-2013	31-03-2012
	Long term investments (valued at cost unless stated otherwise)		
	Trade Investment (unquoted)		
	Investment in associates:		
	10,028 (March 31, 2012 : 10,028) equity shares of ` 100/- each fully paid up held in Alphanso Netsecure Pvt Ltd.	20.06	20.06
	Less: Provision for diminution in value of permanent nature	19.96	19.96
		0.10	0.10
	Investment in subsidiaries:		
	49,900 (March 31, 2012 : 49,900) equity shares of ` 10/- each fully paid up held in Grip Polymers Ltd.	1.00	1.00
	Others Investment (unquoted)		
	129,000 (March 31, 2012 : 129,000) equity shares of ` 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
	Total non-current investment	14.00	14.00
14	Long-term Loans and Advances:	As at	As at
		31-03-2013	31-03-2012
	Advances for Capital Expenditure	48.13	241.72
	Other Advances & Deposits	236.31	192.86
	Prepaid Expenses	2.39	0.66
	MAT credit entitlement	356.00	-
		642.83	435.24
	Total long-term loans and advances	642.83	435.24
	Other advances & deposits include deposit of ` 15.75 lakhs (March 31, 2012 : ` 15.75 lakhs) with a company in which some of the directors are interested.		
	Prepaid expenses include current maturity amount of ` 49.45 lakhs (March 31, 2012 : ` 33.82 lakhs) (refer note no. 19)		
	Considering the future profitability and taxable positions in the subsequent years, the company has recognised the "MAT credit entitlement" of ` 356.00 lakhs (March 31, 2012: Nil) as an asset by crediting profit and loss account for an equivalent amount and disclosed under "Loans and Advances" in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax " issued by ICAI.		
15	Current Investments:	As at	As at
		31-03-2013	31-03-2012
	Unquoted		
	7 years National Savings Certificates (Deposited with Central Excise Authority)	0.08	0.08
	Total current investments	0.08	0.08
16	Inventories:	As at	As at
		31-03-2013	31-03-2012
	Stores and Spares	159.86	135.85
	Packing Materials	43.74	47.04
	Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	1,644.49	1,070.71
	Fuel materials	10.28	11.89
	DEPB Licence Stocks (at net realisable value)	20.90	40.83
	Goods-in-process	176.71	123.11
	Goods-in-transit	244.86	125.46
	Finished Goods	928.49	631.05
	Stock-in-trade	4.23	-
	Total inventories	3,233.56	2,185.94

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

17	Trade Receivables:	As at 31-03-2013	As at 31-03-2012
	Unsecured, considered good		
	Outstanding for more than six months	34.08	10.63
	Others	4,764.58	4,178.85
	Total trade receivables	4,798.66	4,189.48
18	Cash & Bank Balance	As at 31-03-2013	As at 31-03-2012
	Cash on hand	5.63	6.25
	Balance with banks		
	(a) In current accounts	80.65	291.12
	(b) In EEFC accounts	70.28	123.94
	(c) In deposit accounts (Refer Note below)	19.74	1,069.56
	(d) In earmarked accounts		
	- Unclaimed dividend accounts	12.10	10.02
	- Margin money deposits	2.74	0.25
		185.51	1,494.89
	Total cash and bank balance	191.14	1,501.14
	Notes:		
	(i) Balance with bank include deposits amounting to ` 1.08 lakhs (March 31, 2012 : ` 18.66 lakhs) which have an original maturity of more than 12 months.		
	(ii) Unutilised portion of loan amounting to ` Nil (March 31, 2012 : ` 1,050.00 lakhs) taken for capital expenditure is temporarily invested in fixed deposit.		
19	Short-term Loans and Advances:	As at 31-03-2013	As at 31-03-2012
	Advances recoverable in cash or in kind	332.33	244.95
	Other Advances & Deposits	4.45	0.85
	Deposit with Central Excise	172.22	197.93
	Current maturity of Prepaid Expenses	49.45	33.82
	Advance Income-tax & Wealth-tax (Net of provisions ` 3856.68 lakhs, March 31, 2012 : ` 3,654.68 lakhs)	-	9.65
	Total short-term loans and advances	558.45	487.20
20	Other Current Assets:	As at 31-03-2013	As at 31-03-2012
	Accrued Income	48.37	9.29
	Receivable from LIC (Gratuity claim)	13.31	13.73
	Forex Forward Contract (Net)	8.08	-
	Total other current assets	69.76	23.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

21 Revenue:	Year ended	Year ended
	31-03-2013	31-03-2012
(i) Sale of products		
Manufactured goods	27,902.67	24,842.96
Less : Excise duty	980.35	886.34
	Total:	
	26,922.32	23,956.62
(ii) Trading of Goods	8.69	-
(iii) Power generation from Windmill	76.21	71.41
Total revenue	27,007.22	24,028.03
Manufactured Goods / Power Generation / Trading		
- Reclaim Rubber	25,854.50	23,196.46
- Crumb Rubber	-	9.09
- Punch & Split Products	694.29	394.46
- Thermo Plastic Elastomers	373.53	356.61
- Trading of Goods	8.69	-
- Power generation from Windmill	76.21	71.41
22 Other operating income:	Year ended	Year ended
	31-03-2013	31-03-2012
Export incentives	348.87	386.76
Bad debts recovered	14.70	1.22
Other Sales	19.06	8.31
Total other operating income	382.63	396.29
23 Other income:	Year ended	Year ended
	31-03-2013	31-03-2012
Interest received	18.15	9.84
Rent Income	14.86	18.87
Net Gain on foreign currency transactions and translation.	147.36	475.37
Profit on sale of fixed assets	6.35	-
Other Income	82.45	1.42
Total other income	269.17	505.50
24 Cost of material consumed:	Year ended	Year ended
	31-03-2013	31-03-2012
Raw material consumed:		
Opening inventories	1,070.71	780.97
Add : Purchases (including incidental expenses of ` 586.56 lakhs, March 31, 2012 : ` 594.11 lakhs)	13,821.90	11,278.98
	14,892.61	12,059.95
Less : Closing inventories	1,644.49	1,070.71
Total cost of material consumed	13,248.12	10,989.24
(a) Products consumed		
- Waste Rubber	11,696.00	9,505.97
- Process Oils	1,298.20	1,374.63
- Other Oils and Chemicals	253.92	108.64
	13,248.12	10,989.24
(b) Import and Indigenous consumptions		
- Imports	268.04	74.24
%	2.02%	0.68%
- Indigenous	12,980.08	10,915.00
%	97.98%	99.32%
	13,248.12	10,989.24

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

25	Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year ended 31-03-2013	Year ended 31-03-2012
	Stock at the end of the year:		
	Finished goods	928.49	631.05
	Goods-in-transit	244.86	125.46
	Work-in-progress	176.71	123.11
	Stock-in-trade	4.23	-
	Total (A)	1,354.29	879.62
	Stock at the beginning of the year:		
	Finished goods	631.05	331.51
	Goods-in-transit	125.46	111.98
	Work-in-progress	123.11	61.49
	Total (B)	879.62	504.98
	Increase / (Decrease) in Stock	474.67	374.64
	Total (A - B)		
	Finished Goods		
	-Reclaim Rubber	1,057.44	679.30
	-Punch & Split Products	44.72	39.14
	-Thermo Plastic Elastomers	71.19	38.07
		1,173.35	756.51
	Work-in-progress		
	-Reclaim Rubber	176.71	123.11
		176.71	123.11
26	Employee Benefits expenses:	Year ended 31-03-2013	Year ended 31-03-2012
	Salaries, Wages and Bonus	2,777.37	2,203.72
	Contribution to Provident fund and Pension fund	117.83	83.24
	Gratuity fund	54.86	31.36
	Contribution to other funds	63.27	46.55
	Welfare and other benefits	89.02	95.32
	Total employee benefits expenses	3,102.35	2,460.19
	(a) The disclosure required as per the revised AS 15 is as under:		
	(i) Brief description of the plans.		
	The Company has various schemes for long term benefits such as provident fund , superannuation, gratuity and leave encashment. The Company's defined contribution plans are Employees' Provident fund and Pension Scheme (under the provision of the Employees' Provident Fund and Miscellaneous Provisions Act,1952) since the company has no further obligation beyond making the contributions.		
	The employees of the company are also entitled to leave encashment and gratuity which are defined benefit plan.		
		As at	As at
	(ii) Charge to the Profit and Loss Account based on Contributions :	31-03-2013	31-03-2012
	Provident and Pension fund	117.83	83.24
	(iii) The liability for leave encashment and compensated absences (unfunded)		
	as at year end is ` 60.43 lakhs (March 31, 2012 : ` 57.98 lakhs).		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

(b) Disclosure for defined benefit plan based on actuarial report as on 31.03.2013		As at 31-03-2013	As at 31-03-2012
(i) Change in Defined Benefit Obligation			
Opening defined benefit obligation		334.67	276.10
Interest cost		26.77	22.09
Current service cost		28.61	18.84
Benefits paid		(29.68)	-
Actuarial loss / (gain)		32.11	17.64
Closing defined benefit obligation		392.48	334.67
(ii) Change in Fair Value of Assets			
Opening fair value of plan assets		354.47	279.28
Expected return on plan assets		32.63	27.21
Contributions by employer		9.90	47.98
Benefits paid		(29.68)	-
Closing fair value of plan assets		367.32	354.47
(iii) Amount recognized in the Balance Sheet			
Fair value of plan assets as at beginning of the year		354.47	279.28
Actual return on plan assets		32.63	27.21
Contributions		9.90	47.98
Benefits paid		(29.68)	-
Fair value of plan assets as at end of the year		367.32	354.47
Funded status		25.16	(19.80)
(iv) Actuarial (gain) / loss recognized			
Actuarial (gain) / loss on obligations		32.11	17.64
Actuarial (gain) / loss recognized in the year		32.11	17.64
(v) Amount to be recognized in the Balance Sheet and Profit & Loss accounts			
Present value of obligation as at the end of the year		392.48	334.67
Fair value of plan assets as at the end of the year		367.32	354.47
Funded status			
Net (Assets) / Liabilities recognized in the Balance Sheet		25.16	(19.80)
Current service cost		28.61	18.84
Interest cost		26.77	22.09
Expected return on plan assets		(32.63)	(27.21)
Net Actuarial (gain) / loss recognised in the year		32.11	17.64
Expenses recognised in the statement of Profit & Loss account		54.86	31.36
(vi) Actuarial Assumptions			
Discount Rate		8.00%	8.00%
Salary Escalation		6.00%	6.00%
27 Finance cost:		Year ended 31-03-2013	Year ended 31-03-2012
Interest on Term & Working Capital Loans		538.48	344.07
Interest on Other Loans		22.04	18.56
Financial Charges		78.84	40.09
Total finance cost		639.36	402.72
28 Depreciation and Amortization expenses:		Year ended 31-03-2013	Year ended 31-03-2012
Depreciation on Tangible Assets		998.29	670.37
Depreciation on Intangible Assets		17.49	9.75
Assets Discarded / Impairment		-	7.23
Total depreciation and amortization expenses		1,015.78	687.35

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

29 Other expenses:	Year ended 31-03-2013	Year ended 31-03-2012
Manufacturing Expenses		
Packing Material consumed	619.84	601.59
Stores and Spare Parts Consumed	500.61	443.25
Power, Fuel & Water Consumed:-		
-Power Consumption	3,282.12	2,478.00
-Fuel Consumption	797.38	447.85
-Water Consumption	37.69	26.59
Repairs & Maintenance Expenses:-		
-Plant & Machineries	223.94	199.55
-Factory Buildings	15.41	24.00
	5,476.99	4,220.83
Sales & Distribution expenses		
Ocean Freight	1,331.22	1,279.71
Marine Insurance	4.15	4.05
Export clearing and Other charges	219.68	142.44
Local freight & Other charges	417.53	420.50
Other Selling and Distribution expenses	103.85	119.86
	2,076.43	1,966.56
Administration & Other Expenses		
Insurance	53.59	15.25
Vehicle Expenses	74.18	57.42
Printing & Stationery	19.18	15.16
Advertisements	22.30	18.83
Rent, Lease Rent & Other Charges	17.58	10.65
Repairs to Other Assets	64.03	46.73
Retainer fees, Legal fees & Prof charges	116.18	129.96
Travelling & Conveyance	130.51	101.61
Postage, Telegram & Telephones	37.52	29.61
Doubtful Loan written off*	-	32.50
Payment to Auditors:-		
- Audit fee	3.25	3.25
- Tax Audit fee	1.00	1.00
- Taxation matters	0.81	0.50
- Reimbursement of expenses	0.39	0.12
Board Meeting Fees	8.08	8.01
Commission to Director	19.77	34.49
Charity and donation	53.25	58.90
Factory / Office Expenses	24.81	25.99
Office electricity expenses	17.76	18.68
Other Expenses	94.59	60.38
Loss on Sale of Assets	-	7.90
Variation in CED on Stock of finished goods	32.01	36.00
	790.79	712.94
Total other expenses	8,344.21	6,900.33

* Loan receivable from Associated Concern of the Company was doubtful of recovery, hence written off

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

30 Contingent Liabilities and commitments (to the extent not provided for)		As at 31-03-2013	As at 31-03-2012
(a)	Guaranteed by Banks not provided for (Net)	233.07	226.62
(b)	Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
	- Maharashtra Sales Tax	0.52	0.52
	- Excise Duty	106.20	129.24
	- Income Tax liability	208.02	174.16
(c)	Estimated amount of contracts remaining to be executed on capital account.	55.78	1,084.74
(d)	Employees dues not provided for	0.25	-

31 Related parties disclosure

(A) Names of the related parties :

- (i) Parties where control exists :
Subsidiary Company
Grip Polymers Ltd
(99.80 % of total shareholdings held by the company)
- (ii) Associate Concern
Alphanso Netsecure Pvt Limited
(46% of total shareholdings held by the company)
- (iii) Directors of the company :-
- Key Management Personnel
Rajendra V.Gandhi, Vice Chairman & Managing Director

Harsh R. Gandhi , Executive Director

- Non executive directors
Kandathil M.Philip, Mahesh V. Gandhi, Dr.Peter Philip, Bhagwandas T. Doshi, Atul S. Desai, Nikhil M. Desai and Rajeev Pandia
- (iv) Relatives of Key Management Personnel
Nayna R. Gandhi, Hemal H. Gandhi, Vaishali R. Gandhi and Nehal R. Gandhi, Rajendra V. Gandhi HUF, Harsh R. Gandhi HUF, Aarav Trust and Aayushi & Aashini Trust, Nehal Trust
- (v) Enterprises owned or significantly influenced by Key Management Personnel or their relatives
(a) Enarjee Investments Pvt. Ltd.
R.V.Gandhi (Vice Chairman & Managing Director) is the Chairman

(b) Enarjee Consultancy & Trading Company LLP
R.V.Gandhi (Vice Chairman & Managing Director) is the designated partner.

(c) Industrial Development and Investment Co.Pvt. Ltd.
M.V.Gandhi (Director) is the Chairman

(d) Ghatkopar Estate & Finance Corporation Pvt Ltd.
R V Gandhi & M V Gandhi are directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

	As at 31-03-2013	As at 31-03-2012
(B) Transactions with related parties:		
(i) Associate Concern :		
Alphanso Netsecure Private Limited		
Equity Investment	20.06	20.06
Less: provision of diminution in value	19.96	19.96
	0.10	0.10
Purchase of Goods & Services	44.68	-
Advance against Goods & Services	5.71	2.76
Doubtful loans written off	-	32.50
(ii) Vice Chairman & Managing Director:		
Remuneration paid	97.70	113.31
Dividend paid	5.54	4.50
(iii) Directors:		
Remuneration paid	81.40	40.70
Commission to Directors	19.77	34.49
Sitting Fees to Directors	8.08	8.01
Dividend to Directors	46.77	40.56
(iv) Relatives of Key Management Personnel :		
Remuneration paid	6.19	2.36
Dividend	37.68	32.51
Interest paid	8.71	8.06
Deposits taken	6.00	11.75
Deposits Repaid	1.50	-
Outstanding deposits payable	73.25	68.75
(v) Enterprises owned or significantly influenced by Key Management Personnel or their relatives:		
Enarjee Consultancy & Trading Company LLP (formerly known as Enarjee Investment Pvt Ltd.):		
Interest paid	0.84	0.96
Dividend	22.99	20.39
Deposits Repaid	-	20.00
Outstanding deposit payable	6.00	6.00
(vi) Industrial Development & Investment Co. Pvt. Ltd.:		
Rent paid	0.54	0.53
Dividend	3.64	3.22
Outstanding deposit receivable (Security for Premises)	15.75	15.75
(vii) Ghatkopar Estate & Finance Corporation Pvt Ltd.:		
Dividend	3.47	3.07

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		(` in lakh)	
		As at	As at
		31-03-2013	31-03-2012
32 Segment Reporting :			
Segment reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountants of India.			
1 Segment Revenue			
a) Reclaim Rubber (Net of Excise Duty) *	26,548.79	23,600.02	
b) Power	76.21	71.41	
c) Others **	382.21	356.61	
Net Segment Revenue	27,007.21	24,028.04	
* Reclaim Rubber includes crumb rubber, punch & split products			
** Others includes Thermo Plastic Elastomers & Trading Goods			
2 Segment Results Profit(+) / Loss(-) before Tax and interest from each segment)			
a) Reclaim Rubber	3,322.19	5,228.55	
b) Power	35.19	37.20	
c) Others	(0.35)	5.84	
Sub Total	3,357.03	5,271.59	
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)		1,586.39	1,426.92
Profit Before Tax	1,770.64	3,844.67	
Provision for Taxation			
Income Tax		4.65	791.20
Deferred Tax		595.48	481.30
Profit After Tax	1,170.51	2,572.17	
3 Other Information			
I Segment Assets			
a) Reclaim Rubber	20,150.26	17,389.72	
b) Power	297.19	315.94	
c) Others	616.16	432.83	
d) Unallocable	2,616.36	2,926.38	
e) Total	23,679.97	21,064.87	
II Segment Liabilities			
a) Reclaim Rubber	7,695.03	9,693.44	
b) Power	111.22	164.08	
c) Others	45.41	70.27	
d) Unallocable	6,101.92	2,347.19	
e) Total	13,953.58	12,274.98	
III Capital Expenditure (Including Capital Work in Progress)			
a) Reclaim Rubber	2,827.09	4,853.04	
b) Power	12.03	21.30	
c) Others	30.17	57.69	
d) Unallocable	90.60	98.12	
e) Total	2,959.89	5,030.15	
IV Depreciation			
a) Reclaim Rubber	887.24	570.04	
b) Power	26.43	24.79	
c) Others	20.07	13.17	
d) Unallocable	82.04	79.35	
e) Total	1,015.78	687.35	
V Non Cash Expenditure other than Depreciation			
a) Reclaim Rubber	-	-	
b) Power	-	-	
c) Others	-	-	
d) Unallocable	-	60.35	
e) Total	-	60.35	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

4 Information about Secondary Segments

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2012-13	2011-12	2012-13	2011-12
India	9,636.82	8,390.89	2,547.88	2,188.37
Outside India	17,370.40	15,637.14	2,250.78	2,001.11
Total	27,007.22	24,028.03	4,798.66	4,189.48

(ii) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence separate figures for fixed assets / additions to fixed assets cannot be furnished

33 Expenses / Earnings in foreign currency:

	As at 31-03-2013	As at 31-03-2012
(i) Raw Material	268.04	76.04
Machinery	19.64	1,472.99
(ii) Expenditure in foreign currency	919.77	816.85
(iii) Earning in foreign exchange in respect of Export of Goods (F.O.B. value)	16,031.53	14,353.38

34 Foreign currency exposures:

	As at 31-03-2013	As at 31-03-2012
(a) Foreign currency exposures that are hedged as at 31st March		
Forward contracts		
USD	27.53	-
EURO	175.98	-

	As at 31-03-2013	As at 31-03-2012	As at 31-03-2013	As at 31-03-2012
(b) Foreign currency exposures that are not hedged as at 31st March	(Amount in Foreign Currency (in lakh))			
Total Receivables includes sales proceedings				
USD	22.63	17.47	1,219.99	884.45
EURO	15.60	18.31	1,071.67	1,063.50
GBP	0.21	0.85	16.90	68.72
Total Payables includes imports, bank loans and interest payments				
USD	74.65	88.08	4,110.37	4,524.08
EURO	20.39	20.11	1,434.88	1,273.64

35 Earnings per share :

	As at 31-03-2013	As at 31-03-2012
- Net Profit after tax for the year	1,175.16	2,580.37
- Excess Provision for tax for earlier years	4.65	8.20
- Net Profit attributable to Equity Shareholders	1,170.51	2,572.17
- Number of equity shares of ` 10/- each.	1,333,333	1,333,333
- Earnings per share - Basic	87.79	192.91
- Earnings per share -Diluted	87.79	192.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

36 Other Notes

- (a) The Ministry of Corporate Affairs, Government of India vide general circular no. 2 & 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956 subject to fulfillment of conditions stipulated in the circular.
The company has satisfied the condition stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiary has been included in the Consolidated Financial Statement.
- (b) Expenses debited to Profit & Loss account include prior period expenses ` 7.94 lakhs (March 31, 2012 : ` 20.08 lakhs)
- (c) Closing stock of Finished Goods include excise duty of ` 98.53 lakhs (March 31, 2012 : ` 66.52 lakhs)
- (d) In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (e) The company has opted for Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS 11), as notified by the Ministry of Corporate Affairs on 31st March, 2009, for accounting of exchange differences arising from revaluation of long term foreign currency loans.

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. 17844

For and on behalf of the Board of Directors

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

**STATEMENT IN PURSUANCE OF SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

1. Name of the subsidiary company	Grip Polymers Limited.
2. Financial year of the subsidiary company ended on	31st March, 2013
3. Holding company's interest	
a) Number of shares	49,900 Equity shares of ` 10/- each fully paid up.
b) Percentage of holding	99.80%
4. The net aggregate amount of subsidiary's profit /(loss) so far as it concerns the members of the holding company not dealt within the holding company's Accounts	
a) For the current financial year	` 103,159/-
b) For the previous financial year	` (140,100/-)
5. The net aggregate amount of subsidiary's profit / (loss) so far as it concerns the members of the holding company dealt within the holding company's Accounts	
a) For the current financial year	Nil
b) For the previous financial year	Nil

For and on behalf of the Board of Directors

Rajendra V Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

STATEMENT OF INFORMATION OF SUBSIDIARY COMPANY

1. Name of the Subsidiary Company	Grip Polymers Ltd.
2. Financial year ended	31st March, 2013
3. Issued subscribed and paid up share capital	500,000
4. Reserves	2,124,004
5. Total Assets	2,663,327
6. Total Liabilities	2,663,327
7. Details of Investments (except in case of investment in subsidiaries) -Equity Shares	85,000
8. Turnover	215,459
9. Profit / (Loss) before taxation	140,891
10. Profit / (Loss) after taxation	103,159
11. Proposed dividend	Nil

For and on behalf of the Board of Directors

Rajendra V Gandhi
Vice Chairman & Managing Director

Dr.Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Board of Directors of GRP Limited

We have audited the accompanying consolidated financial statements of GRP Limited ("the Company"), and its subsidiary and an associate company, hereinafter referred to as the "Group" which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statements of an associate company namely Alphanso Netsecure Private Limited, whose net carrying cost of investment as on 31st March 2013 is ` Nil after considering overall position of the said associate company and on the basis of audited financial statements available for the year ended 31st March 2013. These financial statements has been audited by other auditors whose report has been furnished to us and our opinion is based solely on the report of other auditors.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements and Accounting Standard (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements notified under Section 221(3C) of the Companies Act, 1956.

Based on our audit and consideration of report of other auditors on separate Financial Statements and on the other financial information of the components of the Group as referred to above and to the best of our information and according to the explanations given to us, in our opinion, the accompanying Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For A. B. Modi & Associates
Chartered Accountants
Firm 's Registration No: 106473W

Place : Mumbai
Date : 28th May, 2013

Rajesh S. Shah
Partner
Membership No.17844

GRP LIMITED

(Formerly known as Gujarat Reclaim and Rubber Products Limited).



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As At 31-03-2013 (` in lakh)	As At 31-03-2012 (` in lakh)
Equity and Liabilities			
Shareholders' funds			
Share capital	2	133.33	133.33
Reserves and surplus	3	9,618.19	8,680.63
		9,751.52	8,813.96
Non-current Liabilities			
Long term borrowings	4	3,785.01	4,624.38
Deferred tax liabilities (net)	5	2,083.82	1,488.34
Other long term liabilities	6	-	9.44
Long term provisions	7	126.33	43.16
		5,995.16	6,165.32
Current Liabilities			
Short term borrowings	8	3,708.34	2,383.07
Trade payables	9	1,803.67	1,766.89
Other current liabilities	10	1,986.64	1,541.01
Short term provisions	11	413.65	419.07
		7,912.30	6,110.04
Minority Interest		0.05	0.05
Total Equity & Liabilities		23,659.03	21,089.37
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	12	13,833.32	10,613.62
- Intangible assets	12	85.68	57.40
- Capital work-in-progress	12	206.02	1,557.77
Non current investments	13	13.75	13.75
Long term loans and advances	14	642.83	435.25
		14,781.60	12,677.79
Current Assets			
Current investments	15	0.08	0.08
Inventories	16	3,233.56	2,185.94
Trade receivables	17	4,798.66	4,189.48
Cash and Cash Equivalents	18	216.41	1,525.14
Short term loans and advances	19	558.96	487.92
Other current assets	20	69.76	23.02
		8,877.43	8,411.58
Total Assets		23,659.03	21,089.37

Significant Accounting policies and Notes on Financial Statements

1 - 35

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

For and on behalf of the Board of Directors

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

Rajendra V. Gandhi
Vice Chairman & Managing Director

Rajesh S. Shah
Partner
Membership no. 17844

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	Year ended 31-03-2013 (` in lakh)	Year ended 31-03-2012 (` in lakh)
Revenue :			
Gross Sales	21	27,987.57	24,914.37
Less: Excise duty		980.35	886.34
Net Sales		27,007.22	24,028.03
Other operating income	22	382.63	396.29
Revenue from operations (net)		27,389.85	24,424.32
Other income	23	271.33	507.43
Total revenue		27,661.18	24,931.75
Expenses :			
Cost of materials consumed	24	13,248.12	10,989.24
Purchases of stock-in-trade		13.23	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(474.67)	(374.64)
Employee benefits expenses	26	3,102.35	2,460.18
Finance costs	27	639.36	402.72
Depreciation and amortization expenses	28	1,015.78	687.64
Other expenses	29	8,344.97	6,903.46
Total expenses		25,889.14	21,068.60
Profit before tax		1,772.04	3,863.15
Minority Interest		-	-
Tax expense			
Current tax		356.38	783.00
Mat credit entitlement		(356.00)	-
Deferred tax		595.48	481.25
Excess / (short) provision of earlier years		4.65	8.20
Profit (Loss) for the period		1,171.53	2,590.70
Earnings per equity share (of ` 10/- each)	34		
(1) Basic		87.86	194.30
(2) Diluted		87.86	194.30
Significant Accounting policies and Notes on Financial Statements	1 - 35		

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. 17844

For and on behalf of the Board of Directors

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31-03-2013 (` in lakh)	Year ended 31-03-2012 (` in lakh)
A Cash flow from Operating activities		
Net profit before tax and extra ordinary items	1,772.04	3,863.15
Adjustments for		
- Depreciation	1,015.78	687.66
- Doubtful loans & debts written off	-	32.50
- (Profit) / Loss on sale of assets (Net)	(6.35)	7.90
- Wealth tax provision	6.00	6.30
- Foreign currency fluctuation	(40.78)	-
- Interest (Net)	540.39	351.01
- Rent received	(14.86)	(18.87)
- Dividend Income	(0.17)	(0.17)
	1,500.01	1,066.33
Operating Profit before working capital changes	3,272.05	4,929.48
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(833.47)	(1,256.19)
- (Increase)/Decrease in Inventories	(1,047.61)	(675.62)
- Increase/(Decrease) in Trade payable	200.75	482.32
	(1,680.33)	(1,449.49)
Cash generated from operations	1,591.72	3,479.99
Direct taxes paid	(300.34)	(869.75)
Net cash from operating activities	1,291.38	2,610.24
B Cash flow from investing activities		
- Interest received	19.13	5.91
- Sale proceeds of fixed assets	54.24	7.41
- Rent received	14.86	18.87
- Dividend Income	0.17	0.17
- Purchase of fixed assets	(3,310.00)	(4,237.04)
Net cash used in investing activities	(3,221.60)	(4,204.68)
C Cash flow from financing activities		
- Loans borrowed (Net of repayment)	1,491.04	3,586.20
- Exchange difference on revaluation of foreign currency loans	-	(208.19)
- Interest paid	(541.89)	(331.21)
- Dividend paid	(344.21)	(306.52)
Net cash used in financing activities	604.94	2,740.28
Net increase / (Decrease) in cash and cash equivalents	(1,325.28)	1,145.84
Cash and cash equivalents at the beginning of the year	1,506.48	360.64
Cash and cash equivalents at the closing of the period	181.20	1,506.48
A Cash and cash equivalents		
Cash on hand	5.63	6.25
Balance with banks		
(a) In current accounts	82.81	293.79
(b) In EEFC accounts	70.28	123.94
(c) In deposit accounts	7.64	1,072.23
(d) In earmarked accounts (Refer note no. 18)	14.84	10.27
	181.20	1,506.48
B Other Bank Balance (maturity above 3 months)	35.21	18.66
	216.41	1,525.14

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

For and on behalf of the Board of Directors

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

Rajesh S. Shah
Partner
Membership no. 17844

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

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

Place : Mumbai
Date : 28th May, 2013

Place : Mumbai
Date : 28th May, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

Amounts in the financial statements are presented in ` Lacs, except for per share data and as otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off, are detailed in note .

1 (a) Principles of Consolidation

- (A) The financial statement of GRP Ltd. (the Company), its Subsidiary company and Associate have been prepared in compliance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006. Companies considered in the consolidated financial statements are :

Name of the Company	Country of Incorporation	Proportion of Ownership Interest
Grip Polymers Limited (Subsidiary)	India	99.80%
Alphanso NetSecure Pvt. Ltd. (Associate)	India	46.00%

- (B) Basis of preparation of financial statements :

- (i) GRP Ltd has prepared consolidated financial statements by consolidating its accounts with its subsidiary as on 31st March 2013, in accordance with Accounting Standard 21 (Consolidated financial statement), Accounting Standard 23 (Accounting for investment in Associate in Consolidated financial statements) issued by the Institute of Chartered Accountants of India.
- (ii) The financial statements have been prepared incorporating accounting policies of the parent company under historical cost convention, in compliance with the relevant accounting standards prescribed in the Companies (Accounting Standards) Rule, 2006 and in compliance with the provisions of the Companies Act, 1956.

- (C) Significant Accounting Policies and notes to this consolidated financial statements are intended to serve as means of informative disclosure and a guide to better understanding the consolidated position of the companies. Recognising this purpose, the company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which, in the opinion of the management, could be better viewed, when referred from the individual financial statements.

- (D) Principles of consolidation :

- (i) The financial statements of the parent company and its subsidiary have been consolidated on a line - by - line basis 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.
- (ii) The financial statements of the parent company and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- (iii) The excess of parent company's share of equity in the subsidiary over the cost of its investments in subsidiary, on the acquisition date, is recognised in the financial statements as capital reserve.
- (iv) Investments in Associate has been accounted for using the equity method in accordance with Accounting Standard AS 23 "Accounting for Investment in Associates in Consolidated Financial Statements" prescribed in the Companies (Accounting Standards) Rule, 2006 and in compliance with the provisions of the Companies Act, 1956.

1 (b) Significant Accounting Policies:

- (A) **Basis of accounting :**

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

- (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 and Depreciation :**

- (i) **Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

From accounting periods commencing on or after 7th December 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(ii) Depreciation and Amortisation

Depreciation on fixed assets is provided on straight line method for the period for which the assets have been used as under:

- (1) In respect of assets acquired prior to 02-04-1987, at the rates prevailing at that time.
- (2) In respect of assets acquired subsequent to 02-04-1987, at the rate prescribed in schedule XIV of the Companies Act, 1956. (Also refer to policy on Impairment of Assets and Foreign Currency Transactions).
- (3) The rate of Depreciation on certain temporary structures (Building) has been provided @100%.
- (4) Certain Plant and machinery have been considered as continuous process plant on the basis of technical assessment and depreciation on the same is provided for accordingly.
- (5) Leasehold land is amortised over the period of lease.

(iii) Intangible Assets and Amortisation

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gain or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortisation rates used are :

Asset	Period of amortisation
Computer Software	6 years

(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) Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. The borrowing cost eligible for capitalisation is being netted off against any income arising on temporary investment of those borrowing. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(F) Government Grants and Subsidy :

Special capital incentive and subsidy received from the government for setting up or expansion of an industrial undertaking in undeveloped area of state, is credited to Special capital incentive and subsidy account under Capital Reserve Account.

(G) 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 which ever is lower.

(H) Taxes :

Provision for tax is made for both current and deferred taxes. Provisions for current income tax (including Wealth tax) is made at current tax rates based on assessable income/wealth. 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 recognized if there is a reasonable certainty of realisation. The effect on deferred taxes of a change in tax rates is recognized in the Profit & Loss Account in the period in which it has been enacted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

Minimum Alternative Tax (MAT) credit entitlement is recognised in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax under the Income-tax Act, 1961" issued by ICAI. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. At each balance sheet date the company re-assesses MAT credit assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be and adjusts the same accordingly.

(I) Inventories :

Items of inventories are measured at lower of cost or net realisable value after providing for obsolescence, if any. Cost of Inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Cost of raw materials, stores and spares, packing materials are determined on weighted average basis. Work in - progress and finished goods are valued at lower of cost and net realizable value. Cost of work in progress and finished goods is determined on absorption costing method which include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods.

(J) Income Recognition :

- (i) Domestic Sales are recognized on dispatch of goods from factory and export Sales on the basis of date of bill of lading. Sales are recorded net of sales tax, excise duty and sales return.
- (ii) Income from Power generation is accounted on the basis of certification of Gujarat Electricity Development Authority.
- (iii) Commission on sales (other than consignment sales) is accounted on realisation of sales proceeds and commission on consignment sales is accounted on receipt of statement of consignment sale.
- (iv) Rentals and all other expenses in respect of leased assets are treated as revenue expenditure.
- (v) Export Incentive is recognised in the year of export.
- (vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (vii) Dividend income is recognized when the right to receive dividend is established.

(K) Foreign currency transactions :

- (i) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
Transaction not covered by forward contracts and outstanding at year end are translated at exchange rates prevailing at the year end and the profit / loss so determined, is recognized in the Profit and Loss account.
- (ii) Monetary items denominated in foreign currencies at the year end are restated at the year end rates. In case of items covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contracts recognized as exchange difference and the premium/discount on forward contract is recognized over the life of the contract.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets in line with notification dated 31.03.2009 issued by Ministry of Corporate Affairs.
- (iv) The company uses derivative instruments like foreign currency forward contracts and foreign currency options to hedge its exposure to movements in foreign exchange rates and currency risks. The objective of these derivative instruments is to reduce the risk or cost to the company and is not intended for trading or speculation purposes.
- (v) Currency swaps entered into by the company for hedging the risks of foreign currency exposure are accounted on basis of mark to market losses, if any.

(L) Employees Benefits :

1 Long Term Employee Benefits :

(a) Defined Contribution Plans :

Provident Fund

The company makes contribution to statutory provident fund in accordance with the Employees Provident Fund

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

(b) Defined Benefit Plans :

(i) Gratuity

The company has a defined benefit employee retirement scheme in the form of gratuity. The Trustees of the scheme have entrusted the administration of the related fund to the Life Insurance Corporation of India (LIC). Charge for the year is determined on the basis of actuarial valuation made as at the balance sheet date on projected unit credit method of the company's year-end obligation in this regard and the value of year-end assets of the scheme. Actuarial gains and losses for the year are recognised in the statement of profit and loss account as income or expense. Contributions were deposited with the LIC based on intimation received by the company.

(ii) Leave Encashment

Provision for leave encashment, which is a defined benefit, is made based on actuarial valuation done by an independent agency of notified actuaries.

(iii) Superannuation

Liability towards Superannuation is funded in accordance with the scheme with LIC.

2 Short Term Employee Benefits :

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(M) 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.

(N) Earning per Share :

The company reports basic and diluted earning per share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standard) Rules-2006. 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.

(O) Segment reporting :

Identification of segments

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(P) Cash and cash equivalents :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

	As at 31-03-2013	As at 31-03-2012
2 Share Capital:		
Authorized		
1,500,000 (March 31, 2012: 1,500,000)		
equity shares of ` 10/- each	150.00	150.00
Issued, Subscribed and Paid up		
1,333,333 (March 31, 2012 1,333,333)	133.33	133.33
Equity shares of ` 10/- each fully paid-up		
	133.33	133.33

(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.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 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 31,2013 and March 31,2012, is set out below :

Equity Shares:

	As at 31-03-2013	As at 31-03-2012
At the beginning		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33
At the end		
- Number of shares	1,333,333	1,333,333
- Amount	133.33	133.33

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

	As at 31-03-2013		As at 31-03-2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr.Mahesh Vadilal Gandhi	77,411	6%	77,411	6%
Enarjee Consultancy & Trading Co LLP (formerly known as Enarjee Investment Pvt Ltd.)	88,464	7%	88,656	7%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

		As at 31-03-2013	As at 31-03-2012
3	Reserves and Surplus:		
	Capital reserve		
	Special capital incentive and subsidy		
	Balance as per last Balance sheet	53.30	53.30
	Profit on re-issue of forfeited shares		
	Balance as per last Balance sheet	0.01	0.01
	Securities Premium account		
	Balance as per last Balance sheet	41.67	41.67
	Excess of Share in Net Assets of subsidiary company		
	Balance as per last Balance sheet	3.08	3.08
	Balance as at the end of the year	98.06	98.06
	General Reserve		
	Balance as at beginning of the year	4,009.32	3,509.32
	Add : Transferred from the statement of profit and loss account	1,000.00	500.00
	Balance as at the end of the year	5,009.32	4,009.32
	Surplus in Statement of Profit & Loss		
	Balance as at beginning of the year	4,573.27	2,995.63
	Profit for the year	1,171.53	2,590.70
	Amount available for appropriation	5,744.80	5,586.33
	Less: Appropriations :		
	- Interim dividend	-	93.33
	- Dividend / Final dividend	200.00	213.34
	- Special dividend	-	133.33
	- Total dividend	200.00	440.00
	- Dividend tax	33.99	73.08
	- Amount transferred to general reserve	1,000.00	500.00
	Total appropriations	1,233.99	1,013.08
	Balance as at end of the year	4,510.81	4,573.25
	Total reserves and surplus	9,618.19	8,680.63
4	Long Term Borrowings:		
		As at 31-03-2013	As at 31-03-2012
		Current Maturity	Non-current portion
	Secured:		
	Term Loans from Banks:		
	Foreign Currency Loans from Banks	942.16	258.44
	Rupee Loans from Banks	564.17	324.17
	Total Secured Borrowings	1,506.33	582.61
	Unsecured:		
	Loans from Banks	21.09	22.35
	Deferred Sales Tax payments	6.41	6.41
	Total Unsecured Borrowings	27.50	28.76
		1,533.83	611.37
	Amount disclosed under the head "Other current liabilities" (refer note 10)	(1,533.83)	(611.37)
	Total long-term borrowings	-	-
		3,785.01	4,624.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

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

1 Rupee loan of ` 972.52 lakh (March 31, 2012 : ` 1,296.70 lakh) for Factory (Phase I) at Chincholi, Solapur

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of Land together with factory building and structures situated at Chincholi factory, Solapur.

Repayable in 20 equal quarterly instalments beginning from June, 2011, along with interest of 13 % p.a.

2 Rupee loan of ` 1,200.00 lakh (March 31, 2012 : ` 750.00 lakh) for Factory (Phase II) at Chincholi, Solapur

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Chincholi, Solapur, both present and future and by way of mortgage of Land together with factory building and structures situated at Chincholi factory, Solapur.

Repayable in 20 equal quarterly instalments beginning from April, 2013, along with interest of 13 % p.a.

3 Foreign currency loan of ` 110.69 lakh (March 31, 2012 : ` 160.73 lakh) for Wind Mill project.

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 Company.

Repayable in 20 equal quarterly instalments beginning from November 5, 2009, along with interest of 5 % p.a.

4 Foreign currency loan of ` 204.97 lakh (March 31, 2012 : ` 297.64 lakh) for Kurla Office I premises at Mumbai

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 Company.

Repayable in 60 equal monthly instalments beginning from November 5, 2009, along with interest of 5 % p.a.

5 Foreign currency loan of ` 297.90 lakh (March 31, 2012 : ` 367.04 lakh) for Kurla Office II premises at Mumbai

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 Company. During the year Rupee term loan converted into Foreign currency term loan

Repayable in 20 equal quarterly instalments beginning from September '11 along with interest of 8 % p.a.

6 Foreign currency loan of ` 2,484.30 lakh (March 31, 2012 : ` 2,295.67 lakh) for Perundurai factory, in Tamil Nadu

First exclusive charge by way of hypothecation of entire movable fixed assets of the Company located at Perundurai, Tamil Nadu, both present and future and by way of mortgage of Land together with factory building and structures situated at Perundurai, Tamil Nadu.

Repayable in 15 equal quarterly instalments beginning from April 1, 2013 along with interest @ 5.61% p.a.

B Terms of repayment for unsecured borrowings:

1 Deferred sales-tax payments

Deferred sales-tax payment is interest free loan and repayable from financial year 2006-07 to 2016-17.

2 Loans from Bank

Repayable in 36 monthly instalments from the date of respective loans.

Bank loan includes a loan of ` 6.26 lakhs (March 31, 2012 : ` 16.30 lakhs) taken in the name of the director for purchase of car.

5 Deferred Tax Liabilities (Net):

Deferred Tax Liabilities

Balance B/f

- Depreciation

Deferred Tax Assets

Balance B/f

- Provision for employee benefit

- Unabsorbed Depreciation

	As at 31-03-2013	As at 31-03-2012
Balance B/f	1,529.10	1,529.10
- Depreciation	780.24	-
	2,309.34	1,529.10
Balance B/f	40.76	40.76
- Provision for employee benefit	(1.08)	-
- Unabsorbed Depreciation	185.84	-
	225.52	40.76
Total deferred tax liabilities (net)	2,083.82	1,488.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

6 Other Long-term Liabilities:		As at 31-03-2013	As at 31-03-2012
Security deposit received against the rental income		-	9.44
Total other long-term liabilities		-	9.44
7 Long-term Provisions:		As at 31-03-2013	As at 31-03-2012
		As at 31-03-2013	As at 31-03-2012
	Current Maturity	Non-current portion	
Provision for Employees Benefit expenses:			
Provision for Leave encashment	10.89	14.82	49.54
Provision for Gratuity payment	25.15	-	-
	36.04	14.82	49.54
Mark to market provision on derivative instruments	29.17	-	76.79
	65.21	14.82	126.33
Amount disclosed under the head "Short-term provisions" (refer note 11)	(65.21)	(14.82)	-
Total Long-term provisions	-	-	126.33
			43.16
8 Short-term Borrowings:		As at 31-03-2013	As at 31-03-2012
Secured:			
Working Capital Loan payable on demand from banks			
Foreign Currency Loan		1,958.48	2,064.84
Rupee Loan		1,195.29	200.00
		3,153.77	2,264.84
Buyer's credit in foreign currency loan		378.38	-
Unsecured:			
Fixed Deposits		176.19	118.23
		176.19	118.23
Total Short-term borrowings		3,708.34	2,383.07

(a) **Working Capital Loan from HDFC Bank Ltd of ` 1,675.18 lakh (March 31, 2012 : ` 1,549.23 lakh)**

First exclusive charge by way of hypothecation of entire current assets, both present and future, including inventories, book debts, bills receivables and entire movable fixed assets and mortgage of immovable fixed assets of the Company.

(b) **Working Capital loan from Citi Bank N. A. of ` 1,478.59 lakhs (March 31, 2012 : ` 715.61 lakhs)**

Secured by first pari passu charge in favour of Citi Bank N.A. by way of hypothecation of entire current assets including inventories and such other movables, books debts, bills receivables and second subservient charge on entire movable fixed assets and mortgage of immovable fixed assets of the Company, both present and future.

(c) **Buyer's credit in foreign currency loan of ` 378.38 lakhs (March 31, 2012 : Nil) for Panoli Factory in Gujarat.**

Secured by exclusive charge on an imported recycling machine and all related equipments at Panoli factory. Repayable in one instalment due on 22nd August 2013.

(d) Fixed Deposits (unsecured) carry interest @ 12.50% p.a. and with maturity period of 12 months from the date of deposit.

(e) Fixed Deposits includes deposit accepted from the related parties is ` 79.25 lakhs (March 31, 2012 : ` 74.75 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

9 Trade Payables:	As at 31-03-2013	As at 31-03-2012
Trade payables	1,803.67	1,766.89
Total trade payables	1,803.67	1,766.89
Under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED Act), certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of this Act is not expected to be material.		
10 Other Current Liabilities:	As at 31-03-2013	As at 31-03-2012
Current maturities of Long-term debts (refer note 4)	1,533.83	611.37
Interest Accrued but not due on borrowings	59.43	40.79
Unclaimed Dividend	12.10	9.64
Advances from customers	30.05	32.75
Vendors for Capital Goods & Services	192.90	736.60
Statutory dues (including Provident fund & Tax deducted at source)	155.64	109.86
Others	2.69	-
Total other current liabilities	1,986.64	1,541.01
11 Short Term provisions:	As at 31-03-2013	As at 31-03-2012
Current maturities of Long-term provisions of Employees Benefit expenses (refer note 7)		
Provision for Leave encashment	10.89	14.82
Provision for Gratuity payment	25.15	-
	36.04	14.82
Other Provisions		
Mark to market provision on derivative instruments	29.17	-
Proposed Dividend	200.00	346.67
Tax On Proposed Dividend	33.99	57.58
Provision for taxation (Net of advance tax paid of ` 3742.61 lakhs, March 31, 2012 : ` 3665.11 lakhs)	114.45	-
	377.61	404.25
Total short-term provisions	413.65	419.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

12 Fixed Assets

Particulars	Gross Block					Depreciation & Amortisation				Net Book Value	
	As at 01-04-2012	Additions	Disposal	Adjustment	As at 31-03-2013	As at 01-04-2012	For the period	Disposal / Adjustment	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
(a) Tangible Assets											
Own Assets :											
Lease hold Land	436.79	205.67	-	-	642.46	12.88	6.16	-	19.04	623.42	423.91
Roads	216.00	263.28	-	-	479.28	16.47	5.72	-	22.19	457.09	199.53
Buildings	4,431.57	1,548.35	-	(1.51)	5,981.43	351.03	135.77	(0.81)	487.61	5,493.82	4,080.54
Plant and Machinery	8,430.82	2,109.55	230.53	1.51	10,308.33	3,069.79	791.93	186.04	3,675.68	6,632.65	5,361.03
Furniture & Fixtures	285.74	57.83	-	-	343.57	43.55	19.57	-	63.12	280.45	242.19
Office equipments	169.12	45.52	-	-	214.64	24.70	9.77	-	34.47	180.17	144.42
Computer Hardware	94.67	19.21	2.64	-	111.24	58.13	13.33	2.40	69.06	42.18	36.54
Vehicles	160.90	16.45	4.94	-	172.41	35.44	16.03	2.60	48.87	123.54	125.46
Total (a):	14,225.61	4,265.86	238.11	-	18,253.36	3,611.99	998.28	190.23	4,420.04	13,833.32	10,613.62
(b) Intangible Assets											
Own Assets :											
Computer Software	144.13	45.77	-	-	189.90	86.73	17.49	-	104.22	85.68	57.40
Total (b):	144.13	45.77	-	-	189.90	86.73	17.49	-	104.22	85.68	57.40
Total (a+b):	14,369.74	4,311.63	238.11	-	18,443.26	3,698.72	1,015.77	190.23	4,524.26	13,919.00	10,671.02
Previous Year:	9,930.31	4,501.68	29.24	33.01	14,369.74	3,058.00	679.06	38.34	3,698.72	10,671.02	6,872.31
(c) Capital Work-in-progress											
Roads										-	73.34
Factory Building										4.14	511.44
Plant & Machinery										186.13	972.99
Other Assets										15.75	-
Total (c):										206.02	1,557.77
Total fixed assets (net)										14,125.02	12,228.79

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ` 319.24 lakh (March 31, 2012 : ` 208.17 lakh) arising on revaluation of foreign currency term loan and principal only swap rupee loans (POS) as per amended AS11 (notified by Ministry of Corporate Affairs).
- (b) Additions during the year and capital work-in-progress include ` 85.07 lakhs (March 31, 2012 : ` 39.92 lakhs) being borrowing cost capitalised. During the year, the company has parked unutilised portion of loan taken for the capital expenditure in fixed deposit on which interest earned of ` 7.05 lakhs (March 31, 2012 : ` 38.14 lakhs) and the same has been reduced from the borrowing cost.
- (c) Interest earned on account of POS loan amounting to ` 69.10 lakhs has been reduced from the cost of the respective assets (March 31, 2012 : Nil)
- (d) Capital work-in-progress include Capital Stores ` 2.22 lakhs (March 31, 2012 : ` 86.11 lakhs).
- (e) Vehicles include one car of the company acquired in the name of Director and corresponding vehicle loan for one car is included in unsecured loan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

13	Non-current Investments:	As at 31-03-2013	As at 31-03-2012
	Long term investments (valued at cost unless stated otherwise)		
	Others (Quoted):		
	1,000 (1,000) equity shares of ` 10/- each fully paid up held in Bank of Baroda (Market Value ` 675,400/- (March 31,2012 : ` 793,650/-))	0.85	0.85
	Others Investment (unquoted)		
	129,000 (March 31, 2012 : 129,000) equity shares of ` 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
	Total non-current investment	13.75	13.75
14	Long-term Loans and Advances:	As at 31-03-2013	As at 31-03-2012
	Advances for Capital Expenditure	48.13	241.71
	Other Advances & Deposits	236.31	192.86
	Prepaid Expenses	2.39	0.68
	MAT credit entitlement	356.00	-
	Total long-term loans and advances	642.83	435.25
	Other advances & deposits include deposit of `15.75 lakhs (March 31, 2012 : ` 15.75 lakhs) with a company in which some of the directors are interested. Prepaid expenses include current maturity amount of ` 49.45 lakhs (March 31, 2012 : ` 33.82 lakhs) (refer note no.19) Considering the future profitability and taxable positions in the subsequent years, the company has recognised the "MAT credit entitlement" of ` 356.00 lakhs (March 31, 2012: Nil) as an asset by crediting profit and loss account for equivalent amount and disclosed under "Loans and Advances" in accordance with the Guidance Note on "Accounting for credit available in respect of Minimum Alternative Tax " issued by ICAI.		
15	Current Investments:	As at 31-03-2013	As at 31-03-2012
	Unquoted		
	7 years National Savings Certificates (Deposited with Central Excise Authority)	0.08	0.08
	Total current investments	0.08	0.08
16	Inventories:	As at 31-03-2013	As at 31-03-2012
	Stores and Spares	159.86	135.85
	Packing Materials	43.74	47.04
	Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	1,644.49	1,070.71
	Fuel materials	10.28	11.89
	DEPB Licence Stocks (at net realisable value)	20.90	40.83
	Goods-in-process	176.71	123.11
	Goods-in-transit	244.86	125.46
	Finished Goods	928.49	631.05
	Stock-in-trade	4.23	-
	Total inventories	3,233.56	2,185.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

17	Trade Receivables:	As at	As at
		31-03-2013	31-03-2012
	Unsecured, considered good		
	Outstanding for more than six months	34.08	10.63
	Others	4,764.58	4,178.85
	Total trade receivables	4,798.66	4,189.48
18	Cash and Cash equivalents:	As at	As at
		31-03-2013	31-03-2012
	Cash on hand	5.63	6.25
	Balance with banks		
	(a) In current accounts	82.81	293.79
	(b) In EEFC accounts	70.28	123.94
	(c) In deposit accounts (Refer Note below)	42.85	1,090.89
	(d) In earmarked accounts		
	- Unclaimed dividend accounts	12.10	10.02
	- Margin money deposits	2.74	0.25
		210.78	1,518.89
	Total cash and cash equivalents	216.41	1,525.14
	Notes:		
	i) Balance with bank include deposits amounting to ` 1.08 lakhs (March 31, 2012 : ` 18.66 lakhs) which have an original maturity of more than 12 months.		
	(ii) Unutilised portion of loan amounting to ` Nil (March 31, 2012 : ` 1,050.00 lakhs) taken for capital expenditure is temporarily invested in fixed deposit.		
19	Short-term Loans and Advances:	As at	As at
		31-03-2013	31-03-2012
	Advances recoverable in cash or in kind	332.82	245.44
	Other Advances & Deposits	4.45	0.85
	Deposit with Central Excise	172.22	197.93
	Current maturity of Prepaid Expenses	49.47	33.87
	Advance Income-tax & Wealth-tax (Net of provisions ` 3857.06 lakhs, March 31, 2012 : ` 3,655.28 lakhs)	-	9.83
	Total short-term loans and advances	558.96	487.92
20	Other Current Assets:	As at	As at
		31-03-2013	31-03-2012
	Accrued Income	48.37	9.29
	Receivable from LIC (Gratuity claim)	13.31	13.73
	Forex Forward Contract Receivables	8.08	-
	Total other current assets	69.76	23.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

21 Revenue:	Year ended 31-03-2013	Year ended 31-03-2012
(i) Sale of products		
Manufactured goods	27,902.67	24,842.96
Less : Excise duty	980.35	886.34
Total:	26,922.32	23,956.62
(ii) Trading of Goods	8.69	-
(iii) Power generation from Windmill	76.21	71.41
Total revenue	27,007.22	24,028.03
Manufactured Goods / Power Generation / Trading		
- Reclaim Rubber	25,854.50	23,196.46
- Crumb Rubber	-	9.09
- Punch & Split Products	694.29	394.46
- Thermo Plastic Elastomers	373.53	356.61
- Trading of Goods	8.69	-
- Power generation from Windmill	76.21	71.41
22 Other operating income:	Year ended 31-03-2013	Year ended 31-03-2012
Export incentives	348.87	386.76
Bad debts recovered	14.70	1.22
Other Sales	19.06	8.31
Total other operating income	382.63	396.29
23 Other income:	Year ended 31-03-2013	Year ended 31-03-2012
Interest received	20.14	11.61
Rent Income	14.86	18.87
Net Gain on foreign currency transactions and translation.	147.36	475.37
Profit on sale of fixed assets	6.35	-
Other Income	82.62	1.58
Total other income	271.33	507.43
24 Cost of material consumed:	Year ended 31-03-2013	Year ended 31-03-2012
Raw material consumed:		
Opening inventories	1,070.71	780.97
Add : Purchases (including incidental expenses of ` 586.56 lakhs (March 31, 2012 : ` 594.11 lakhs)	13,821.90	11,278.98
	14,892.61	12,059.95
Less : Closing inventories	1,644.49	1,070.71
Total cost of material consumed	13,248.12	10,989.24
(a) Products consumed		
- Waste Rubber	11,696.00	9,505.97
- Process Oils	1,298.20	1,374.63
- Other Oils and Chemicals	253.92	108.64
	13,248.12	10,989.24
(b) Import and Indigenous consumptions		
- Imports	268.04	74.24
%	2.02%	0.68%
- Indigenous	12,980.08	10,915.00
%	97.98%	99.32%
	13,248.12	10,989.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

25	Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year ended 31-03-2013	Year ended 31-03-2012
	Stock at the end of the year:		
	Finished goods	928.49	631.05
	Goods-in-transit	244.86	125.46
	Work-in-progress	176.71	123.11
	Stock-in-trade	4.23	-
	Total (A)	1,354.29	879.62
	Stock at the beginning of the year:		
	Finished goods	631.05	331.51
	Goods-in-transit	125.46	111.98
	Work-in-progress	123.11	61.49
	Total (B)	879.62	504.98
	Increase / (Decrease) in Stock	474.67	374.64
	Total (A - B)		
	Finished Goods		
	-Reclaim Rubber	1,057.44	679.30
	-Punch & Split Products	44.72	39.14
	-Thermo Plastic Elastomers	71.19	38.07
		1,173.35	756.51
	Work-in-progress		
	-Reclaim Rubber	176.71	123.11
		176.71	123.11
26	Employee Benefits expenses:	Year ended 31-03-2013	Year ended 31-03-2012
	Salaries, Wages and Bonus	2,777.37	2,203.72
	Contribution to Provident fund and Pension fund	117.83	83.24
	Gratuity fund	54.86	31.36
	Contribution to other funds	63.27	46.55
	Welfare and other benefits	89.02	95.31
	Total employee benefits expenses	3,102.35	2,460.18
27	Finance cost:	Year ended 31-03-2013	Year ended 31-03-2012
	Interest on Term & Working Capital Loans	538.48	344.07
	Interest on Other Loans	22.04	18.56
	Financial Charges	78.84	40.09
	Total finance cost	639.36	402.72
28	Depreciation and Amortization expenses:	Year ended 31-03-2013	Year ended 31-03-2012
	Depreciation on Tangible Assets	998.29	670.37
	Depreciation on Intangible Assets	17.49	9.75
	Assets Discarded / Impairment	-	7.52
	Total depreciation and amortization expenses	1,015.78	687.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

29	Other expenses:	Year ended 31-03-2013	Year ended 31-03-2012
	Manufacturing Expenses		
	Packing Material consumed	619.84	601.59
	Stores and Spare Parts Consumed	500.61	443.25
	Power, Fuel & Water Consumed:		
	-Power Consumption	3,282.12	2,478.00
	-Fuel Consumption	797.38	447.85
	-Water Consumption	37.69	26.59
	Repairs & Maintenance Expenses:		
	-Plant & Machineries	223.94	199.55
	-Factory Buildings	15.41	24.00
		5,476.99	4,220.83
	Sales & Distribution expenses		
	Ocean Freight	1,331.22	1,279.71
	Marine Insurance	4.15	4.05
	Export clearing and Other charges	219.68	142.44
	Local freight & Other charges	417.53	420.50
	Other Selling and Distribution expenses	103.85	119.86
		2,076.43	1,966.56
	Administration & Other Expenses		
	Insurance	53.59	15.25
	Vehicle Expenses	74.18	57.42
	Printing & Stationery	19.18	15.16
	Advertisements	22.30	18.83
	Rent, Lease Rent & Other Charges	17.58	10.65
	Repairs to Other Assets	64.03	46.73
	Retainer fees, Legal fees & Prof charges	116.18	129.96
	Travelling & Conveyance	130.79	104.02
	Postage, Telegram & Telephones	37.86	30.14
	Doubtful Loan written off*	-	32.50
	Payment to Auditors:		
	- Audit fee	3.28	3.28
	- Tax Audit fee	1.00	1.00
	- Taxation matters	0.84	0.54
	- Reimbursement of expenses	0.39	0.12
	Board Meeting Fees	8.08	8.01
	Commission to Director	19.77	34.49
	Charity and donation	53.25	58.90
	Factory / Office Expenses	24.81	25.99
	Office electricity expenses	17.76	18.68
	Other Expenses	94.67	60.50
	Loss on Sale of Assets	-	7.90
	Variation in CED on Stock of finished goods	32.01	36.00
		791.55	716.07
	Total other expenses	8,344.97	6,903.46

* Loan receivable from Associated Concern of the Company was doubtful of recovery, hence written off

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

30 Contingent Liabilities and commitments (to the extent not provided for):		As at	As at
		31-03-2013	31-03-2012
(a)	Guaranteed by Banks not provided for (Net)	233.07	226.62
(b)	Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
	- Maharashtra Sales Tax	0.52	0.52
	- Excise Duty	106.20	129.24
	- Income Tax liability	208.02	174.16
(c)	Estimated amount of contracts remaining to be executed on capital account.	55.78	1,084.74
(d)	Employees dues not provided for	0.25	-

31 Related parties disclosure:

(A) Names of the related parties :

- | | | |
|-------|--|---|
| (i) | Associate Concern | Alphanso Netsecure Pvt Limited
(46% of total shareholdings held by the company) |
| (ii) | Directors of the company :-
- Key Management Personnel

- Non executive directors | Rajendra V.Gandhi, Vice Chairman & Managing Director
Harsh R. Gandhi , Executive Director

Kandathil M.Philip, Mahesh V. Gandhi, Dr.Peter Philip,
Bhagwandas T. Doshi, Atul S. Desai, Nikhil M. Desai and Rajeev Pandia |
| (iii) | Relatives of Key Management Personnel | Nayna R. Gandhi, Hemal H. Gandhi, Vaishali R. Gandhi and
Nehal R. Gandhi, Rajendra V. Gandhi HUF, Harsh R. Gandhi HUF,
Aarav Trust and Aayushi & Aashini Trust, Nehal Trust |
| (iv) | Enterprises owned or significantly
influenced by Key Management
Personnel or their relatives | (a) Enarjee Investments Pvt. Ltd.
R.V.Gandhi (Vice Chairman & Managing Director)
is the Chairman

(b) Enarjee Consultancy & Trading Company LLP
R.V.Gandhi (Vice Chairman & Managing Director)
is the designated partner

(c) Industrial Development and Investment Co.Pvt. Ltd.
M.V.Gandhi (Director) is the Chairman

(d) Ghatkopar Estate & Finance Corporation Pvt Ltd.
R V Gandhi & M V Gandhi are directors |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

	As at 31-03-2013	As at 31-03-2012
(B) Transactions with related parties:		
(i) Associate Concern :		
Alphanso Netsecure Private Limited		
Equity Investment	20.06	20.06
Less: provision of diminution in value	19.96	19.96
	0.10	0.10
Purchase of Goods & Services	44.68	-
Advance against Goods & Services	5.71	2.76
Doubtful loans written off	-	32.50
(ii) Vice Chairman & Managing Director:		
Remuneration paid	97.70	113.31
Dividend paid	5.54	4.50
(iii) Directors:		
Remuneration paid	81.40	40.70
Commission to Directors	19.77	34.49
Sitting Fees to Directors	8.08	8.01
Dividend to Directors	46.77	40.56
(iv) Relatives of Key Management Personnel :		
Remuneration paid	6.19	2.36
Dividend	37.68	32.51
Interest paid	8.71	8.06
Deposits taken	6.00	11.75
Deposits Repaid	1.50	-
Outstanding deposits payable	73.25	68.75
(v) Enterprises owned or significantly influenced by Key Management Personnel or their relatives:		
Enarjee Investment Pvt Ltd. :		
Interest paid	0.84	0.96
Dividend	22.99	20.39
Deposits Repaid	-	20.00
Outstanding deposit payable	6.00	6.00
(vi) Industrial Development & Investment Co. Pvt. Ltd.:		
Rent paid	0.54	0.53
Dividend	3.64	3.22
Outstanding deposit receivable (Security for Premises)	15.75	15.75
(vii) Ghatkopar Estate & Finance Corporation Pvt Ltd.:		
Dividend	3.47	3.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

32 Segment Reporting :		As at 31-03-2013	As at 31-03-2012
Segment reporting as required by Accounting Standard 17 issued by the Institute of Chartered Accountant of India.			
1 Segment Revenue			
a) Reclaim Rubber (Net of Excise Duty) *	26,548.79	23,600.02	
b) Power	76.21	71.41	
c) Others **	382.22	356.60	
Net Segment Revenue	27,007.22	24,028.03	
* Reclaim Rubber includes crumb rubber, punch & split products			
** Others includes Thermo Plastic Elastomers & Trading Goods			
2 Segment Results Profit(+) / Loss(-) before Tax and interest from each segment)			
a) Reclaim Rubber	3,322.19	5,228.55	
b) Power	35.19	37.20	
c) Others	(0.35)	5.84	
Sub Total	3,357.03	5,271.59	
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)	1,584.99	1,408.44	
Profit Before Tax	1,772.04	3,863.15	
Provision for Taxation			
Income Tax	5.03	791.20	
Deferred Tax	595.48	481.25	
Profit After Tax	1,171.53	2,590.70	
3 Other Information			
I Segment Assets			
a) Reclaim Rubber	20,150.26	17,389.72	
b) Power	297.19	315.94	
c) Others	616.16	432.83	
d) Unallocable	2,641.89	2,950.87	
e) Total	23,705.50	21,089.36	
II Segment Liabilities			
a) Reclaim Rubber	7,695.03	9,693.44	
b) Power	111.22	164.08	
c) Others	45.41	70.27	
d) Unallocable	6,102.35	2,347.60	
e) Total	13,954.01	12,275.39	
III Capital Expenditure (Including Capital Work in Progress)			
a) Reclaim Rubber	2,827.09	4,853.04	
b) Power	12.03	21.30	
c) Others	30.17	57.69	
d) Unallocable	90.60	98.12	
e) Total	2,959.89	5,030.15	
IV Depreciation			
a) Reclaim Rubber	887.24	570.04	
b) Power	26.43	24.79	
c) Others	20.07	13.17	
d) Unallocable	82.04	79.64	
e) Total	1,015.78	687.64	
V Non Cash Expenditure other than Depreciation			
a) Reclaim Rubber	-	-	
b) Power	-	-	
c) Others	-	-	
d) Unallocable	-	32.50	
e) Total	-	32.50	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

4 Information about Secondary Segments

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2012-13	2011-12	2012-13	2011-12
India	9,636.82	8,390.89	2,547.88	2,188.37
Outside India	17,370.40	15,637.14	2,250.78	2,001.11
Total	27,007.22	24,028.03	4,798.66	4,189.48

(ii) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence separate figures for fixed assets / additions to fixed assets cannot be furnished

33 Foreign currency exposures:

As at 31-03-2013 **As at 31-03-2012**

(a) Foreign currency exposures that are hedged as at 31st March

Forward contracts		
USD	27.53	-
EURO	175.98	-

(b) Foreign currency exposures that are not hedged as at 31st March

As at 31-03-2013 **As at 31-03-2012** **As at 31-03-2013** **As at 31-03-2012**

(Amount in Foreign Currency (in lakh))

Total Receivables includes sales proceedings				
USD	22.63	17.47	1,219.99	884.45
EURO	15.60	18.31	1,071.67	1,063.50
GBP	0.21	0.85	16.90	68.72
Total Payables includes imports, bank loans and interest payments				
USD	74.65	88.08	4,110.37	4,524.08
EURO	20.39	20.11	1,434.88	1,273.64

34 Earnings per share :

As at 31-03-2013 **As at 31-03-2012**

- Net Profit after tax for the year	1,176.18	2,598.90
- Excess Provision for tax for earlier years	4.65	8.20
- Net Profit attributable to Equity Shareholders	1,171.53	2,590.70
- Number of equity shares of ` 10/- each.	1,333,333	1,333,333
- Earnings per share - Basic	87.86	194.30
- Earnings per share -Diluted	87.86	194.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(` in lakh)

35 Other Notes:

- (a) The Ministry of Corporate Affairs, Government of India vide general circular no. 2 & 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956 subject to fulfillment of conditions stipulated in the circular.
The company has satisfied the condition stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiary has been included in the Consolidated Financial Statement.
- (b) Expenses debited to Profit & Loss account include prior period expenses ` 7.94 lakhs (March 31, 2012 : ` 20.08 lakhs)
- (c) Closing stock of Finished Goods include excise duty of ` 98.53 lakhs (March 31, 2012 : ` 66.52 lakhs)
- (d) In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated, if realised, in the ordinary course of the business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (e) The company has opted for Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS 11), as notified by the Ministry of Corporate Affairs on 31st March, 2009, for accounting of exchange differences arising from revaluation of long term foreign currency loans.

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. 17844

Place : Mumbai
Date : 28th May, 2013

For and on behalf of the Board of Directors

Rajendra V. Gandhi
Vice Chairman & Managing Director

Dr. Peter Philip
Director

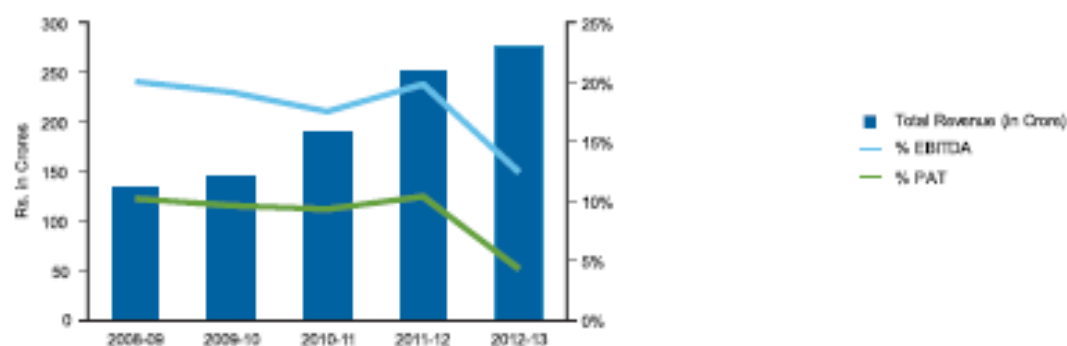
Ganesh A. Ghangurde
President & Chief Financial Officer & Company Secretary

Place : Mumbai
Date : 28th May, 2013

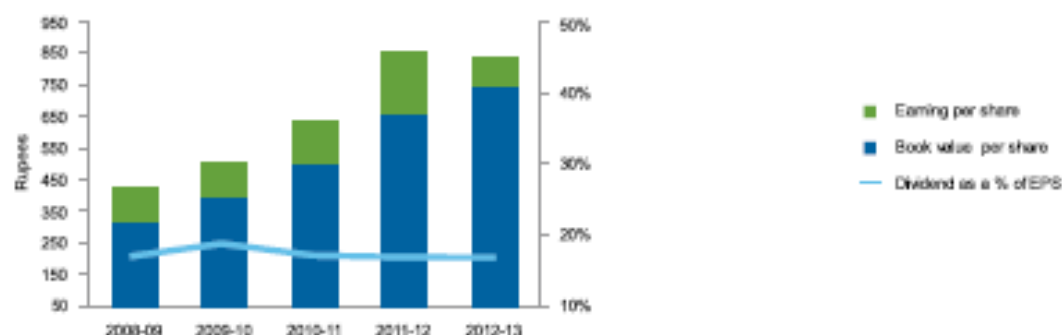
NOTES

Significant Financial Indicators for Last Five Years

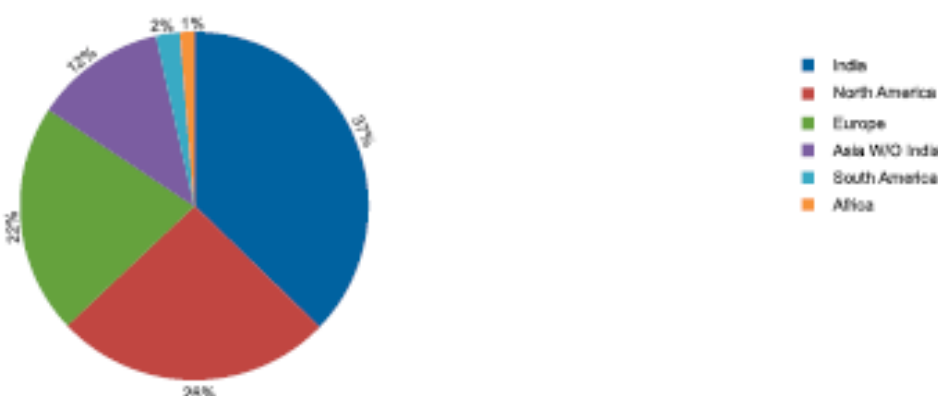
Key Financial Indicators



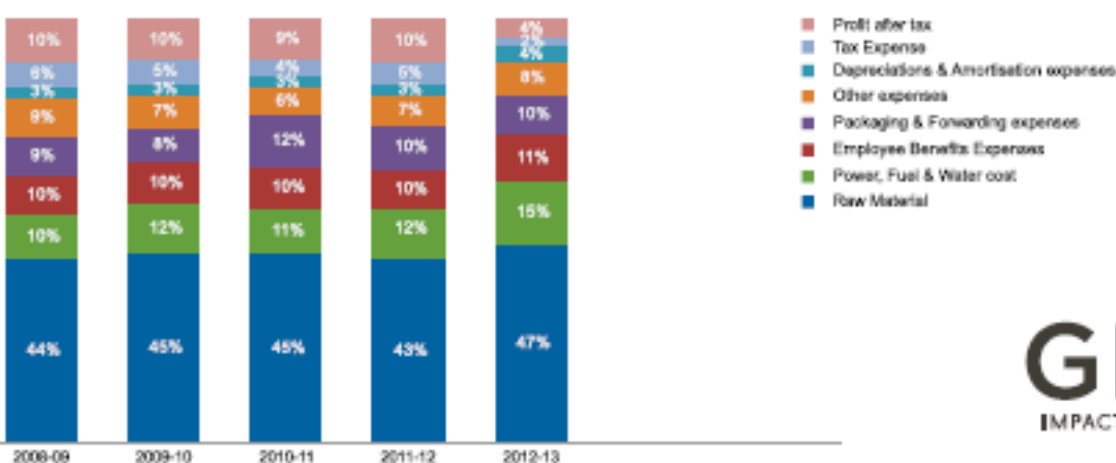
Key Financial Indicators



Sales Revenue- Continent wise (FY 12-13)



Operation, Other Expenses & PAT (as a % of Total Income)



Global Presence



6 of top 10 global tyre companies
4 of top 10 global non - tyre companies
150 + International Customers
300 + Customers in India
53 + Countries

Form A

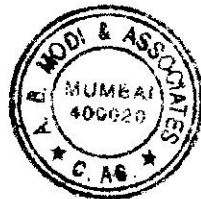
Name of the company	GRP Limited
Annual financial statements for the year ended	31 st March, 2013
Type of Audit observation	Un-Qualified
Frequency of observation	Nil

For A.B Modi & Associates
Chartered Accountants
Firm's Registration No: 106473W



Rajesh S. Shah
Partner
Membership No. 17844

- 2 AUG 2013



For & on behalf of the Board of Directors



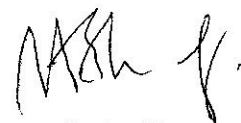

Rajendra V. Gandhi
(Vice Chairman & Managing Director)





Dr. Peter Philip
Director
(Audit Committee Chairman)





Ganesh A. Ghangurde
(President & Chief Financial Officer & Company Secretary)

2 AUG 2013