

**WE TRANSFORM
ORDINARY MOMENTS
INTO EXTRAORDINARY
EXPERIENCES**



GRP LIMITED

(FORMERLY KNOWN AS GUJARAT RECLAIM AND RUBBER PRODUCTS LTD.)

ANNUAL REPORT 2013-14

OUR PROGRESS

GRP's core values and a core purpose remain fixed while their business strategies and practices endlessly adapt to a changing world. The dynamics of preserving the core while stimulating progress is the reason, GRP is able to renew itself and achieve superior long-term performance

Coming together is beginning,
Keeping together is progress,
Working together is success.

Henry Ford

www.grpweb.com

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

GRP
IMPACT POSITIVE

GRP LIMITED

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



CIN : L25191GJ1974PLC002555

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

Tel no.: 022 67082600 / 2500, Fax : 022 67082599

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

NOTICE

NOTICE is hereby given that the **FORTIETH 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 **Monday, 28th July, 2014 at 11.30 a.m.** to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 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 2013-14.
3. To appoint a director in place of Atul S. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorize Board of Directors to fix their remuneration.

NOTES :

- a. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolutions / authority, as applicable. Member / Proxies should bring the duly filled attendance slip enclosed herewith to attend the meeting.
- b. The Register of Members and Transfer Books of the company will be closed from Monday, 21st July, 2014 to Monday 28th July, 2014, both days inclusive.
- c. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made credited / dispatched within 30 days from 28th July, 2014.
 - 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 18th July, 2014.
 - 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 18th July, 2014.
- 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 year ended 31st March, 1995 to 31st March, 2006 and unclaimed interim dividend for the financial year ended 31st March, 2007 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, 2007 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. Instructions regarding the facility available to shareholders for E-voting in respect of resolutions mentioned in this notice, is sent herewith.
- k. 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	Atul S. Desai
Date of birth	January 12, 1954
Date of appointment	March 21, 1988
Experience in specific Functional areas	He is an industrialist having varied experience of more than 33 years in general management.
Qualification	Graduate
Name of the Companies in which he holds Directorship / committee Membership	Director in : - GRP Ltd. - Akshay Apparels Pvt. Ltd. Committee Membership Audit Committee Selection Committee Investors Grievance Committee
No. of shares held in the company	9125

By Order of the Board of Directors

Place : Mumbai
Date : 26th May, 2014

Rajendra V. Gandhi
Chairman & Managing Director

Significant Financial Indicators For Last Five Years

(₹ in lakhs)

	Years ended 31st March				
	2010	2011	2012	2013	2014
Total Income	14,304	19,103	25,303	28,134	31,199
Operating Profit	2,572	3,089	4,532	2,786	3,021
Profit After Tax	1,381	1,762	2,580	1,175	1,082
Net Worth	5,326	7,631	8,790	9,960	10,559
Borrowed Funds	2,435	4,042	7,628	9,027	8,498
Fixed Assets (Gross)	7,430	9,929	14,370	18,443	19,360
Net Current Assets	3,020	3,704	5,422	1,174	779
Book Value Per Share (₹)	399	505	659	747	792
Earning Per Share (₹)	103.56	132.16	192.91	87.79	81.20
Dividend (%)	200	230	330	150	160
Ratios:					
Debt Equity	0.25	0.34	0.61	0.77	0.66
Operating Profit To Sales	18%	17%	19%	10%	10%
Interest Coverage	17	17	13	4	5

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

BOARD OF DIRECTORS

Kandathil M.Philip, Chairman (Emeritus)
Rajendra V.Gandhi, 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 2014-2015

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

CIN

L25191GJ1974PLC002555

GRP LIMITED

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



Directors' Report to the Members,

Your Directors are pleased to present the **FORTIETH ANNUAL REPORT & AUDITED ACCOUNTS** for the year ended 31st March, 2014.

FINANCIAL RESULTS	Year ended 31st March	
	2014	2013
	(Rs. in lakhs)	(Rs. in lakhs)
Sales & Other Income	31,082	27,659
Profit before depreciation & tax	3,020	2,786
Depreciation	1,244	1,015
Profit before tax	1,776	1,771
Provision for tax (net of MAT entitlement)	298	Nil
Deferred tax expenditure	396	596
Profit after tax for the year	1,082	1,175
(Short) Provision of income tax (net) of earlier year	-	(4)
Brought forward profit	4,498	4,561
Amount available for appropriation	5,580	5,732

Out of which the following appropriations have been made :

FINANCIAL RESULTS	Year ended 31st March	
	2014	2013
	(Rs. in lakhs)	(Rs. in lakhs)
Transfer to General Reserve	1,000	1,000
Interim Dividend	20	Nil
Proposed Final Dividend	193	200
Tax on dividend	36	34
Balance carried to Balance Sheet	4,331	4498
	5,580	5,732

DIVIDEND

An interim dividend of Rs.1.50/- per share of Rs.10/- each (15%) for the year 2013-14 was paid in February 2014. Based on performance of the company for the year under the report, the Board recommends a final dividend of Rs.14.50 per share (145%) for the year ended 31st March, 2014, absorbing a sum of Rs.213 lakhs. With this the total dividend for the year ended 31st March, 2014 shall be Rs.16 per share (160%). (Previous year total dividend was Rs.15/- per share (150%)).

CURRENT PERFORMANCE AND FUTURE OUTLOOK

The challenges that the global economy faced in 2012-13 spilled over to 2013-14 –low growth in developed markets and slowing down of emerging markets. The Indian economy was no different. From a GDP growth of 9.3% in 2010-11, the Indian economy slipped to 5% growth in 2012-13 and further down to 4.4% in 2013-14. Your company's growth is related to Auto industry to a great extent. Rise in fuel prices, continuing inflation, hardening of interest rates, uncertainty in foreign exchange fluctuations and slackening of infrastructure development have retarded the pace of growth of Auto sector. Despite these stumbling blocks your company has registered a growth of 12% in revenue by higher sales volumes and improved realizations by substituting part of declining local sales with increase in export sales in new markets. Export sales constitutes 70% share of total revenue as against 65% in the previous year. Your company has achieved a higher capacity utilization at its plant in Perundurai in Tamil Nadu which has increased in the second half of the year at 50% as compared to 31% for the previous year. The capacity utilisation of Chincholi plant at Solapur has improved to 65% for the year as compared to 55% in the previous year. Gas prices in Gujarat have increased resulting in more pressure on fuel costs and margins. Your company has successfully reduced power cost at both its Gujarat plants in Ankleshwar and Panoli in May'13 and Aug'13 respectively through purchase of power through energy exchange and at its Perundurai Plant in Tamil Nadu through third party purchase of power. Tight availability of raw material and consequent increase in its prices have accelerated during this year due to increase in the alternate use of end of life tyres for pyrolysis which is a fuel used in other industries. The CDF business unit has maintained its share of revenue

while the Industrial polymers business unit of your company has clocked in a growth of 28%.

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

- All India Rubber Industries Association's Top Export Award in the Raw Material sector
- Top Export Award- CAPEXIL in Rubber Product Panel.
- Quality Circle Forum of India's Gold trophy award for Allied Concept Implementation, for Quality Circle- Energy Saver, for Quality Circle on Quality.
- Quality Circle Forum of India's Bronze Trophy for Quality Circle – Vijeta
- Par Excellence Trophy for Allied Concept Implementation (Five S) at the National Convention at Kolkatta.
- Trophy received from Swami Vivekanand Yuva Rojgar Saptah for creation of maximum employment at Ankleshwar.

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, 2014. Any shareholder interested in obtaining copy of audited annual accounts of the subsidiary company for the year ended 31st March, 2014, may write to the Company Secretary at the registered office of the 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, 2013, and the Articles of Association, Mr. Atul Desai, director of the company retire by rotation and being eligible offer himself 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, 2014, the applicable Accounting Standards read with requirements set out under the Revised 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, 2014 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.

COST AUDIT COMPLIANCE REPORT

As required under Cost Accounting Records Rules, 2011, Cost Audit Compliance Report dated 2nd August, 2013 for the Financial Year 2012-13 certified by a qualified Cost Accountant was filed with the Ministry of Corporate Affairs on 26th September, 2013.

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. Conservation of Energy:

- a. Steps are taken to institutionalize the process of identifying and understanding increase and decrease in energy use by monitoring energy consumption trends to determine future use when planning future changes in the business and to diagnose specific areas of waste energy.
- b. Significant reduction in energy consumption and cost of production of goods has been observed through implementation of the above referred measures. They have also resulted in increased facility reliability as well as improved equipment performance.

2. Technology Absorption:

a. Research & Development

Since last 15 years, through pursuit of R&D endeavours, the Company has been regularly incurring R&D expenditure on the following activities

- Development of new products and grades.
- Continuous improvement of existing products, for enhanced durability and performance in reclaimed rubber, industrial polymers, Die forms and speciality additives Masterbatches.
- Product optimization using advanced technology.
- Testing and adapting new materials.
- New processes, upgradation and existing production process improvement.
- Redesigning of manual processes for automation.
- Product engineering for enhanced product reliability.
- Reducing New Product Development (NPD) lead time.
- Environmental compliance by products and processes.
- Validation of new products developed in house.
- Processing of newer types of post consumer waste for recycling of valuable products.

b. Benefits

Benefits derived as a result of R&D. It has resulted in improvement of quality of the products and reduced operational cycle time through infusion of the latest technology. Upgradation of products to the new standard, has been possible because of continuous R&D carried out since inception, leading to enhanced customer satisfaction and new business opportunities.

c. Future plan of action

Future R&D efforts will continue along similar lines, as at present, but with enhanced focus, thrust and endeavours.

d. Expenditure on R&D

Over the last 15 years, in pursuit of its R&D endeavours, the company has been regularly incurring expenditure on R&D. The same is reflected in the respective accounts of Balance Sheet and Profit and Loss Account. During the Financial Year 2013-14 the Company has incurred capital expenditure of Rs.264.08 lakhs towards Capital WIP & Plant & Machinery and Rs. 75.62 lakhs as revenue expenditure.

Your company is planning to get recognition of its in house R&D Centre at Panoli from the Government of India during the ensuing year.

3. Foreign Exchange Earnings & Outgo

	Rs. in Lakhs
Earnings in foreign exchange towards export of goods	19,708
Foreign exchange outgo on account of imports, commission on exports and other expenses	1,748

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 & on behalf of the Board of Directors

Place: Mumbai
Date : 26th May, 2014

Rajendra Gandhi
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2013-14

Industry Structure and Development :

The automotive industry is considered to be an engine of growth of a nation's economy. The experience of the developed countries shows that there is a strong positive correlation between growth in this sector with the growth in GDP. Linked with this is the growth of the tyre industry and inevitably the generation and accumulation of end-of-life tyres (ELT) – an issue receiving increasing attention from regulatory authorities around the world. Globally there are 4 ways that ELTs are managed: Taxation System (Tyre producers pay a tax to the Government who in turn compensate recyclers for disposal of ELTs; system prevalent in Denmark, Canada, Slovenia, Slovakia), Free Market (Operators act in compliance with local waste management law which assigns responsibility for the stages of production and recovery – prevalent in Austria, USA, Japan, UK, Germany etc.) Producer Responsibility (Tyre producers responsible for managing ELTs – prevalent in Norway, Finland, Holland, Sweden, Belgium, Hungary, France, Spain etc) and No Regulation (no legal structure defined for ELTs therefore market forces determine how ELTs are disposed – prevalent in most emerging markets including India).

No Regulation on ELTs in India has resulted in a thriving and highly competitive market in the country. Over the last 4 decades, reclaim rubber industry has been at the forefront of the ELT management and recovery process leading to significant economic benefits to rubber using industries as well as delivering environment conservation by limiting the usage of virgin polymers. The automotive industry growth has resulted in rapid growth in availability of ELTs which has subsequently allowed the reclaim rubber industry to not only market their products in India but become a major source of this product to the entire globe. As a result the Indian Reclaim Rubber industry has become a major force in the global rubber industry. A corresponding outcome of this has been the entry of many producers with small capacities in many parts of India leading to growing competition for customers and for raw material. Such units have mushroomed in the last 2-3 years in Western and Northern part of India; this has directly affected GRP (4 of our manufacturing units are in Western India) mainly on account of raw material availability.

While the growth of the Industry has benefited a number of stakeholders, in recent times an alternate user of ELTs has come up and started affecting the reclaim industry adversely – tyre pyrolysis. The tyre pyrolysis industry is so far unregulated on its sale and also its production process. In 2013-14, pyrolysis achieved critical mass with hundreds of units being put up around the country; the result has been cutthroat competition for ELTs. Within a short span of 6-9 months this has spiked buying prices for tyre waste by over 30% significantly impacting current and future profitability of industry players. With natural and synthetic rubber prices exhibiting a declining trend through the financial year under review, reclaim rubber using industries have been resisting pressure to give price increases resulting in severe margin pressures which are likely to spill over to the next year as well.

However, the industry continues to grow handsomely owing to continuously increasing user base. While tyre and pneumatic tube sector is the single largest consumer of reclaim rubber, growing usage on account of process advantages and sustainability agenda, in recent times, even the non-tyre industries have increased consumption significantly. Conveyor belting, automotive profiles, hoses, roofing and flooring, civil engineering, adhesives, moulded and extrusion products constitute large buying industries today in India and around the globe. Indian reclaim rubber manufacturers have gained momentum in the export market owing to this with exports out of India expanding 30% in 2013-14.

The Industrial Polymers business is a small but important part of the rapidly growing 'polymer' industry in India. Current GRP products include upcycled Nylon 6, Nylon 6'6 & TPEs and India is a thriving market for the same with automotive industry leading the consumption. Nylon 6 segment is extremely competitive in India and around the world; commoditization at the lower end of the product segment due to hyper competition makes it a low margin, high volume game but at premium product end, it is highly profitable. It is envisioned that growth over the coming years is expected to be in the region of 10%. Consumers include compounders and industries like automotive, moulded and extruded products etc.

The Custom Die Forms business is a niche segment business in which products made out of ELT are used to cater to global agricultural equipment manufacturers, dock bumper pad suppliers, industrial flooring mats etc mainly in North America. The good availability of truck bias tyres in India has ensured that this remains a viable business and GRP remains well positioned to use its existing supply chain to feed this business.

Opportunities, Risks and Concerns

Automotive segment in India has been the worst hit due to the stagnation of the economy – the Commercial Vehicle (CV) segment was the worst hit with sales down by 20% over 2012-13; the MHV sub segment registered sales lower than what they were in 2004-05. Passenger Vehicles (PV) sales were 6% lower than in 2012-13; even the usually buoyant SUV sub-segment decline 5% during this period despite a spate of new launches by the industry players. The only sector that recorded growth is two-wheelers that grew 7.31 % on the back of strong demand for scooters.

The woes of the automotive segment have hit the fortunes of the tyre industry in India as well. While sales to OEM have dropped proportionate to the drop in vehicle sales, it is the Replacement market that continues to pull the industry along. Robust sales here

GRP LIMITED

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have ensured overall growth of the tyre industry – though in low two digits (estimated at 2-4% by ICRA). Non-tyre segment has fared no better with the overall de-acceleration of the economy hitting it as well. However, most experts believe that the market has bottomed out and the moderate growth should return beginning the next financial year.

A key trend impacting the business of your company is the declining price of natural and synthetic rubber (NR & SR). Reclaim Rubber is seen as the 3rd source of hydrocarbon and in the past its growth has been led by the rising prices of NR and SR. With global prices at their lowest in the past 2 years and the domestic prices even lower, the cost-benefit that Reclaim Rubber provides to the consuming industries has been dented to some extent. This has led to severe price competition in the market that your company has resisted largely. Strong customer relationships through a Key Account Management (KAM) approach, a track record of supplying consistently high quality material and a proactive approach has helped GRP maintain its leadership and price positioning.

The silver lining has come from outside India. The beginning of a revival of the North American economy and stabilization of EU has been a good trend for GRP. We have seen order levels improving from these markets and news coming from these regions gives us confidence that the next year will see improved volumes. Focus on expanding our global footprint has started yielding good results with supplies into many new countries established in the year under review. Latin America and South East Asia are the regions where we have made recent inroads with improved volumes.

Another positive for your company has been through use of Reclaim Rubber in non-traditional applications. GRP, through its distributors in 22 countries has actively undertaken projects for virgin rubber substitution and has had success in automotive products and civil industry applications. This growth for the company is also likely to see increase in non-traditional grades based on higher mechanical properties based reclaim rubber and synthetic reclaimed rubbers. GRP shall continue its efforts at application development by closely working with customers and increase consumption and create value for them.

Sales and marketing risks are being mitigated by exploring new markets and increasing export sales when local sales declined so as to keep the total revenues higher.

For mitigating the risks due to rising power and energy cost your company has tapped other resources like purchasing power from energy exchange.

To minimize the foreign exchange fluctuation risk your company is periodically booking forward contracts.

Outlook

With the revival in economic activity in the developed world (especially in North America and Europe) and expectations of a better 2014-15, demand for reclaim rubber is expected to grow, albeit slowly. While growth in the automotive sector is expected to remain muted through the year around the world, GRP believes this will have a limited impact on reclaim rubber demand as users now understand the benefits that the latter provides.

The one factor that could affect GRP's business in export markets is the declining GDP growth in China, the largest producer of reclaim rubber globally. Only a miniscule part of the reclaim rubber produced in China reaches the global market outside China – it is largely consumed within the country. With economic activity slowing down in China, there is a possibility that there could be surplus reclaim rubber in China forcing the manufacturers there to make in-roads into global markets. This would create a glut in the market leading to pressure on prices apart from more players vying for the same pie.

With growth remaining more or less steady in Latin America and South East Asia, GRP's focus over the last 2 years on these geographies is paying off in terms of growing volumes. The continuing focus here is expected to yield higher volumes in the next financial year as well as establishing GRP as a leader in these parts of the world.

While it is tough to forecast GDP growth in India under the present uncertain economic conditions, one can safely assume that 2014-15 will be better year than the one gone by. A new national government is expected to take firm steps towards reforms leading to unshackling of economic activity, thereby bringing growth back into key industrial sectors. This will benefit reclaim rubber sector eventually. For this reason and other reasons, India will continue to remain a priority market for GRP.

Finance & Accounts:

Sale of products (net of Excise Duty) increased by 12% as compared to previous year. This is on account of increase in export sales by 22% which was more than the reduction of local sales and that is 4%. Consequently Other Operating Income increased by 25% due to higher export incentives. Increase in raw material costs, man power cost (partly due to wage revision in Solapur due to Notification issued by Government of Maharashtra) had an impact on the Gross Margin. Incremental investments were required on manufacturing side in fixed assets. Profit after Exceptional items and Tax amounted to 3.51 % of Net Sales (previous year 4.33%). Cash generation from Operations continued to remain favourable this year and is in line with business performance. Your company has not taken any new loans nor has it accepted any fixed deposit during this year. Sales of Reclaim Rubber grew by 12%, Industrial Polymer products grew by 28% and Customs Die Form decreased by 10%.

	2013-14	2012-13
Sales value (growth in % over previous year)	12.56	12.39
Sales volume (growth in % over previous year)	5.00	5.56
Domestic sales value (growth in % over previous year)	(4.32)	14.85
Export sales value (growth in % over previous year)	21.94	11.08
PBDIT (as a % to Sales)	12.22	12.68
PAT (as a % to Sales)	3.56	4.33
ROCE (in %)	28.63	24.19
Debt: Equity ratio	0.66	0.77
Earnings per share (EPS in Rs.)	81.20	87.79

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 Rs. 29,852 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.

c) Industrial Polymers:

This segment has clocked in a growth of 28% in the current financial year as compared to previous year.

Internal control framework:

Your company conducts its business with integrity and high standards of ethical behavior, and in compliance with the laws and regulations that govern its business. Your company has a well established framework of internal controls in operation, supported by standard operating procedures, policies and guidelines, including suitable monitoring procedures and self-assessment exercises. In addition to external audit, the financial and operating controls of your company at various locations are reviewed by the Internal Auditors who report significant findings to the Audit Committee of the Board. Compliances with laws and regulations is also monitored.

Human Resources:

Your company has seen a good progress in the key areas of Human Resources. Some of the initiatives are GRP Earn and Learn (GEL) Program for workers, Employee Satisfaction Survey, changes in the organization structure, formation of committees as required under the newly applicable Prevention of Sexual Harassment Act, Leadership and Operations Simulation workshops for different levels of management personnel.

Manufacturing:

Initiatives on the manufacturing side include successful implementation of Five-S Workplace Management System, Six Sigma projects, savings in power cost through bidding on the Indian Energy Exchange (IEX) platform. The same has resulted in improved productivity, yield, output, process, efficiency of workers.

Corporate Social Responsibility :

As a part of its social development initiatives, your company's commitment towards Corporate Social Responsibility continued by supporting the ongoing long term social projects and the addition of new projects. Your company has contributed Rs.4 lakhs towards Nanhi Kali Foundation, an NGO for promoting welfare of underprivileged girls.

Your company has instituted "Adarsh Mahila Sarpanch" award during the year in association with Grampari Project of MRA Centre, Panchgani, Maharashtra to encourage and promote leadership qualities and social reformations amongst rural women in Satara District of Maharashtra State.

GRP LIMITED

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



Set up with the objective to provide world-class research and teaching facilities, the Shroff S.R. Rotary Institute of Chemical Technology (SRICT) at Ankleshwar is a stellar model showcasing how the Institute-Industry partnership can do wonders for the future of the nation. Funded by generous contributions from GRP and other industrial units this engineering college is equipped with state-of-art laboratory facilities, and aims to provide an environment that stimulates and encourages academic excellence and creativity. Inaugurated on 16th July,2011, the Institute also boasts of a specialized Polymer & Rubber Technology Course set up with the help of GRP. It is GRP's sincere hope that the research and development taking place at the Institute could one day be used to further improve global processes in the field, and result in compounding benefits when it concerns the performance of GRP's existing plants.

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 : 26th May, 2014

Rajendra Gandhi

Chairman and Managing Director

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, 2014, the Board of Directors consists of eight Directors, out of which one Executive Director (Promoter) as 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

Five board meetings were held during the financial year ended 31st March, 2014 viz. on 28th May, 2013, 02nd August, 2013, 10th October, 2013, 29th October, 2013 and 03rd February, 2014.

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 Executive 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, 2014 is as under:

Name of the Director & Designation	No. of Board Meeting		Attendance at Last AGM on September 04th 2013	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 Emeritus)	5	1	Absent	4	-	-	Non - Executive & Independent
Rajendra V. Gandhi *(Chairman & Managing Director)	5	5	Present	4	2	1	Executive (Promoter)
Mahesh V. Gandhi	5	5	Absent	2	-	-	Non Executive (Promoter Group)
Dr. Peter Philip	5	5	Present	6	-	1	Non Executive & Independent
Bhagwandas T. Doshi	5	5	Absent	2	1	-	Non Executive & Independent
Atul S. Desai	5	5	Present	1	2	-	Non Executive & Independent
Rajeev M. Pandia	5	5	Present	1	1	-	Non Executive & Independent
Nikhil M. Desai	5	1	Absent	1	-	-	Non Executive (Promoter Group)
Harsh R. Gandhi	5	5	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.

*Note : Please note that Mr. K. M Philip has ceased to be the Chairman and Director of the Company and was designated as Chairman Emeritus of the Company from 10th October 2013 and on the same day Mr. Rajendra V. Gandhi Managing Director of the Company was appointed as Chairman of the Board of Directors.

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 four times during the financial year 2013-14, on 28th May, 2013, 02nd August, 2013, 29th October, 2013 and 3rd February, 2014.

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	4
Atul S. Desai	4
Rajendra V. Gandhi	4
Rajeev Pandia	4

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 28.05.2013
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 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 Chairman & Managing Director and Executive Director for the year ended 31st March 2014.

Total remuneration paid to the Chairman & Managing Director and Executive Director during the financial year 2013-14 was as under :

Name	Designation	Salary Rs.	Commission Rs.	Contribution to Provident and Pension Fund Rs.
Rajendra V. Gandhi	Chairman & Managing Director	70,00,000/-	20,75,000/-	5,15,200/-
Harsh R. Gandhi	Executive Director	60,15,000/-	20,75,000/-	8,20,000/-

v) During the financial year 2013-14, the Company has made following payments to Non-Executive Directors:

Sr. No.	Name of the Director	Sitting fee Rs.	Commission Rs.
1	Kandathil M. Philip	15,000/-	---
2	Mahesh V. Gandhi	75,000/-	---
3	Dr. Peter Philip	1,21,000/-	---
4	Bhagwandas T. Doshi	1,21,000/-	---
5	Atul S. Desai.	1,15,000/-	---
6	Nikhil M. Desai	15,000/-	---
7	Rajeev M. Pandia	1,21,000/-	20,75,000/-

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, 2014 is given below :

Nature of Complaints	Received	Cleared	Pending
Non Receipt of dividend	1	1	Nil
Non receipt of Annual Report	1	1	Nil
Total	2	2	Nil

6. General Body Meetings

Financial Year Ended	Date	Time	Nature	Details of special Resolutions
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
31st March, 2012	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.
31st March, 2013	4th September, 2013	2.30 PM	Annual General Meeting	Reappointment of Rajendra V. Gandhi, Managing Director as Vice Chairman & Managing Director

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

- i. 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 Schedule XVIII, Note No.14 to the Accounts in the Annual report and they are not in conflict with the interest of the Company at large.

- ii. 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.
- iii. 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.

- iv. 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.
- v. Shareholding of the Non-Executive Directors in the company

Name of the Non-executive Director	No. of shares held
Dr. Peter Philip	1333
Bhagwandas T. Doshi	2310
Atul S. Desai	9125
Mahesh V. Gandhi	65881
Nikhil M. Desai	16995
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	Monday 28th July, 2014 at 11.30 A.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 Monday 21st July, 2014 to Monday 28th July, 2014 (both days inclusive).

iv. Dividend payment date

Date of payment of Final dividend for the financial year 2013-14 within 30 days from 28th July, 2014.

v. Listing

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

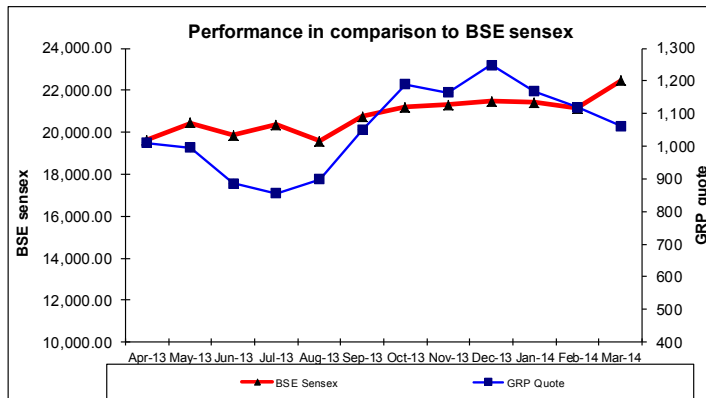
vi. ISIN No. : INE137I01015 Scrip Code: BSE 509152 CIN : L25191GJ1974PLC002555

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 Rs.10/- each fully paid up, traded on Bombay Stock Exchange for the year ended 31st March, 2014

Month	Highest Rate Rs.	Lowest Rate Rs.
April 2013	1010	838
May 2013	995	833
June 2013	887	750
July 2013	855	772
August 2013	899	735
September 2013	1050	786
October 2013	1190	975
November 2013	1165	1025
December 2013	1250	1007
January 2014	1169	1017
February 2014	1120	912
March 2014	1063	900

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, 2014

No. of shares held		Shareholders		Shareholding		Share Amount	
From	To	Number	% to Total	Holding	% to Total	Rs.	% to total
1	500	2049	91.07	146308	10.97	1463080	10.97
501	1000	75	3.33	55039	4.13	550390	4.13
1001	2000	42	1.87	61720	4.63	617200	4.63
2001	3000	25	1.11	66001	4.95	660010	4.95
3001	4000	4	0.18	14923	1.12	149230	1.12
4001	5000	12	0.53	58381	4.38	583810	4.38
5001	10000	14	0.62	101786	7.63	1017860	7.63
10001	And Above	29	1.29	829175	62.19	8291750	62.19
	Total	2250	100	1333333	100.00	13333330	100.00

(2) Distribution of shareholding according to categories of shareholders as on 31st March, 2014.

Categories	No. of Shares	Amount in Rs.	% to total
Promoters' holding	632466	6324660	47.434
Public holding			
Directors (independent)	12768	127680	0.958
Mutual Fund / Banks	50	500	0.004
NRIs / OCBs	12987	129870	0.974
Other Bodies Corporate	53665	536650	4.025
Public	621397	6290400	46.605
Total	1333333	13333330	100.00

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

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

xiv. **Address for Correspondence :**

GRP Limited

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

Telephone: +(91)-(22)-67082500/67082600, **Fax:** +(91)-(22)-25004376 / 67969240, **Email :** investor.relations@grpweb.com

10. Declaration by the 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 2013-14, pursuant to Clause 49 I (D) (ii) of the Listing Agreement.

Rajendra V. Gandhi

Chairman & Managing Director

Date: 26th May, 2014

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

To The Board of Directors of GRP Limited

Sub : CEO / CFO Certificate

We have reviewed financial statements, read with the cash flow statement of GRP Limited, for the year ended 31st March, 2014 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 violate 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 not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee
 - (i) that there are no significant changes, in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year.
 - (iii) that there are no instances of significant fraud of which we have become aware

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

Rajendra V. Gandhi
Chairman & Managing Director

Mumbai, 26th May, 2014

The above certificate was placed before the meeting of Board of Directors held on 26th May, 2014.

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.

GRP LIMITED

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



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 (Formerly known as Gujarat Reclaim and Rubber Products Limited) for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management our examination 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
ICAI Firm Registration No.106473W

(Rajesh S. Shah)
Partner
Membership No. 17844

Place : Mumbai
Date : 26th May, 2014

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, 2014, 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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: 26th May, 2014

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, 2014.

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 physical 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) According to the information and explanation given to us, The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(ii)(a) to (d) of the Order are not applicable and hence not commented upon.
b) The Company has taken unsecured loans/deposits from fifteen (15) 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 Rs. 98.50 lakh and Rs. 92.50 lakh respectively.
c) 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.
d) 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 Rs.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. We have broadly reviewed the cost accounting records maintained by the Company pursuant to rules made 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. We are, however not required to carry out a detailed examination of the same.
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	2010-11	69.00	Commissioner of Income Tax (A), Mumbai
The Central Excise Act, 1944	Central Excise	June-2005 to June 2011	125.33	CESTAT – Ahemdabad

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.
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.
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 on or by the Company, noticed or reported during the year, nor have we been informed of such cases by management.

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

(Rajesh S. Shah)
Partner
Membership No. 17844

Mumbai : 26th May, 2014

GRP LIMITED

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



BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31-03-2014 (₹ in lakh)	As at 31-03-2013 (₹ in lakh)
Equity and Liabilities			
Shareholders' funds			
Share capital	2	133.33	133.33
Reserves and surplus	3	10,426.10	9,593.09
		10,559.43	9,726.42
Non-current Liabilities			
Long term borrowings	4	2,420.80	3,785.01
Deferred tax liabilities (net)	5	2,479.84	2,083.83
Other long term liabilities	6	10.00	-
Long term provisions	7	164.86	126.33
		5,075.50	5,995.17
Current Liabilities			
Short term borrowings	8	4,519.91	3,708.34
Trade payables	9	1,877.79	1,803.60
Other current liabilities	10	1,869.12	1,986.33
Short term provisions	11	310.93	413.64
		8,577.75	7,911.91
Total Equity & Liabilities		24,212.68	23,633.50
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	12	13,543.67	13,833.32
- Intangible assets	12	77.14	85.68
- Capital work-in-progress	12	388.58	206.02
Non current investments	13	43.15	14.00
Long term loans and advances	14	803.81	642.83
		14,856.35	14,781.85
Current Assets			
Current investments	15	0.08	0.08
Inventories	16	3,326.17	3,233.56
Trade receivables	17	4,997.55	4,798.66
Cash & Cash Equivalents	18	261.00	191.14
Short term loans and advances	19	626.14	558.45
Other current assets	20	145.39	69.76
		9,356.33	8,851.65
Total Assets		24,212.68	23,633.50
Significant Accounting policies and Notes on Financial Statements	1 - 38		

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
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2014

	Note	Year ended 31-03-2014 (₹ in lakh)	Year ended 31-03-2013 (₹ in lakh)
Revenue :			
Gross Sales	21	31,527.24	27,987.57
Less: Excise duty		1,125.25	980.35
Net Sales		30,401.99	27,007.22
Other operating income	22	477.16	382.63
Revenue from operations (net)		30,879.15	27,389.85
Other income	23	203.07	269.17
Total revenue		31,082.22	27,659.02
Expenses :			
Cost of materials consumed	24	14,640.40	13,248.12
Purchases of stock-in-trade		-	13.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(116.60)	(474.67)
Employee benefits expenses	26	3,551.72	3,102.35
Finance costs	27	695.98	639.36
Depreciation and amortization expenses	28	1,244.42	1,015.78
Other expenses	29	9,290.00	8,344.21
Total expenses		29,305.92	25,888.38
Profit before tax		1,776.30	1,770.64
Tax expense			
Current tax		375.00	356.00
Mat credit entitlement		(76.90)	(356.00)
Deferred tax		396.01	595.48
(Excess) / Short provision of earlier years		(0.41)	4.65
Profit (Loss) for the period		1,082.60	1,170.51
Earnings per equity share (of ₹ 10/- each)			
	37		
(1) Basic		81.20	87.79
(2) Diluted		81.20	87.79
Significant Accounting policies and Notes on Financial Statements	1 - 38		

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
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

GRP LIMITED

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31-03-2014 (₹ in lakh)	Year ended 31-03-2013 (₹ in lakh)
A Cash flow from Operating activities		
Net profit before tax and extra ordinary items	1,776.30	1,770.64
Adjustments for		
- Depreciation	1,244.42	1,015.78
- (Profit) / Loss on sale of assets (Net)	86.42	(6.35)
- Wealth tax provision	5.82	6.00
- Foreign currency fluctuation	-	(40.78)
- Interest (Net)	600.17	542.37
- Rent received	(10.80)	(14.86)
	1,926.03	1,502.16
Operating Profit before working capital changes	3,702.33	3,272.80
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(323.20)	(818.09)
- (Increase)/Decrease in Inventories	(92.63)	(1,047.61)
- Increase/(Decrease) in Trade payable	123.85	200.75
	(291.98)	(1,664.95)
Cash generated from operations	3,410.35	1,607.85
Direct taxes paid	(579.01)	(300.14)
Net cash from operating activities	2,831.34	1,307.71
B Cash flow from investing activities		
- Interest received	17.11	17.15
- Sale proceeds of fixed assets	87.97	54.24
- Rent received	10.80	14.86
- Investment in Fixed Deposit	(3.42)	-
- Investments	(29.15)	-
- Purchase of fixed assets	(1,470.85)	(3,310.00)
	(1,387.54)	(3,223.75)
Net cash used in investing activities	(1,387.54)	(3,223.75)
C Cash flow from financing activities		
- Loans borrowed (Net of repayment)	(528.83)	1,491.06
- Interest paid	(628.16)	(541.89)
- Dividend paid	(220.37)	(344.21)
	(1,377.36)	604.96
Net cash used in financing activities	(1,377.36)	604.96
Net increase / (Decrease) in cash and cash equivalents	66.44	(1,311.08)
Cash and cash equivalents at the beginning of the year	171.40	1,482.48
Cash and cash equivalents at the closing of the period	237.84	171.40
A Cash and cash equivalents		
Cash on hand	8.76	5.63
Balance with banks		
(a) In Current accounts	14.79	80.65
(b) In Cash Credit accounts	54.74	-
(c) In EEFC accounts	50.87	70.28
(d) In deposit accounts (Refer Note below)	94.21	-
(e) In earmarked accounts	14.47	14.84
	237.84	171.40
B Other Bank Balance (maturity above 3 months)	23.16	19.74
	261.00	191.14

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

Rajendra V Gandhi
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 7 December 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of assets to the cost of the asset and depreciates / amortizes 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).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- (4) Plant & machinery which have worked for more than single shift, depreciation is provided for accordingly as per rate prescribed in schedule XIV of the Companies Act, 1956.
- (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.

(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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 disclosed net of sales tax / Value added tax, discounts and sales return as applicable.
- (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 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 :

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.

(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 using the projected unit credit method, as at the date of the balance sheet. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss. Contributions were deposited with the LIC based on intimation received by the company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(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. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss.

(iii) Superannuation

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

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) Lease:

Lease agreements where the risk & rewards, incidents to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating lease are recognised in the profit & loss statement on straight line basis

(O) Research & Development:

Capital Expenditure for Research & Development is Capitalised when commissioned & included in the fixed assets. Revenue expenditure on Research & Development is charged in the period in which it is incurred.

(P) 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.

(Q) 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.

(R) 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.

(S) 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, 2014

(₹ in lakh)

	As at 31-03-2014	As at 31-03-2013
2. Share Capital:		
Authorized		
1,500,000 (March 31, 2013 : 1,500,000)		
equity shares of ₹ 10 each	150.00	150.00
Issued, Subscribed and Paid up		
1,333,333 (March 31, 2013 : 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

- (i) 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.
- (ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (iii) 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, 2014 and March 31, 2013, is set out below :

Equity Shares:

	As at 31-03-2014	As at 31-03-2013
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 31-03-2014		As at 31-03-2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Mahesh Vadilal Gandhi	65,881	4.94%	77,411	5.81%
Mrs. Meera Philip	81,666	6.12%	49,183	3.69%
Enarjee Consultancy & Trading Co LLP	88,464	6.63%	88,464	6.63%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

	As at 31-03-2014	As at 31-03-2013		As at 31-03-2014	As at 31-03-2013
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	5,000.00	4,000.00			
Add : Transferred from the statement of profit and loss account	1,000.00	1,000.00			
Balance as at the end of the year	6,000.00	5,000.00			
Surplus in Statement of Profit & Loss					
Balance as at beginning of the year	4,498.11	4,561.59			
Profit for the year	1,082.60	1,170.51			
Amount available for appropriation	5,580.71	5,732.10			
Less: Appropriations :					
- Interim dividend	20.00	-			
- Dividend / Final dividend	193.33	200.00			
- Total dividend	213.33	200.00			
- Dividend tax	36.26	33.99			
- Amount transferred to general reserve	1,000.00	1,000.00			
Total appropriations	1,249.59	1,233.99			
Balance as at end of the year	4,331.12	4,498.11			
Total reserves and surplus	10,426.10	9,593.09			
4. Long Term Borrowings:					
	As at 31-03-2014	As at 31-03-2013		As at 31-03-2014	As at 31-03-2013
Secured:					
Term Loans from Banks:					
Foreign Currency Loans from Banks	977.56	942.16		1,371.59	2,155.71
Rupee Loans from Banks	564.17	564.17		1,044.17	1,608.35
Total Secured Borrowings	1,541.73	1,506.33		2,415.76	3,764.06
Unsecured:					
Loans from Banks	9.49	21.09		1.24	10.73
Deferred Sales Tax payments	6.41	6.41		3.80	10.22
Total Unsecured Borrowings	15.90	27.50		5.04	20.95
	1,557.63	1,533.83		2,420.80	3,785.01
Amount disclosed under the head "Other current liabilities" (refer note 10)	(1,557.63)	(1,533.83)		-	-
Total long-term borrowings	-	-		2,420.80	3,785.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

- 1 Rupee loan of ₹ 648.35 lakh (March 31, 2013 : ₹ 972.52 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 20, 2011, along with interest of 13 % p.a.
- 2 Rupee loan of ₹ 960.00 lakh (March 31, 2013 : ₹ 1,200.00 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 30, 2013, along with interest of 13 % p.a.
- 3 Foreign currency loan of ₹ 51.69 lakh (March 31, 2013 : ₹ 110.69 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 February 5, 2010, along with interest of 5 % p.a.
- 4 Foreign currency loan of ₹ 95.73 lakh (March 31, 2013 : ₹ 204.97 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 February 5, 2010, along with interest of 5 % p.a.
- 5 Foreign currency loan of ₹ 216.42 lakh (March 31, 2013 : ₹ 297.90 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 20, 2011 along with interest of 8 % p.a.
- 6 Foreign currency loan of ₹ 1985.31 lakh (March 31, 2013: ₹ 2,484.30 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 22, 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 NIL (March 31, 2013 : ₹ 6.26 lakhs) taken in the name of the director for purchase of car.

	As at 31-03-2014	As at 31-03-2013
5 Deferred Tax Liabilities (Net):		
Deferred Tax Liabilities		
- Depreciation	2,497.37	2,309.35
- Gratuity (Expenses allowable for tax purposes when paid)	28.71	-
	2,526.08	2,309.35
Deferred Tax Assets		
- Provision for employee benefit	46.24	39.68
- Unabsorbed Depreciation	-	185.84
	46.24	225.52
Total deferred tax liabilities (net)	2,479.84	2,083.83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

6	Other Long-term Liabilities:	As at		As at	
		31-03-2014	31-03-2013	31-03-2014	31-03-2013
	Security deposit received against the rental income			10.00	-
	Total other long-term liabilities			10.00	-
7	Long-term Provisions:	As at		As at	
		31-03-2014	31-03-2013	31-03-2014	31-03-2013
		Current Maturity		Non-current portion	
	Provision for Employees Benefit expenses:				
	Provision for Leave encashment	10.40	10.89	43.49	49.54
	Provision for Gratuity payment	-	25.15	-	-
		10.40	36.04	43.49	49.54
	Mark to market provision on derivative instruments	74.34	29.17	121.37	76.79
		84.74	65.21	164.86	126.33
	Amount disclosed under the head "Short-term provisions" (refer note 11)	(84.74)	(65.21)	-	-
	Total Long-term provisions	-	-	164.86	126.33
8	Short-term Borrowings:	As at		As at	
		31-03-2014	31-03-2013	31-03-2014	31-03-2013
	Secured:				
	Working Capital Loan payable on demand from banks				
	Foreign Currency Loan			3,674.08	1,958.48
	Rupee Loan			224.52	1,195.29
				3,898.60	3,153.77
	Buyer's credit in foreign currency loan			443.86	378.38
	Unsecured:				
	Loan from banks				
	Fixed Deposits			177.45	176.19
				177.45	176.19
	Total Short-term borrowings			4,519.91	3,708.34
(a)	Working Capital Loan from HDFC Bank Ltd of ₹ 2,865.81 lakh (March 31, 2013 : ₹ 1,675.18 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 ₹ 1,032.79 lakhs (March 31, 2013 : ₹ 1478.59 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, book 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 ₹ 443.86 lakhs (March 31, 2013 : ₹ 378.38 lakhs) for Capital Goods.				
	Secured by exclusive charge on an imported recycling machine and all related equipments at Panoli factory. Repayable in one installment due on August 08, 2014.				
(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 of ₹ 73.25 lakhs (March 31, 2013 : ₹ 79.25 lakhs).				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

9 Trade Payables:	As at 31-03-2014	As at 31-03-2013
Trade payables	1,877.79	1,803.60
Total trade payables	1,877.79	1,803.60
<p>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.</p>		
10 Other Current Liabilities:	As at 31-03-2014	As at 31-03-2013
Current maturities of Long-term debts (refer note 4)	1,557.63	1,533.83
Interest Accrued but not due on borrowings	50.18	59.43
Unclaimed Dividend	11.73	12.10
Advances from customers	17.23	30.05
Vendors for Capital Goods & Services	79.90	192.90
Statutory dues	149.13	155.33
Others	3.32	2.69
Total other current liabilities	1,869.12	1,986.33
11 Short Term provisions:	As at 31-03-2014	As at 31-03-2013
Current maturities of Long-term provisions of Employees Benefit expenses (refer note 7)		
Provision for Leave encashment	10.40	10.89
Provision for Gratuity payment	-	25.15
	10.40	36.04
Other Provisions		
Mark to market provision on derivative instruments	74.34	29.17
Proposed Dividend	193.33	200.00
Tax On Proposed Dividend	32.86	33.99
Provision for taxation - Net of advance tax paid of ₹ 2,994.26 lakhs (March 31, 2013 : ₹ 3,742.24 lakhs)	-	114.44
	300.53	377.60
Total short-term provisions	310.93	413.64

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

12 Fixed Assets:

Particulars	Gross Block				Depreciation & Amortisation					Net Book Value		
	As at 01-04-2013	Additions	Disposal	Transfer	As at 31-03-2014	As at 01-04-2013	For the period	Disposal / Discard	Transfer	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
(a) Tangible Assets												
Own Assets :												
Lease hold Land	642.46	14.65	(99.69)	-	557.43	19.04	6.84	(1.52)	-	24.36	533.07	623.42
Roads	479.28	12.15	-	-	491.43	22.19	7.98	-	-	30.17	461.26	457.09
Buildings	5,981.43	287.42	-	(113.52)	6,155.33	487.61	169.65	-	(4.93)	652.32	5,503.01	5,493.82
Plant and Machinery	10,308.33	733.33	(83.87)	74.87	11,032.66	3,675.68	966.38	(17.09)	7.31	4,632.28	6,400.38	6,632.65
Furniture & Fixtures	343.57	31.92	-	113.52	489.01	63.12	37.20	-	4.93	105.26	383.75	280.45
Office equipments	214.64	14.14	(0.79)	(74.87)	153.12	34.47	10.06	(0.11)	(7.31)	37.11	116.01	180.17
Computer Hardware	111.24	17.07	-	-	128.31	69.06	12.82	-	-	81.88	46.43	42.18
Vehicles	172.41	0.49	(19.71)	-	153.19	48.87	15.52	(10.96)	-	53.43	99.76	123.54
Total (A):	18,253.36	1,111.17	(204.06)	-	19,160.48	4,420.04	1,226.45	(29.68)	-	5,616.81	13,543.67	13,833.32
(b) Intangible Assets												
Own Assets :												
Computer Software	189.90	9.43	-	-	199.33	104.22	17.97	-	-	122.19	77.14	85.68
Total (a):	189.90	9.43	-	-	199.33	104.22	17.97	-	-	122.19	77.14	85.68
Total (a+b):	18,443.26	1,120.60	(204.06)	-	19,359.81	4,524.26	1,244.42	(29.68)	-	5,739.00	13,620.81	13,919.00
Previous Year:	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
(c) Capital Work-in-progress												
Factory Building											60.12	4.14
Plant & Machinery											313.12	186.13
Other Assets											15.34	15.75
Total (c):											388.58	206.02
Total fixed assets (net)											14,009.39	14,125.02

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ₹ 431.83 lakh (March 31, 2013 : ₹ 319.24 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 ₹ 15.74 lakhs (March 31, 2013 : ₹ 85.07 lakhs) being borrowing cost capitalised.
- (c) Interest earned on account of POS loan amounting to ₹ 59.64 lakhs has been reduced from the cost of the respective assets (March 31, 2013 : ₹ 69.10 lakhs)
- (e) Twin Extruder Machine having WDV of ₹ 73.00 lakhs is impaired & is revalued at realisable value of ₹ 6.21 lakhs. Accordingly ₹ 66.79 lakhs has been written off during the year.
- (f) Transfer of Asset from one group of Asset to another group of Asset have been shown by way of Transfer in Gross block & Depreciation column.
- (g) Vehicles include one car of the company acquired in the name of Director.
- (h) Depreciation for the period on Furniture includes depreciation of ₹ 9.34 lakhs (March 31, 2013 : Nil) & on Plant & Machinery ₹ 4.87 lakhs (March 31, 2013 : Nil) now provided of earlier years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ in lakh)	
13	Non-current Investments:	As at 31-03-2014	As at 31-03-2013
	Long term investments (valued at cost unless stated otherwise)		
	Trade Investment (unquoted)		
	Investment in associates:		
	NIL (March 31, 2013 : 10,028) equity shares of ₹ 100/- each fully paid up held in Alphanso Netsecure Pvt Ltd.	-	20.06
	Less: Provision for diminution in value of permanent nature	-	19.96
		-	0.10
	Investment in subsidiaries:		
	49,900 (March 31, 2013 : 49,900) equity shares of ₹ 10/- each fully paid up held in in Grip Polymers Ltd.	1.00	1.00
	Other Investments (unquoted)		
	129,000 (March 31, 2013 : 129,000) equity shares of ₹ 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
	292,500 (March 31, 2013 : Nil) equity shares of ₹ 10/- each fully paid up held in Iris Ecopower Venture Pvt. Ltd.	29.25	-
	Total non-current investment	43.15	14.00
14	Long-term Loans and Advances:	As at 31-03-2014	As at 31-03-2013
	Advances for Capital Expenditure	102.80	48.13
	Other Advances & Deposits	265.40	236.31
	Prepaid Expenses	2.71	2.39
	MAT credit entitlement	432.90	356.00
	Total long-term loans and advances	803.81	642.83
	Other advances & deposits include deposit of ₹ 15.75 lakhs (March 31, 2013 : ₹ 15.75 lakhs) with a company in which some of the directors are interested.		
	Prepaid expenses include current maturity amount of ₹ 59.04 lakhs (March 31, 2013 : ₹ 49.45 lakhs) (refer note no. 19)		
	Considering the future profitability and taxable positions in the subsequent years, the company has recognised the "MAT credit entitlement" 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 31-03-2014	As at 31-03-2013
	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 31-03-2014	As at 31-03-2013
	Stores and Spares	124.89	159.86
	Packing Materials	45.30	43.74
	Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	1,648.73	1,644.49
	Fuel materials	20.32	10.28
	DEPB Licence Stocks (at net realisable value)	16.06	20.90
	Goods-in-process	191.69	176.71
	Goods-in-transit	398.17	244.86
	Finished Goods	881.01	928.49
	Stock-in-trade	-	4.23
	Total inventories	3,326.17	3,233.56

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ in lakh)	
17 Trade Receivables:		As at 31-03-2014	As at 31-03-2013
Unsecured			
Outstanding for more than six months			
- Considered Good		9.06	34.08
- Considered Doubtful		0.17	-
		9.23	34.08
- Less: Provision for bad & doubtful debts		(0.17)	-
		9.06	34.08
Others			
- Considered Good		4,988.49	4,764.58
Total trade receivables		4,997.55	4,798.66
18 Cash & Bank Balance		As at 31-03-2014	As at 31-03-2013
Cash on hand		8.76	5.63
Balance with banks			
(a) In Current accounts		14.79	80.65
(b) In Cash Credit accounts		54.74	-
(c) In EEFC accounts		50.87	70.28
(d) In deposit accounts (Refer Note below)		117.37	19.74
(e) In earmarked accounts			
- Unclaimed dividend accounts		11.73	12.10
- Margin money deposits		2.74	2.74
		252.24	185.51
Total cash and bank balance		261.00	191.14
Notes:			
(i) Balance with bank include deposits amounting to ₹ 94.21 lakhs (March 31, 2013 : Nil) which have an original maturity of less than 3 months.			
(ii) Balance with bank include deposits amounting to ₹ 23.16 lakhs (March 31, 2013 : ₹ 1.08 lakhs) which have an original maturity of more than 12 months.			
19 Short-term Loans and Advances:		As at 31-03-2014	As at 31-03-2013
Advances recoverable in cash or in kind		313.89	332.33
Other Advances & Deposits		1.49	4.45
Deposit with Central Excise		203.28	172.22
Current maturity of Prepaid Expenses		59.04	49.45
Advance Income-tax & Wealth-tax - Net of provisions ₹ 2,942.82 lakhs (March 31, 2013 : ₹ 3,856.68 lakhs)		48.44	-
Total short-term loans and advances		626.14	558.45
20 Other Current Assets:		As at 31-03-2014	As at 31-03-2013
Accrued Income		119.77	48.37
Receivable from LIC (Gratuity claim)		12.14	13.31
Forex Forward Contract (Net)		13.48	8.08
Total other current assets		145.39	69.76

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ in lakh)	
21	Revenue:	Year ended 31-03-2014	Year ended 31-03-2013
	(i) Sale of products		
	Manufactured goods	31,455.84	27,902.67
	Less : Excise duty	1,125.25	980.35
	Total:	30,330.59	26,922.32
	(ii) Trading of Goods	2.55	8.69
	(iii) Power generation from Windmill	68.85	76.21
	Total revenue	30,401.99	27,007.22
	Manufactured Goods / Power Generation / Trading		
	- Reclaim Rubber	29,222.19	25,854.50
	- Punch & Split Products	630.69	694.29
	- Thermo Plastic Elastomers	477.71	373.53
	- Trading of Goods	2.55	8.69
	- Power generation from Windmill	68.85	76.21
	22 Other operating income:	Year ended 31-03-2014	Year ended 31-03-2013
	Export incentives	434.47	348.87
	Bad debts recovered	4.29	14.70
	Other Sales	38.40	19.06
	Total other operating income	477.16	382.63
	23 Other income:	Year ended 31-03-2014	Year ended 31-03-2013
	Interest received	17.07	18.15
	Rent Income	10.80	14.86
	Net Gain on foreign currency transactions and translation.	175.20	147.36
	Profit on sale of fixed assets	-	6.35
	Other Income	-	82.45
	Total other income	203.07	269.17
	24 Cost of material consumed:	Year ended 31-03-2014	Year ended 31-03-2013
	Raw material consumed:		
	Opening inventories	1,644.49	1,070.71
	Add : Purchases (including incidental expenses of ₹ 693.48 lakhs, March 31, 2013 : ₹ 586.56 lakhs)	14,644.64	13,821.90
		16,289.13	14,892.61
	Less : Closing inventories	1,648.73	1,644.49
	Total cost of material consumed	14,640.40	13,248.12
	(a) Products consumed		
	- Waste Rubber	13,036.47	11,696.00
	- Process Oils	1,440.87	1,298.20
	- Other Oils and Chemicals	163.06	253.92
		14,640.40	13,248.12
	(b) Import and Indigenous consumptions		
	- Imports	826.28	268.04
	%	5.64%	2.02%
	- Indigenous	13,814.12	12,980.08
	%	94.36%	97.98%
		14,640.40	13,248.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

25	Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year ended 31-03-2014	Year ended 31-03-2013
	Stock at the end of the year:		
	Finished goods	881.01	928.49
	Goods-in-transit (Finished Goods)	398.17	244.86
	Work-in-progress	191.69	176.71
	Stock-in-trade	-	4.23
	Total (A)	1,470.87	1,354.29
	Stock at the beginning of the year:		
	Finished goods	928.47	631.05
	Goods-in-transit (Finished Goods)	244.86	125.46
	Work-in-progress	176.71	123.11
	Stock-in-trade	4.23	-
	Total (B)	1,354.27	879.62
	Total (A - B)	116.60	474.67
	Increase / (Decrease) in Stock		
	Finished Goods		
	- Reclaim Rubber	1,168.05	1,057.44
	- Punch & Split Products	63.92	44.72
	- Thermo Plastic Elastomers	47.22	71.19
		1,279.19	1,173.35
	Work-in-progress		
	- Reclaim Rubber	191.69	176.71
		191.69	176.71
26	Employee Benefits expenses:	Year ended 31-03-2014	Year ended 31-03-2013
	Salaries, Wages and Bonus	3,234.22	2,777.37
	Contribution to Provident fund and Pension fund	141.52	117.83
	Gratuity fund	(0.99)	54.86
	Contribution to other funds	70.49	63.27
	Welfare and other benefits	106.48	89.02
	Total employee benefits expenses	3,551.72	3,102.35
	(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 tEmployees' 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.		
		Year ended 31-03-2014	Year ended 31-03-2013
	(ii) Charge to the Profit and Loss Account based on Contributions :		
	Provident and Pension fund	141.52	117.83
	(iii) The liability for leave encashment and compensated absences (unfunded) as at year end is ₹ 53.89 lakhs (March 31, 2013 : ₹ 60.43 lakhs).		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

(b) Disclosure for defined benefit plan based on actuarial report as on 31-03-2014	As at	As at	As at	As at
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	Leave Encashment		Gratuity	
	Unfunded		Funded	
(i) Change in Defined Benefit Obligation				
Opening defined benefit obligation	60.42	57.98	392.48	334.67
Interest cost	4.98	-	31.40	26.77
Current service cost	30.92	13.66	41.34	28.61
Benefits paid	(21.66)	(11.22)	(11.77)	(29.68)
Actuarial loss / (gain)	(20.78)	-	(39.71)	32.11
Closing defined benefit obligation	53.89	60.43	413.74	392.48
(ii) Change in Fair Value of Assets				
Opening fair value of plan assets	-	-	367.33	354.47
Expected return on plan assets	-	-	34.01	32.63
Contributions by employer	-	-	108.63	9.90
Benefits paid	-	-	(11.77)	(29.68)
Actuarial gain / (loss)	-	-	-	-
Closing fair value of plan assets	-	-	498.20	367.32
(iii) Amount recognized in the Balance Sheet				
Fair value of plan assets as at beginning of the year	-	-	367.33	354.47
Actual return on plan assets	-	-	34.01	32.63
Contributions	-	-	108.63	9.90
Benefits paid	-	-	(11.77)	(29.68)
Fair value of plan assets as at end of the year	-	-	498.20	367.32
Funded status	-	-	(84.46)	25.16
Excess of Actual over estimated return on plan assets	-	-	-	-
(iv) Actuarial (gain) / loss recognized				
Actuarial (gain) / loss for the year - plan assets	-	-	-	-
Actuarial (gain) / loss on obligations	(20.78)	-	(39.71)	32.11
Actuarial (gain) / loss recognized in the year	(20.78)	-	(39.71)	32.11
(v) Amount to be recognized in the Balance Sheet and Profit & Loss accounts				
Present value of obligation as at the end of the year	53.89	60.43	413.74	392.48
Fair value of plan assets as at the end of the year	-	-	498.20	367.32
Funded status				
Net (Assets) / Liabilities recognized in the Balance Sheet	53.89	60.43	(84.46)	25.16
Current service cost	30.92	13.66	41.34	28.61
Interest cost	4.98	-	31.40	26.77
Expected return on plan assets	-	-	(34.01)	(32.63)
Net Actuarial (gain) / loss recognised in the year	(20.78)	-	(39.71)	32.11
Expenses recognised in the statement of Profit & Loss account	15.13	13.66	(0.99)	54.86
(vi) Actuarial Assumptions				
Discount Rate	9.31%	8.25%	8.00%	8.00%
Salary Escalation	5.00%	6.00%	5.00%	6.00%
	As at	As at	As at	As at
	31-03-2014	31-03-2013	31-03-2012	31-03-2011
	31-03-2010			
Net asset / liability recognised in the Balance Sheet				
Gratuity				
Defined benefit obligation	413.74	392.48	334.67	276.10
Plan Assets	498.20	367.32	354.47	279.28
Deficit / (Surplus)	(84.46)	25.16	(19.80)	(3.18)
				1.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ in lakh)	
27	Finance cost:	Year ended 31-03-2014	Year ended 31-03-2013
	Interest on Term & Working Capital Loans	593.78	538.48
	Interest on Other Loans	25.13	22.04
	Financial Charges	77.07	78.84
	Total finance cost	695.98	639.36
28	Depreciation and Amortization expenses:	Year ended 31-03-2014	Year ended 31-03-2013
	Depreciation on Tangible Assets	1,226.45	998.29
	Depreciation on Intangible Assets	17.97	17.49
	Total depreciation and amortization expenses	1,244.42	1,015.78
29	Other expenses:	Year ended 31-03-2014	Year ended 31-03-2013
	Manufacturing Expenses		
	Packing Material consumed	772.53	619.84
	Stores and Spare Parts Consumed	419.88	500.61
	Power, Fuel & Water Consumed:-		
	- Power Consumption	3,310.76	3,282.12
	- Fuel Consumption	901.08	797.38
	- Water Consumption	43.67	37.69
	Repairs & Maintenance Expenses:-		
	- Plant & Machineries	250.86	223.94
	- Factory Buildings	14.92	15.41
		5,713.70	5,476.99
	Sales & Distribution expenses		
	Ocean Freight	1,597.38	1,331.22
	Marine Insurance	6.40	4.15
	Export clearing and Other charges	437.02	219.68
	Local freight & Other charges	499.24	417.53
	Other Selling and Distribution expenses	129.04	103.85
		2,669.08	2,076.43
	Administration & Other Expenses		
	Insurance	57.14	53.59
	Vehicle Expenses	77.33	74.18
	Printing & Stationery	11.49	19.18
	Advertisements	15.77	22.30
	Rent, Lease Rent & Other Charges	28.60	17.58
	Repairs to Other Assets	51.60	64.03
	Retainer fees, Legal fees & Prof charges	143.31	116.18
	Travelling & Conveyance	133.73	130.51
	Postage, Telegram & Telephones	44.06	37.52
	Provision for Doubtful Debts	0.17	-
	Payment to Auditors:-		
	- Audit fee	6.00	3.25
	- Tax Audit fee	1.50	1.00
	- Taxation matters	2.26	0.81
	- Reimbursement of expenses	0.20	0.39
	Board Meeting Fees	5.83	8.08
	Commission to Director	20.75	19.77
	Charity and donation	32.65	53.25
	Factory / Office Expenses	35.13	24.81
	Office electricity expenses	14.67	17.76
	Other Expenses	146.38	94.58
	Loss on Sale of Assets / Assets Discarded / Impairment	86.42	-
	Variation in CED on Stock of finished goods	(7.77)	32.01
		907.22	790.78
	Total other expenses	9,290.00	8,344.20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ in lakh)	
30	Contingent Liabilities and commitments (to the extend not provided for)	As at 31-03-2014	As at 31-03-2013
(a)	Guaranteed by Banks not provided for (Net)	267.93	233.07
(b)	Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
	- Maharashtra Sales Tax	0.52	0.52
	- Excise Duty	168.40	106.20
	- Income Tax liability	69.00	208.02
(c)	Estimated amount of contracts remaining to be executed on capital account.	75.37	55.78
(d)	Employees dues not provided for	0.25	0.25
31	Disclosure in respect of Lease	As at 31-03-2014	As at 31-03-2013
	Operating Lease		
	The company has entered into lease agreement for three vehicles taken on operating lease for a term of 48 months. The future minimum lease payments under non cancellable operating lease are as under		
(a)	Not later than 1 year	13.27	-
(b)	Later than 1 year but not later than 5 years	31.21	-
(c)	Later than 5 years	-	-
32	Related parties disclosure :	As at 31-03-2014	As at 31-03-2013
(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)	Directors of the company :-		
	- Key Management Personnel		Rajendra V.Gandhi, 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
	- Non executive directors		
(iii)	Relatives of Key Management Personnel		Nayna R. Gandhi, Hemal H. Gandhi, Vaishali R. Gandhi and Nehal A. Vora 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 Consultancy & Trading Company LLP Rajendra V. Gandhi (Chairman & Managing Director) is the Designated Partner (b) Industrial Development and Investment Co.Pvt. Ltd. Mahesh V. Gandhi (Director) is the Chairman (c) Ghatkopar Estate & Finance Corporation Pvt Ltd. Rajendra V. Gandhi & Mahesh V. Gandhi are directors (d) Alphanso Netsecure Pvt Limited Harsh R. Gandhi is Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

	As at 31-03-2014	As at 31-03-2013
Summary of transactions with related parties in the ordinary course of business		
i) Chairman & Managing Director :		
Remuneration paid	95.90	97.70
Dividend paid	3.60	5.54
ii) Directors		
Remuneration to Directors	89.40	81.40
Commission to Directors	20.75	19.77
Sitting Fees to Directors	5.83	8.08
Dividend to Directors	29.81	46.77
iii) Relatives of Key Management Personnel		
Remuneration paid	5.59	6.09
Dividend	24.06	37.68
Interest paid	9.09	8.71
Deposits taken	-	6.00
Deposits repaid	6.00	1.50
Outstanding deposits payable	67.25	73.25
iv) Enterprises owned or significantly influenced by Key Management Personnel or their relatives :		
a) Enarjee Consultancy & Trading Company LLP		
Interest paid	0.75	0.84
Dividend	14.60	22.99
Outstanding deposit payable	6.00	6.00
b) Industrial Development & Investment Co. Pvt. Ltd.		
Rent paid	0.54	0.54
Dividend	2.31	3.64
Outstanding deposit receivable (Security for Premises)	15.75	15.75
c) Ghatkopar Estate & Finance Corporation Pvt Ltd.		
Dividend	2.20	3.47
d) Alphanso Netsecure Private Limited (Ceased to be associate concern from 01.11.2013)		
Equity Investment	-	20.06
Less: provision of diminution in value	-	(19.96)
	-	0.10
Purchase of Goods & Services	16.27	44.68
Advance against Purchase of Goods & Services	-	5.71
Re-imburement	1.46	3.94

33 Research & Development Expenditure:

Accounting for Research & Development expenditure incurred :

- (a) Capital Expenditure incurred on Equipments & Machinery amounting to ₹ 225.11 lakhs
- (b) Capital Work in Progress amounting to ₹ 38.98 lakhs
- (c) Revenue Expenditure incurred towards the R&D Projects amounting to ₹ 75.62 lakhs

Above expenditure is debited to respective head of accounts.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(₹ in lakh)	
34 Segment Reporting :		As at 31-03-2014	As at 31-03-2013
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) *		29,852.87	26,548.79
b) Power		68.85	76.21
c) Others **		480.26	382.21
d) Unallocable		-	-
Net Segment Revenue		30,401.98	27,007.21
* 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		3,576.54	3,322.19
b) Power		26.18	35.19
c) Others		(49.89)	(0.35)
d) Unallocable		-	-
Sub Total		3,552.83	3,357.03
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)			
		1,776.54	1,586.39
Profit Before Tax & Extra Ordinary Item		1,776.29	1,770.64
Less: Extra Ordinary Item			
		-	-
Profit Before Tax		1,776.29	1,770.64
Provision for Taxation			
Income Tax		297.69	4.65
Deferred Tax		396.01	595.48
Profit After Tax		1,082.59	1,170.51
3 Other Information			
I Segment Assets			
a) Reclaim Rubber		20,612.13	20,150.26
b) Power		286.69	297.19
c) Others		806.06	616.16
d) Un-allocated Assets		2,516.98	2,616.36
e) Total		24,221.86	23,679.97
II Segment Liabilities			
a) Reclaim Rubber		6,658.77	7,695.03
b) Power		52.66	111.22
c) Others		83.64	45.41
d) Un-allocated Liabilities		6,867.36	6,101.92
e) Total		13,662.43	13,953.58
III Capital Expenditure (Including Capital Work in Progress)			
a) Reclaim Rubber		1,114.38	2,827.09
b) Power		8.90	12.03
c) Others		321.49	30.17
d) Unallocable		64.41	90.60
e) Total		1,509.18	2,959.89
IV Depreciation			
a) Reclaim Rubber		1,101.82	887.24
b) Power		27.22	26.43
c) Others		21.12	20.07
d) Unallocable		94.26	82.04
e) Total		1,244.42	1,015.78
V Non Cash Expenditure other than Depreciation			
a) Reclaim Rubber		81.67	-
b) Power		-	-
c) Others		0.17	-
d) Unallocable		4.75	-
e) Total		86.59	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

4 Information about Secondary Segments		Revenue		Trade Receivable	
Particulars	2013-14	2012-13	2013-14	2012-13	
(i) Revenue & Sundry Debtors as per Geographical Markets					
India	9,220.28	9,636.82	1,871.64	2,547.88	
Outside India	21,181.71	17,370.40	3,125.91	2,250.78	
Total	30,401.99	27,007.22	4,997.55	4,798.66	
(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					
35 Expenses / Earnings in foreign currency:			As at 31-03-2014	As at 31-03-2013	
(i) Raw Material			826.28	268.04	
(ii) Capital Goods			19.50	19.64	
(iii) Expenditure in foreign currency			902.68	919.77	
(iv) Earning in foreign exchange in respect of Export of Goods (F.O.B. value)			19,708.42	16,031.53	
36 Foreign currency exposures:			As at 31-03-2014	As at 31-03-2013	
(a) Foreign currency exposures that are hedged as at 31st March		(Amount in Foreign Currency (in lakh))			
Forward contracts					
USD	2.00	0.50	119.98	27.53	
EURO	1.50	2.50	123.86	175.98	
	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013	
(b) Foreign currency exposures that are not hedged as at 31st March		(Amount in Foreign Currency (in lakh))			
Total Receivables includes sales proceedings					
USD	24.55	22.13	1,463.15	1,192.46	
EURO	18.23	13.10	1,488.64	895.69	
GBP	0.32	0.21	31.59	16.90	
Total Payables includes imports, bank loans and interest payments					
USD	67.43	74.65	4,042.10	4,110.37	
EURO	30.35	20.39	2,507.44	1,434.88	
GBP	0.63	-	63.24	-	
37 Earnings per share :			As at 31-03-2014	As at 31-03-2013	
- Net Profit after tax for the year			1,082.19	1,175.16	
- Excess Provision for tax for earlier years			(0.41)	4.65	
- Net Profit attributable to Equity Shareholders			1,082.60	1,170.51	
- Number of equity shares of ₹ 10/- each.			1,333,333	1,333,333	
- Earnings per share - Basic			81.20	87.79	
- Earnings per share -Diluted			81.20	87.79	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

38 Other Notes	As at 31-03-2014	As at 31-03-2013
<p>(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.</p> <p>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.</p> <p>(b) Expenses debited to Profit & Loss account include prior period expenses ₹ 14.71 lakhs (March 31, 2013 : ₹ 7.94 lakhs)</p> <p>(c) Closing stock of Finished Goods include excise duty of ₹ 91.20 lakhs (March 31, 2013 : ₹ 98.53 lakhs)</p> <p>(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.</p> <p>(e) Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification</p>		

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
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

**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 2014
3. Holding company's interest	
a) Number of shares	49,900 Equity shares of ₹ 10/- each fully paidup
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	₹ 196,058/-
b) For the previous financial year	₹ 103,159/-
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
Chairman & Managing Director

Dr. Peter Philip
Director

Ganesh A Ghangurde
President & Chief Financial Officer & Company Secretary

Place : Mumbai
Date : 26th May, 2014

STATEMENT OF INFORMATION OF SUBSIDIARY COMPANY

1. Name of the subsidiary company	Grip Polymers Limited
2. Financial year ended	31st March, 2014
	(₹)
3. Issued subscribed and paid up share capital	500,000
4. Reserves	2,320,062
5. Total Assets	2,866,126
6. Total Liabilities	2,866,126
7. Details of Investment (except in case of investment in subsidiaries)	
- Equity Shares	85,000
8. Turnover	254,022
9. Profit / (Loss) before taxation	211,177
10. Profit / (Loss) after taxation	196,058
11. Proposed dividend	Nil

For and on behalf of the Board of Directors

Rajendra V Gandhi
Chairman & Managing Director

Dr. Peter Philip
Director

Ganesh A Ghangurde
President & Chief Financial Officer & Company Secretary

Place : Mumbai
Date : 26th May, 2014

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of GRP LIMITED

We have audited the accompanying consolidated financial statements of GRP Limited ("the Company"), and its subsidiary which comprise the consolidated Balance Sheet as at March 31, 2014, 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 company and its subsidiary 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 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 notified pursuant to the Companies (Accounting Standards) Rules, 2006,

(as amended) under 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 company and its subsidiary 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 Company and its subsidiary as at March 31, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Company and its subsidiary for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the cash flows the Company and its subsidiary for the year ended on that date.

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

Place: Mumbai
Date: 26th May, 2014

Rajesh S. Shah
Partner
Membership No.: 17844

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31-03-2014 (₹ in lakh)	As at 31-03-2013 (₹ in lakh)
Equity and Liabilities			
Shareholders' funds			
Share capital	2	133.33	133.33
Reserves and surplus	3	10,453.19	9,618.19
		<u>10,586.52</u>	<u>9,751.52</u>
Non-current Liabilities			
Long term borrowings	4	2,420.80	3,785.01
Deferred tax liabilities (net)	5	2,479.83	2,083.82
Other long term liabilities	6	10.00	-
Long term provisions	7	164.86	126.33
		<u>5,075.49</u>	<u>5,995.16</u>
Current Liabilities			
Short term borrowings	8	4,519.91	3,708.34
Trade payables	9	1,877.93	1,803.67
Other current liabilities	10	1,869.44	1,986.64
Short term provisions	11	310.93	413.65
		<u>8,578.21</u>	<u>7,912.30</u>
Minority Interest		0.06	0.05
Total Equity & Liabilities		24,240.28	23,659.03
Assets			
Non-current assets			
Fixed assets			
- Tangible assets	12	13,543.67	13,833.32
- Intangible assets	12	77.14	85.68
- Capital work-in-progress	12	388.58	206.02
Non current investments	13	43.00	13.75
Long term loans and advances	14	803.87	642.83
		<u>14,856.26</u>	<u>14,781.60</u>
Current Assets			
Current investments	15	0.08	0.08
Inventories	16	3,326.17	3,233.56
Trade receivables	17	4,997.55	4,798.66
Cash & Cash Equivalents	18	288.05	216.41
Short term loans and advances	19	626.85	558.96
Other current assets	20	145.32	69.76
		<u>9,384.02</u>	<u>8,877.43</u>
Total Assets		24,240.28	23,659.03

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 and on behalf of the Board of Directors

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

Rajendra V Gandhi
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

GRP LIMITED

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



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2014

	Note	Year ended 31-03-2014 (₹ in lakh)	Year ended 31-03-2013 (₹ in lakh)
Revenue :			
Gross Sales	21	31,527.24	27,987.57
Less: Excise duty		1,125.25	980.35
Net Sales		30,401.99	27,007.22
Other operating income	22	477.16	382.63
Revenue from operations (net)		30,879.15	27,389.85
Other income	23	205.61	271.33
Total revenue		31,084.76	27,661.18
Expenses :			
Cost of materials consumed	24	14,640.40	13,248.12
Purchases of stock-in-trade		-	13.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(116.60)	(474.67)
Employee benefits expenses	26	3,551.71	3,102.35
Finance costs	27	695.98	639.36
Depreciation and amortization expenses	28	1,244.42	1,015.78
Other expenses	29	9,290.42	8,344.97
Total expenses		29,306.33	25,889.14
Profit before tax		1,778.43	1,772.04
Tax expense			
Current tax		375.34	356.38
Mat credit entitlement		(76.71)	(356.00)
Deferred tax		396.01	595.48
Excess / (short) provision of earlier years		(0.79)	4.65
Profit (Loss) for the period		1,084.58	1,171.53
Earnings per equity share (of Rs 10/- each)	35		
(1) Basic		81.34	87.86
(2) Diluted		81.34	87.86
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 and on behalf of the Board of Directors

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

Rajendra V Gandhi
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Year ended 31-03-2014 (₹ in lakh)	Year ended 31-03-2013 (₹ in lakh)
A Cash flow from Operating activities		
Net profit before tax and extra ordinary items	1,778.43	1,772.04
Adjustments for		
- Depreciation	1,244.42	1,015.78
- (Profit) / Loss on sale of assets (Net)	86.42	(6.35)
- Wealth tax provision	5.82	6.00
- Foreign currency fluctuation	-	(40.78)
- Interest (Net)	597.95	540.39
- Rent received	(10.80)	(14.86)
- Dividend Income	(0.33)	(0.17)
	1,923.49	1,500.01
Operating Profit before working capital changes	3,701.92	3,272.05
Adjustments for		
- (Increase)/Decrease in Trade and other receivables	(323.18)	(833.47)
- (Increase)/Decrease in Inventories	(92.63)	(1,047.61)
- Increase/(Decrease) in Trade payable	123.92	200.75
	(291.89)	(1,680.33)
Cash generated from operations	3,410.03	1,591.72
Direct taxes paid	(579.43)	(300.34)
Net cash from operating activities	2,830.60	1,291.38
B Cash flow from investing activities		
- Interest received	19.33	19.13
- Sale proceeds of fixed assets	87.97	54.24
- Rent received	10.80	14.86
- Dividend Income	0.33	0.17
- Investment in Fixed Deposit	(14.08)	-
- Investments	(29.15)	-
- Purchase of fixed assets	(1,470.85)	(3,310.00)
Net cash used in investing activities	(1,395.66)	(3,221.60)
C Cash flow from financing activities		
- Loans borrowed (Net of repayment)	(528.83)	1,491.04
- Exchange difference on revaluation of foreign currency loans	-	-
- Interest paid	(628.16)	(541.89)
- Dividend paid	(220.37)	(344.21)
Net cash used in financing activities	(1,377.36)	604.94
Net increase / (Decrease) in cash and cash equivalents	57.58	(1,325.28)
Cash and cash equivalents at the beginning of the year	181.20	1,506.48
Cash and cash equivalents at the closing of the period	238.78	181.20
A Cash and cash equivalents		
Cash on hand	8.76	5.63
Balance with banks		
(a) In Current accounts	15.74	82.81
(b) In Cash Credit accounts	54.74	-
(c) In EEFC accounts	50.87	70.28
(d) In deposit accounts (Refer Note below)	94.20	7.64
(e) In earmarked accounts	14.47	14.84
	238.78	181.20
B Other Bank Balance (maturity above 3 months)	49.27	35.21
	288.05	216.41

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
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 : 26th May, 2014

Place : Mumbai
Date : 26th May, 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ 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 .

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%

- (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 2014, 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 recognized in the period in which the results are known / materialised. Any revision to accounting estimates is recognized prospectively in current and future periods.

- (C) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ 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 7 December 2006, the company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of assets to the cost of the asset and depreciates / amortizes 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) Plant & machinery which have worked for more than single shift, depreciation is provided for accordingly as per rate prescribed in schedule XIV of the Companies Act, 1956.
- (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

(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 recognized 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 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.

(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 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.

(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, 2014

(₹ 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 & 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.

(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 disclosed net of sales tax / Value added tax, discounts and sales return as applicable.
- (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 & 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 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 & 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ 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 using the projected unit credit method, as at the date of the balance sheet. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss.

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. Actuarial Gains / Losses, if any are recognised in the statement of profit & loss.

(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.

(M) Lease:

Lease agreements where the risk & rewards, incidents to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating lease are recognised in the profit & loss statement on straight line basis.

(N) Research & Development:

Capital Expenditure for Research & Development is Capitalised when commissioned & included in the fixed assets. Revenue expenditure on Research & Development is charged in the period in which it is incurred.

(O) 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.

(P) 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.

(Q) 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.

(R) 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

2 Share Capital:	As at 31-03-2014	As at 31-03-2013		
Authorized				
1,500,000 (March 31, 2013 : 1,500,000) equity shares of ₹ 10 each	150.00	150.00		
Issued, Subscribed and Paid up				
1,333,333 (March 31, 2013 : 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				
(i) 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.				
(ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
(iii) 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, 2014 and March 31, 2013, is set out below :				
Equity Shares:	As at 31-03-2014	As at 31-03-2013		
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 31-03-2014		As at 31-03-2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Mahesh Vadilal Gandhi	65,881	4.94%	77,411	5.81%
Mrs. Meera Philip	81,666	6.12%	49,183	3.69%
Enarjee Consultancy & Trading Co LLP	88,464	6.63%	88,464	6.63%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

3 Reserves and Surplus:	As at 31-03-2014	As at 31-03-2013		
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	5,009.32	4,009.32		
Add : Transferred from the statement of profit and loss account	1,000.00	1,000.00		
Balance as at the end of the year	6,009.32	5,009.32		
Surplus in Statement of Profit & Loss				
Balance as at beginning of the year	4,510.81	4,573.27		
Profit for the year	1,084.59	1,171.53		
Amount available for appropriation	5,595.40	5,744.80		
Less: Appropriations :				
- Interim dividend	20.00	-		
- Dividend / Final dividend	193.33	200.00		
- Total dividend	213.33	200.00		
- Dividend tax	36.26	33.99		
- Amount transferred to general reserve	1,000.00	1,000.00		
Total appropriations	1,249.59	1,233.99		
Balance as at end of the year	4,345.81	4,510.81		
Total reserves and surplus	10,453.19	9,618.19		
4 Long Term Borrowings:	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
	Current Maturity		Non-current portion	
Secured:				
Term Loans from Banks:				
Foreign Currency Loans from Banks	977.56	942.16	1,371.59	2,155.71
Rupee Loans from Banks	564.17	564.17	1,044.17	1,608.35
Total Secured Borrowings	1,541.73	1,506.33	2,415.76	3,764.06
Unsecured:				
Loans from Banks	9.49	21.09	1.24	10.73
Deferred Sales Tax payments	6.41	6.41	3.80	10.22
Total Unsecured Borrowings	15.90	27.50	5.04	20.95
	1,557.63	1,533.83	2,420.80	3,785.01
Amount disclosed under the head "Other current liabilities" (refer note 10)	(1,557.63)	(1,533.83)	-	-
Total long-term borrowings	-	-	2,420.80	3,785.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

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

1 Rupee loan of ₹ 648.35 lakh (March 31, 2013 : ₹ 972.52 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 20, 2011, along with interest of 13 % p.a.

2 Rupee loan of ₹ 960.00 lakh (March 31, 2013 : ₹ 1,200.00 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 30, 2013, along with interest of 13 % p.a.

3 Foreign currency loan of ₹ 51.69 lakh (March 31, 2013 : ₹ 110.69 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 February 5, 2010, along with interest of 5 % p.a.

4 Foreign currency loan of ₹ 95.73 lakh (March 31, 2013 : ₹ 204.97 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 February 5, 2010, along with interest of 5 % p.a.

5 Foreign currency loan of ₹ 216.42 lakh (March 31, 2013 : ₹ 297.90 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 20, 2011 along with interest of 8 % p.a.

6 Foreign currency loan of ₹ 1985.31 lakh (March 31, 2013 : ₹ 2,484.30 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 22, 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 NIL (March 31, 2013 : ₹ 6.26 lakhs) taken in the name of the director for purchase of car.

5 Deferred Tax Liabilities (Net):

	As at 31-03-2014	As at 31-03-2013
Deferred Tax Liabilities		
- Depreciation	2,497.36	2,309.34
- Gratuity (Expenses allowable for tax purposes when paid)	28.71	-
	2,526.07	2,309.34
Deferred Tax Assets		
- Provision for employee benefit	46.24	39.68
- Unabsorbed Depreciation	-	185.84
	46.24	225.52
Total deferred tax liabilities (net)	2,479.83	2,083.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

6 Other Long-term Liabilities:			As at 31-03-2014	As at 31-03-2013
Security deposit received against the rental income			10.00	-
Total other long-term liabilities			10.00	-
7 Long-term Provisions:	As at 31-03-2014	As at 31-03-2013	As at 31-03-2014	As at 31-03-2013
	Current Maturity		Non-current portion	
Provision for Employees Benefit expenses:				
Provision for Leave encashment	10.40	10.89	43.49	49.54
Provision for Gratuity payment	-	25.15	-	-
	10.40	36.04	43.49	49.54
Mark to market provision on derivative instruments	74.34	29.17	121.37	76.79
	84.74	65.21	164.86	126.33
Amount disclosed under the head "Short-term provisions" (refer note 11)	(84.74)	(65.21)	-	-
Total Long-term provisions	-	-	164.86	126.33
8 Short-term Borrowings:			As at 31-03-2014	As at 31-03-2013
Secured:				
Working Capital Loan payable on demand from banks				
Foreign Currency Loan			3,674.08	1,958.48
Rupee Loan			224.52	1,195.29
			3,898.60	3,153.77
Buyer's credit in foreign currency loan			443.86	378.38
Unsecured:				
Loan from banks				
Fixed Deposits			177.45	176.19
			177.45	176.19
Total Short-term borrowings			4,519.91	3,708.34

(a) Working Capital Loan from HDFC Bank Ltd of ₹ 2,865.81 lakh (March 31, 2013 : ₹ 1,675.18 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 ₹ 1,032.79 lakhs (March 31, 2013 : ₹ 1478.59 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 ₹ 443.86 lakhs (March 31, 2013 : ₹ 378.38 lakhs) for Capital Goods.

Secured by exclusive charge on an imported recycling machine and all related equipments at Panoli factory. Repayable in one installment due on August 08, 2014.

(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 of ₹ 73.25 lakhs (March 31, 2013 : ₹ 79.25 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

9 Trade Payables:	As at 31-03-2014	As at 31-03-2013
Trade payables	1,877.93	1,803.67
Total trade payables	1,877.93	1,803.67
<p>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.</p>		
10 Other Current Liabilities:	As at 31-03-2014	As at 31-03-2013
Current maturities of Long-term debts (refer note 4)	1,557.63	1,533.83
Interest Accrued but not due on borrowings	50.18	59.43
Unclaimed Dividend	11.73	12.10
Advances from customers	17.23	30.05
Vendors for Capital Goods & Services	79.90	192.90
Statutory dues	149.45	155.64
Others	3.32	2.69
Total other current liabilities	1,869.44	1,986.64
11 Short Term provisions:	As at 31-03-2014	As at 31-03-2013
Current maturities of Long-term provisions of Employees Benefit expenses (refer note 7)		
Provision for Leave encashment	10.40	10.89
Provision for Gratuity payment	-	25.15
	10.40	36.04
Other Provisions		
Mark to market provision on derivative instruments	74.34	29.17
Proposed Dividend	193.33	200.00
Tax On Proposed Dividend	32.86	33.99
Provision for taxation - Net of Advance tax paid of ₹ 2,995.06 lakhs (March 31, 2013 : ₹ 3,742.24 lakhs)	-	114.45
	300.53	377.61
Total short-term provisions	310.93	413.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

12 Fixed Assets:

Particulars	Gross Block				Depreciation & Amortisation					Net Book Value		
	As at 01-04-2013	Additions	Disposal	Transfer	As at 31-03-2014	As at 01-04-2013	For the period	Disposal / Discard	Transfer	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
(a) Tangible Assets												
Own Assets :												
Lease hold Land	642.46	14.65	(99.69)	-	557.43	19.04	6.84	(1.52)	-	24.36	533.07	623.42
Roads	479.28	12.15	-	-	491.43	22.19	7.98	-	-	30.17	461.26	457.09
Buildings	5,981.43	287.42	-	(113.52)	6,155.33	487.61	169.65	-	(4.93)	652.32	5,503.01	5,493.82
Plant and Machinery	10,308.33	733.33	(83.87)	74.87	11,032.66	3,675.68	966.38	(17.09)	7.31	4,632.28	6,400.38	6,632.65
Furniture & Fixtures	343.57	31.92	-	113.52	489.01	63.12	37.20	-	4.93	105.26	383.75	280.45
Office equipments	214.64	14.14	(0.79)	(74.87)	153.12	34.47	10.06	(0.11)	(7.31)	37.11	116.01	180.17
Computer Hardware	111.24	17.07	-	-	128.31	69.06	12.82	-	-	81.88	46.43	42.18
Vehicles	172.41	0.49	(19.71)	-	153.19	48.87	15.52	(10.96)	-	53.43	99.76	123.54
Total (A):	18,253.36	1,111.17	(204.06)	-	19,160.48	4,420.04	1,226.45	(29.68)	-	5,616.81	13,543.67	13,833.32
(b) Intangible Assets												
Own Assets :												
Computer Software	189.90	9.43	-	-	199.33	104.22	17.97	-	-	122.19	77.14	85.68
Total (a):	189.90	9.43	-	-	199.33	104.22	17.97	-	-	122.19	77.14	85.68
Total (a+b):	18,443.26	1,120.60	(204.06)	-	19,359.81	4,524.26	1,244.42	(29.68)	-	5,739.00	13,620.81	13,919.00
Previous Year:	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
(c) Capital Work-in-progress												
Factory Building											60.12	4.14
Plant & Machinery											313.12	186.13
Other Assets											15.34	15.75
Total (c):											388.58	206.02
Total fixed assets (net)											14,009.39	14,125.02

- (a) Addition to fixed assets and capital work-in-progress includes exchange difference of ₹ 431.83 lakh (March 31, 2013 : ₹ 319.24 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 ₹ 15.74 lakhs (March 31, 2013 : ₹ 85.07 lakhs) being borrowing cost capitalised.
- (c) Interest earned on account of POS loan amounting to ₹ 59.64 lakhs has been reduced from the cost of the respective assets (March 31, 2013 : ₹ 69.10 lakhs)
- (e) Twin Extruder Machine having WDV of ₹ 73.00 lakhs is impaired & is revalued at realisable value of ₹ 6.21 lakhs. Accordingly ₹66.79 lakhs has been written off during the year.
- (f) Transfer of Asset from one group of Asset to another group of Asset have been shown by way of Transfer in Gross block & Depreciation column.
- (g) Vehicles include one car of the company acquired in the name of Director.
- (h) Depreciation for the period on Furniture includes depreciation of ₹ 9.34 lakhs (March 31, 2013 : Nil) & on Plant & Machinery ₹ 4.87 lakhs (March 31, 2013 : Nil) now provided of earlier years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

13 Non-current Investments:	As at 31-03-2014	As at 31-03-2013
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 ₹ 720,750/- (March 31, 2013 : ₹ 675,400/-))	0.85	0.85
Other Investments (unquoted)		
129,000 (March 31, 2013 : 129,000) equity shares of ₹ 10/- each fully paid up held in Bharuch Eco-aqua Infrastructure Ltd.	12.90	12.90
292,500 (March 31, 2013 : Nil) equity shares of ₹ 10/- each fully paid up held in Iris Ecopower Venture Pvt. Ltd.	29.25	-
Total non-current investment	43.00	13.75
14 Long-term Loans and Advances:	As at 31-03-2014	As at 31-03-2013
Advances for Capital Expenditure	102.80	48.13
Other Advances & Deposits	265.40	236.31
Prepaid Expenses	2.71	2.39
MAT credit entitlement	432.95	356.00
Total long-term loans and advances	803.86	642.83
Other advances & deposits include deposit of ₹ 15.75 lakhs (March 31, 2013 : ₹ 15.75 lakhs) with a company in which some of the directors are interested.		
Prepaid expenses include current maturity amount of ₹ 59.04 lakhs (March 31, 2013 : ₹ 49.45 lakhs) (refer note no. 19)		
Considering the future profitability and taxable positions in the subsequent years, the company has recognised the "MAT credit entitlement" 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 31-03-2014	As at 31-03-2013
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 31-03-2014	As at 31-03-2013
Stores and Spares	124.89	159.86
Packing Materials	45.30	43.74
Raw Materials (includes Rubber Scrap, Process oils and Chemicals)	1,648.73	1,644.49
Fuel materials	20.32	10.28
DEPB Licence Stocks (at net realisable value)	16.06	20.90
Goods-in-process	191.69	176.71
Goods-in-transit	398.17	244.86
Finished Goods	881.01	928.49
Stock-in-trade	-	4.23
Total inventories	3,326.17	3,233.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

17 Trade Receivables:	As at 31-03-2014	As at 31-03-2013
Unsecured		
Outstanding for more than six months		
- Considered Good	9.06	34.08
- Considered Doubtful	0.17	-
	9.23	34.08
- Less: Provision for bad & doubtful debts	(0.17)	-
	9.06	34.08
Others		
- Considered Good	4,988.49	4,764.58
Total trade receivables	4,997.55	4,798.66
18 Cash & Bank Balance	As at 31-03-2014	As at 31-03-2013
Cash on hand	8.76	5.63
Balance with banks		
(a) In Current accounts	15.74	82.81
(b) In Cash Credit accounts	54.74	-
(c) In EEFC accounts	50.87	70.28
(d) In deposit accounts (Refer Note below)	143.47	42.85
(e) In earmarked accounts		
- Unclaimed dividend accounts	11.73	12.10
- Margin money deposits	2.74	2.74
	279.29	210.78
Total cash and bank balance	288.05	216.41
Notes:		
(i) Balance with bank include deposits amounting to ₹ 94.21 lakhs (March 31, 2013 : Nil) which have an original maturity of less than 3 months.		
(ii) Balance with bank include deposits amounting to ₹ 27.78 lakhs (March 31, 2013 : ₹ 4.33 lakhs) which have an original maturity of more than 12 months.		
(iii) Balance with bank include deposit of ₹ 22,871/- (March 31, 2013 : ₹ 21,105/-) lien with the Maharashtra Sales Tax Department.		
19 Short-term Loans and Advances:	As at 31-03-2014	As at 31-03-2013
Advances recoverable in cash or in kind	314.39	332.82
Other Advances & Deposits	1.49	4.45
Deposit with Central Excise	203.28	172.22
Current maturity of Prepaid Expenses	59.04	49.47
Advance Income-tax & Wealth-tax - Net of provisions ₹ 2,946.40 lakhs (March 31, 2013 : ₹ 3,856.68 lakhs)	48.66	-
Total short-term loans and advances	626.86	558.96
20 Other Current Assets:	As at 31-03-2014	As at 31-03-2013
Accrued Income	119.70	48.37
Receivable from LIC (Gratuity claim)	12.14	13.31
Forex Forward Contract (Net)	13.48	8.08
Total other current assets	145.32	69.76

GRP LIMITED

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

21 Revenue:	Year ended 31-03-2014	Year ended 31-03-2013
(i) Sale of products		
Manufactured goods	31,455.84	27,902.67
Less : Excise duty	1,125.25	980.35
Total:	30,330.59	26,922.32
(ii) Trading of Goods	2.55	8.69
(iii) Power generation from Windmill	68.85	76.21
Total revenue	30,401.99	27,007.22
Manufactured Goods / Power Generation / Trading		
- Reclaim Rubber	29,222.19	25,854.50
- Punch & Split Products	630.69	694.29
- Thermo Plastic Elastomers	477.71	373.53
- Trading of Goods	2.55	8.69
- Power generation from Windmill	68.85	76.21
22 Other operating income:	Year ended 31-03-2014	Year ended 31-03-2013
Export incentives	434.47	348.87
Bad debts recovered	4.29	14.70
Other Sales	38.40	19.06
Total other operating income	477.16	382.63
23 Other income:	Year ended 31-03-2014	Year ended 31-03-2013
Interest received	19.28	20.14
Rent Income	10.80	14.86
Net Gain on foreign currency transactions and translation.	175.20	147.36
Profit on sale of fixed assets	-	6.35
Other Income	0.33	82.62
Total other income	205.61	271.33
24 Cost of material consumed:	Year ended 31-03-2014	Year ended 31-03-2013
Raw material consumed:		
Opening inventories	1,644.49	1,070.71
Add : Purchases (including incidental expenses of ₹ 693.48 lakhs, March 31, 2013 : ₹ 586.56 lakhs)	14,644.64	13,821.90
	16,289.13	14,892.61
Less : Closing inventories	1,648.73	1,644.49
Total cost of material consumed	14,640.40	13,248.12
(a) Products consumed		
- Waste Rubber	13,036.47	11,696.00
- Process Oils	1,440.87	1,298.20
- Other Oils and Chemicals	163.06	253.92
	14,640.40	13,248.12
(b) Import and Indigenous consumptions		
- Imports	826.28	268.04
%	5.64%	2.02%
- Indigenous	13,814.12	12,980.08
%	94.36%	97.98%
	14,640.40	13,248.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

25 Changes in inventories of finished goods, work-in-progress and stock-in-trade	Year ended 31-03-2014	Year ended 31-03-2013
Stock at the end of the year:		
Finished goods	881.01	928.49
Goods-in-transit (Finished Goods)	398.17	244.86
Work-in-progress	191.69	176.71
Stock-in-trade	-	4.23
Total (A)	1,470.87	1,354.29
Stock at the beginning of the year:		
Finished goods	928.47	631.05
Goods-in-transit (Finished Goods)	244.86	125.46
Work-in-progress	176.71	123.11
Stock-in-trade	4.23	-
Total (B)	1,354.27	879.62
Increase / (Decrease) in Stock	Total (A - B)	116.60
Finished Goods		474.67
- Reclaim Rubber	1,168.05	1,057.44
- Punch & Split Products	63.92	44.72
- Thermo Plastic Elastomers	47.22	71.19
	1,279.19	1,173.35
Work-in-progress		
- Reclaim Rubber	191.69	176.71
	191.69	176.71
26 Employee Benefits expenses:	Year ended 31-03-2014	Year ended 31-03-2013
Salaries, Wages and Bonus	3,234.21	2,777.37
Contribution to Provident fund and Pension fund	141.52	117.83
Gratuity fund	(0.99)	54.86
Contribution to other funds	70.49	63.27
Welfare and other benefits	106.48	89.02
Total employee benefits expenses	3,551.71	3,102.35
27 Finance cost:	Year ended 31-03-2014	Year ended 31-03-2013
Interest on Term & Working Capital Loans	593.78	538.48
Interest on Other Loans	25.13	22.04
Financial Charges	77.07	78.84
Total finance cost	695.98	639.36
28 Depreciation and Amortization expenses:	Year ended 31-03-2014	Year ended 31-03-2013
Depreciation on Tangible Assets	1,226.45	998.29
Depreciation on Intangible Assets	17.97	17.49
Total depreciation and amortization expenses	1,244.42	1,015.78

GRP LIMITED

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

29 Other expenses:	Year ended 31-03-2014	Year ended 31-03-2013
Manufacturing Expenses		
Packing Material consumed	772.53	619.84
Stores and Spare Parts Consumed	419.88	500.61
Power, Fuel & Water Consumed:-		
- Power Consumption	3,310.76	3,282.12
- Fuel Consumption	901.08	797.38
- Water Consumption	43.67	37.69
Repairs & Maintenance Expenses:-		
- Plant & Machineries	250.86	223.94
- Factory Buildings	14.92	15.41
	5,713.70	5,476.99
Sales & Distribution expenses		
Ocean Freight	1,597.38	1,331.22
Marine Insurance	6.40	4.15
Export clearing and Other charges	437.02	219.68
Local freight & Other charges	499.24	417.53
Other Selling and Distribution expenses	129.04	103.85
	2,669.08	2,076.43
Administration & Other Expenses		
Insurance	57.14	53.59
Vehicle Expenses	77.33	74.18
Printing & Stationery	11.49	19.18
Advertisements	15.77	22.30
Rent, Lease Rent & Other Charges	28.60	17.58
Repairs to Other Assets	51.60	64.03
Retainer fees, Legal fees & Prof charges	143.35	116.18
Travelling & Conveyance	133.73	130.79
Postage, Telegram & Telephones	44.26	37.86
Provision for Doubtful Debts	0.17	-
Payment to Auditors:-		
- Audit fee	6.09	3.28
- Tax Audit fee	1.50	1.00
- Taxation matters	2.32	0.84
- Reimbursement of expenses	0.20	0.39
Board Meeting Fees	5.83	8.08
Commission to Director	20.75	19.77
Charity and donation	32.65	53.25
Factory / Office Expenses	35.13	24.81
Office electricity expenses	14.67	17.76
Other Expenses	146.41	94.67
Loss on Sale of Assets / Assets Discarded / Impairment	86.42	-
Variation in CED on Stock of finished goods	(7.77)	32.01
	907.64	791.55
Total other expenses	9,290.42	8,344.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

30 Contingent Liabilities and commitments (to the extent not provided for)	As at 31-03-2014	As at 31-03-2013
(a) Guaranteed by Banks not provided for (Net)	267.93	233.07
(b) Claims against the company (Including Sales tax, Excise duty, etc.) not acknowledged as debts		
- Maharashtra Sales Tax	0.52	0.52
- Excise Duty	168.40	106.20
- Income Tax liability	69.00	208.02
(c) Estimated amount of contracts remaining to be executed on capital account.	75.37	55.78
(d) Employees dues not provided for	0.25	0.25
31 Disclosure in respect of Lease	As at 31-03-2014	As at 31-03-2013
Operating Lease		
The company has entered into lease agreement for three vehicles taken on operating lease for a term of 48 months. The future minimum lease payments under non cancellable operating lease are as under		
(a) Not later than 1 year	13.27	-
(b) Later than 1 year but not later than 5 years	31.21	-
(c) Later than 5 years	-	-
32 Related parties disclosure :		
(A) Names of the related parties :		
(i) Directors of the company :-		
- Key Management Personnel	Rajendra V.Gandhi, 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	
(ii) Relatives of Key Management Personnel	Nayna R. Gandhi, Hemal H. Gandhi, Vaishali R. Gandhi and Nehal A. Vora Rajendra V. Gandhi HUF, Harsh R. Gandhi HUF, Aarav Trust and Aayushi & Aashini Trust, Nehal Trust	
(iii) Enterprises owned or significantly influenced by Key Management Personnel or their relatives	(a) Enarjee Consultancy & Trading Company LLP Rajendra V. Gandhi (Chairman & Managing Director) is the Designated Partner	
	(b) Industrial Development and Investment Co.Pvt. Ltd. Mahesh V. Gandhi (Director) is the Chairman	
	(c) Ghatkopar Estate & Finance Corporation Pvt Ltd. Rajendra V. Gandhi & Mahesh V. Gandhi are directors	
	(d) Alphanso Netsecure Pvt Limited Harsh R. Gandhi is Director	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

Summary of transactions with related parties in the ordinary course of business	As at 31-03-2014	As at 31-03-2013
i) Chairman & Managing Director :		
Remuneration paid	95.90	97.70
Dividend paid	3.60	5.54
ii) Directors		
Remuneration to Directors	89.40	81.40
Commission to Directors	20.75	19.77
Sitting Fees to Directors	5.83	8.08
Dividend to Directors	29.81	46.77
iii) Relatives of Key Management Personnel		
Remuneration paid	5.59	6.09
Dividend	24.06	37.68
Interest paid	9.09	8.71
Deposits taken	-	6.00
Deposits repaid	6.00	1.50
Outstanding deposits payable	67.25	73.25
iv) Enterprises owned or significantly influenced by Key Management Personnel or their relatives :		
a) Enarjee Consultancy & Trading Company LLP		
Interest paid	0.75	0.84
Dividend	14.60	22.99
Outstanding deposit payable	6.00	6.00
b) Industrial Development & Investment Co. Pvt. Ltd.		
Rent paid	0.54	0.54
Dividend	2.31	3.64
Outstanding deposit receivable (Security for Premises)	15.75	15.75
c) Ghatkopar Estate & Finance Corporation Pvt Ltd.		
Dividend	2.20	3.47
d) Alphanso Netsecure Private Limited (Ceased to be associate concern from 01.11.2013)		
Equity Investment	-	20.06
Less: provision of diminution in value	-	(19.96)
	-	0.10
Purchase of Goods & Services	16.27	44.68
Advance against Purchase of Goods & Services	-	5.71
Re-imburement	1.46	3.94

33 Research & Development Expenditure:

Accounting for Research & Development expenditure incurred :

(a) Capital Expenditure incurred on Equipments & Machinery amounting to ₹ 225.11 lakhs

(b) Capital Work in Progress amounting to ₹ 38.98 lakhs

(c) Revenue Expenditure incurred towards the R&D Projects amounting to ₹ 75.62 lakhs

Above expenditure is debited to respective heads of accounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

34 Segment Reporting :	As at 31-03-2014	As at 31-03-2013
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) *	29,852.87	26,548.79
b) Power	68.85	76.21
c) Others **	480.26	382.22
d) Unallocable	-	-
Net Segment Revenue	30,401.98	27,007.22
* 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	3,576.54	3,322.19
b) Power	26.18	35.19
c) Others	(49.89)	(0.35)
Sub Total	3,552.83	3,357.03
Less: Interest, Un-allocable expenditure & Un-allocable Income (net of expenses)	1,774.43	1,584.99
Profit Before Tax & Extra Ordinary Item	1,778.40	1,772.04
Less: Extra Ordinary Item	-	-
Profit Before Tax	1,778.40	1,772.04
Provision for Taxation		
Income Tax	297.84	5.03
Deferred Tax	396.01	595.48
Profit After Tax	1,084.55	1,171.53
3 Other Information		
I Segment Assets		
a) Reclaim Rubber	20,612.13	20,150.26
b) Power	286.69	297.19
c) Others	806.06	616.16
d) Un-allocated Assets	2,544.43	2,641.89
e) Total	24,249.31	23,705.50
II Segment Liabilities		
a) Reclaim Rubber	6,658.77	7,695.03
b) Power	52.66	111.22
c) Others	83.64	45.41
d) Un-allocated Liabilities	6,867.72	6,102.35
e) Total	13,662.79	13,954.01
III Capital Expenditure (Including Capital Work in Progress)		
a) Reclaim Rubber	1,114.38	2,827.09
b) Power	8.90	12.03
c) Others	321.49	30.17
d) Unallocable	64.41	90.60
e) Total	1,509.18	2,959.89
IV Depreciation		
a) Reclaim Rubber	1,101.82	887.24
b) Power	27.22	26.43
c) Others	21.12	20.07
d) Unallocable	94.26	82.04
e) Total	1,244.42	1,015.78
V Non Cash Expenditure other than Depreciation		
a) Reclaim Rubber	81.67	-
b) Power	-	-
c) Others	0.17	-
d) Unallocable	4.75	-
e) Total	86.59	-

GRP LIMITED

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in lakh)

4 Information about Secondary Segments

(i) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Revenue		Trade Receivable	
	2013-14	2012-13	2013-14	2012-13
India	9,220.28	9,636.82	1,871.64	2,547.88
Outside India	21,181.71	17,370.40	3,125.91	2,250.78
Total	30,401.99	27,007.22	4,997.55	4,798.66

(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

35 Earnings per share :

	As at 31-03-2014	As at 31-03-2013
- Net Profit after tax for the year	1,083.79	1,176.18
- Excess Provision for tax for earlier years	(0.79)	4.65
- Net Profit attributable to Equity Shareholders	1,084.58	1,171.53
- Number of equity shares of ₹ 10/- each.	1,333,333	1,333,333
- Earnings per share - Basic	81.34	87.86
- Earnings per share -Diluted	81.34	87.86

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 ₹ 14.71 lakhs (March 31, 2013 : ₹ 7.94 lakhs)

(c) Closing stock of Finished Goods include excise duty of ₹ 91.20 lakhs (March 31, 2013 : ₹ 98.53 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) Previous period figures have been regrouped and recast wherever necessary to conform to the current year classification

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

For A. B. Modi & Associates

Chartered Accountants
ICAI Firm Registration no. 106473W

Rajesh S. Shah

Partner
Membership no. 17844

For and on behalf of the Board of Directors

Rajendra V Gandhi

Chairman & Managing Director

Dr. Peter Philip

Director

Ganesh A Ghangurde

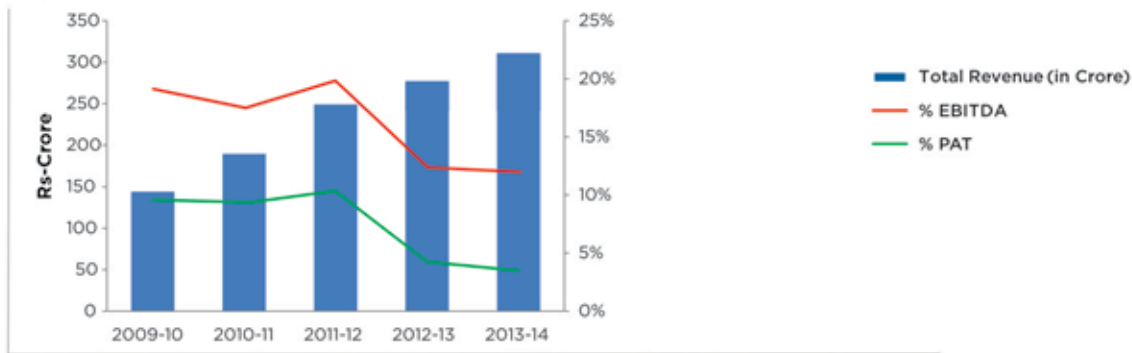
President & Chief Financial Officer & Company Secretary

Place : Mumbai
Date : 26th May, 2014

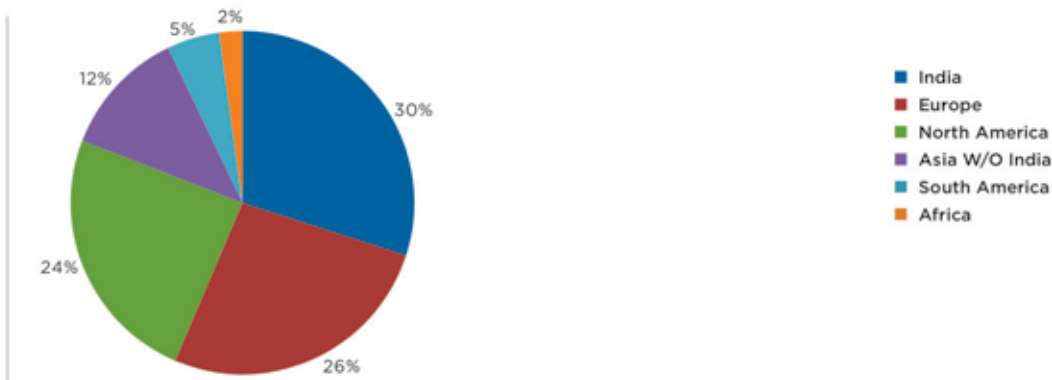
Place : Mumbai
Date : 26th May, 2014

Significant Financial Indicators for Last Five Years

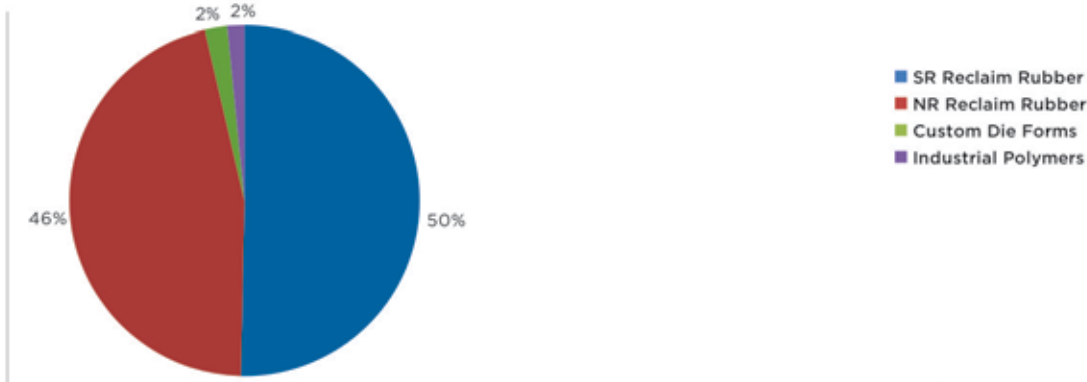
Key Financial Indicators



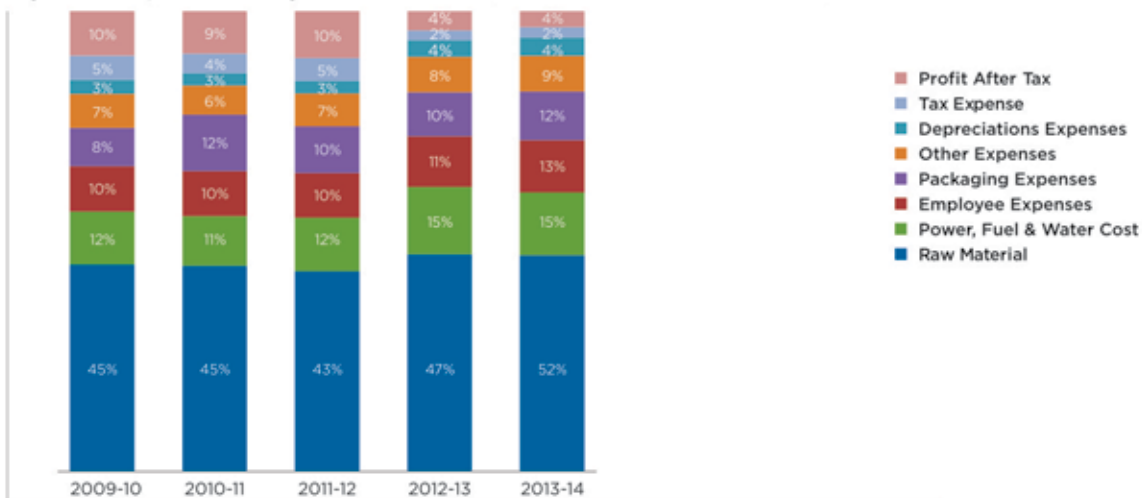
Sales Revenue - Continent wise (FY 2013-14)



Sales Revenue - Product wise (FY 2013-14)



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



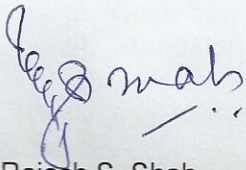
BUSINESS DIVISION	PRODUCT	INDUSTRY			
		Automotive	Industrial Application	Consumer	Polymer Compounds
RECLAIM RUBBER	NATURAL RUBBER RECLAIM				
	Whole Tyre Reclaim	•	•	•	
	High Tensile Reclaim	•	•	•	
	Natural Tube Reclaim	•	•	•	
	SYNTHETIC RUBBER RECLAIM				
	Butyl Reclaim Rubber	•	•	•	
	Chlorobutyl Reclaim Rubber	•	•	•	
	EPDM Reclaim	•	•		
	POLYCOAT/CRUMB RUBBER	•	•	•	
	REPROCESSED NEOPRENE		•	•	
INDUSTRIAL POLYMERS	Thermoplastic Elastomer (TPE)	•	•	•	
	Unfilled Polyamide-6	•	•	•	•
	Custom Compounds	•	•	•	
CUSTOM DIE FORMS	Mats			•	
	Pads	•	•		

Form A

Name of the Company	GRP Limited
Annual Financial Statements for the year ended	31 st March, 2014
Type of Audit observation	Un – Qualified
Frequency of Observation	Nil

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

For & on behalf of the Board of Directors

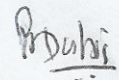


Rajesh S. Shah
Partner
Membership No. 17844

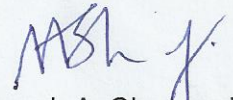
Date : 30 JUN 2014



Rajendra V. Gandhi
(Chairman & Managing Director)



B. T. Doshi
Director
(Chairman of the Audit Committee
meeting held on 26.05.2014)



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

Date: 30.06.2014