

Hi-End

Bicycle Tires & Tubes



GOVIND RUBBER LIMITED

31st Annual Report 2015-2016

Hi-End

Motorcycle Tires & tubes





LORD GANESH TEMPLE AT LUDHIANA PLANT

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REGISTERED OFFICE :

418, Creative Indl. Estate
72, N.M. Joshi Marg,
Lower Parel,
Mumbai-400 011.

WORKS :

- a) V.P.O. Jugiana,
G. T. Road, Ludhiana,
Punjab - 141 120.
- b) Kanganwal Road,
V.P.O. Jugiana,
G. T. Road, Ludhiana,
Punjab - 141 120.

BOARD OF DIRECTORS :

VINOD PODDAR
Executive Chairman
RAHUL PODDAR
Vice-Chairman & Managing Director
UMESH LATHI
Whole time Director & Chief Financial Officer
YASH RUNGTA
Independent Director
(upto 16th May, 2016)
DARSHIKA PODDAR
Non-Executive Director
(upto 22nd April, 2016)
K. M. GARG
Independent Director
(upto 22nd September, 2015)
SANJIV RUNGTA
Independent Director
(w.e.f. 16th May, 2016)
SANDEEP JHUNJHUNWALA
Independent Director
KUMUD MANSETA
Independent Director
(w.e.f. 16th May, 2016)
KESHAV PUROHIT
Company Secretary

AUDITORS :

M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

BANKERS :

CENTRAL BANK OF INDIA
STATE BANK OF INDIA
BANK OF BARODA
INDIAN OVERSEAS BANK

GOVIND RUBBER LIMITED

Regd. Office: 418, Creative Industrial Estate, 72, N.M.Joshi Marg, Lower Parel, Mumbai - 400 011
Corporate Identity Number (CIN): L25110MH1985PLC036320
Tel: 022-30083800-02 . Fax: 022-23092296 . Email id: info@grltires.com . Website: www.grltires.com

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of Govind Rubber Limited will be held on Monday, the 12th September, 2016 at 11.00 a.m. at Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year ended on 31st March, 2016 and the Reports of the Board of Directors and the Auditors thereon.
2. To ratify the appointment of Statutory Auditors of the Company and their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Jayantilal Thakkar & Co, Chartered Accountants, (Firm Registration Number 104133W), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be convened in the year 2017 on such remuneration as may be determined by the Board of Directors."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time in force) and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri. Sanjiv Rungta (DIN : 00381643) who was appointed as an additional director of the Company with effect from 16th May, 2016 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("The Act") and in respect of whom the Company has received a notice

in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to conclusion of 36th Annual General Meeting of the company for the calendar year 2021."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time in force) and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Kumud Manseta (DIN : 07498385) who was appointed as an additional director of the Company with effect from 16th May, 2016 by the Board of Directors and holds office up to the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 ("The Act") and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to conclusion of 36th Annual General Meeting of the company to be held in calendar year 2021."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, M/s K G Goyal & Associates, Cost Accountants, (Firm Registration Number 00024), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the Financial Year ending March 31, 2017, amounting to Rs. 30,000/- (Rupees Thirty Thousand only) plus service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit."

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2016

VINOD PODDAR
Executive Chairman
DIN: 00182629

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON ONLY AS A PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR OTHER SHAREHOLDER.**
2. The Register of Members and the Share Transfer books of the Company will remain closed from 08.09.2016 to 12.09.2016 (both days inclusive) for the purpose of Annual General Meeting for the financial year ended 31st March, 2016.
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Compliance officer at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
4. Members / Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.
5. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. The Company's Shares are listed on BSE Ltd and applicable listing Fees have been paid up to date including Financial Year 2016-17.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
8. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate Resolution/authority, as applicable.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts and the Members holding shares in physical form can submit their PAN details to the

Company or Registrar.

10. Details under SEBI Regulation 25 (LODR), Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. The Members who have not registered their email address, so far are required to register their email address for receiving all communication including Annual Report, Notices circular etc, from the Company electronically. The physical copies of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for financial year 2015-2016 will also be available on the Company's website www.grltires.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost.
13. All documents referred to in the Notice will be available for inspection at the registered office of the Company during normal business hours on working days up to the date of AGM.
14. Members are requested to kindly notify changes including email address, if any, in their address and write for all correspondence relating to share department; to the Company's Registrar & Transfer Agent, M/s. LINK INTIME INDIA PVT LTD. (Unit: GOVIND Rubber Limited) C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (W), Mumbai 400 078.

Email: rnt.helpdesk@linkintime.co.in

15. PROCEDURE FOR E-VOTING THROUGH ELECTRONIC MEANS

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI Regulation 44 (LODR), Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting

Notice



- (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 09.09.2016 at 9:00 am and ends on 11.09.2016 at 5:00 pm. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 06.09.2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgotten your password, you can reset your password by using "Forget User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free No.: 1800-222-990.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Govind Rubber Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@gmj.co.in with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below at the bottom of the Attendance Slip/Ballot Form for the AGM:
- EVEN (Remote e-voting Event Number) USER ID
PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 06.09.2016.
- X. Any person, who acquires shares of the Company and becomes Member of the Company after 05.08.2016 i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 06.09.2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or

pravin.golatkar@linkintime.co.in

- XI. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Prabhat Maheshwari, Partner, GMJ & Associates, Company Secretaries (Membership No. 2405), has been appointed for as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the General Meeting, will first count the votes cast at the Meeting and there after unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company grltires.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.

ANNEXURE TO NOTICE:

Statement pursuant to Section 102(1) of the Companies Act, 2013 for the Item Nos. 3 to 5 of the accompanying notice is as under:-

Item No.3:- The Board of Directors has, pursuant to Section 152 of the Companies Act, 2013 appointed Shri Sanjiv Rungta as an Independent Director of the Company w.e.f 16th May, 2016.

Shri Sanjiv Rungta has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Shri Sanjiv Rungta fulfills the conditions specified in the Act and Rules framed there under for appointment as Independent

Director and is independent of the management.

Shri Sanjiv Rungta is not disqualified from being appointed as Director in terms of Section 164 of the Act and given his consent to act as Director.

The Company has received notice in writing from a member U/s 160 of the Act proposing his candidature for the office of the Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Sanjiv Rungta as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of Shri Sanjiv Rungta shall be open for inspection by the Members at the Registered office of the Company during normal business hours on any working day.

Brief resume and other details of Shri Sanjiv Rungta whose appointment is proposed is provided in the annexure to the Explanatory Statement attached herewith.

Shri Sanjiv Rungta is deemed to be interested in the resolutions set out at Item No.3 of the notice with regard to his appointment.

The Board of Directors recommends the said resolutions for your approval.

Save & Except Shri Sanjiv Rungta, none of the other Directors or key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in any way concerned or interested in the above resolutions.

Item No.4:- The Board of Directors has, pursuant to Section 152 of the Companies Act, 2013 appointed Ms. Kumud Manseta as woman Independent Director of the Company w.e.f 16th May, 2016.

Ms. Kumud Manseta has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Ms. Kumud Manseta fulfills the conditions specified in the Act and Rules framed there under for appointment as Independent Director and is independent of the management.

Ms. Kumud Manseta is not disqualified from being appointed as Director in terms of Section 164 of the Act and given her consent to act as Director.

The Company has received notice in writing from a member U/s 160 of the Act proposing her candidature for the office of the Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Kumud Manseta as an Independent Director is now being placed before the Members for their approval.

The terms and conditions of appointment of Ms. Kumud Manseta shall be open for inspection by the Members at the registered office of the Company during normal business hours on any working day.

Notice



Brief resume and other details of Ms.Kumud Manseta whose appointment is proposed is provided in the annexure to the Explanatory Statement attached herewith.

Ms. Kumud Manseta is deemed to be interested in the resolutions set out at Item No.4 of the notice with regard to her appointment.

The Board of Directors recommends the said resolutions for your approval.

Save & Except Ms. Kumud Manseta, none of the other Directors or key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in any way concerned or interested in the above resolutions.

Item No.5:- The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the Audit of the

cost records of the Company for the financial year ended 31st March' 2017.

In accordance with the provisions of section 148 of the Act read with the Company's (audit and auditors) Rules, 2015 the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the cost auditors for the financial year ended 31st March' 2017.

None of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way concerned or interested, financially or otherwise in the resolution set out at item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Shareholders.

LISTING REQUIREMENTS:

As required under SEBI Regulation 25 (LODR) Regulations, 2015, given below are the details of the Director(s) who are eligible for appointment (Resolution at Item No. 3 & 4):

Name of Director	Sanjiv Rungta	Kumud Manseta
Date of Birth	28.06.1962	16.07.1958
Qualification(s)	B.com.	B.com.
Expertise/ Experience	He is serving as an Independent Director in 3 listed Companies which includes manufacturing and trading business experience. Mr. Sanjiv is having rich knowledge in finance & accounting.	MS. Kumud is having good knowledge of commercial business and she has completed diploma in commercial Business. Ms. Kumud is having good exposure in planning business strategy.
Directorship in other Public Companies	Swasti Vinayaka Synthetics Ltd., Swasti Vinayaka Art & Heritage Corporation Ltd., and Ashirwad Capital Ltd.	--
Shareholding in the Company	--	-
Membership of committees of Board of other Companies.	5	—
Chairperson of committees of Board of other Companies	1	—

For and on behalf of the Board

VINOD PODDAR
Executive Chairman
DIN : 00182629

Place: Mumbai
Date: 30th May, 2016

Please address all correspondence relating to this matter to:

M/S. LINK INTIME INDIA PRIVATE LIMITED.
Unit:-Govind Rubber Limited
C-13, Pannalal Silk Mills Compound, LBS Road,
Bhandup (W), Mumbai – 400 078
Tel: 022-6772 0300/400 Fax: 022-2859 1568
E-mail: rnt.helpdesk@linkintime.co.in

Directors' Report



DIRECTORS' REPORT

To The Members,
Govind Rubber Limited

Your Directors have pleasure in presenting the 31st Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS/PERFORMANCE:

	₹ In Lacs	
	2015-16	2014-15
Sales and Operational Income (Gross)	33024	37268
Other Income	37	340
TOTAL INCOME	33061	37608
Gross Profit	345	397
Depreciation	327	361
Profit before Tax	18	36
Tax Expenses	(5)	(30)
Profit after Tax	13	6
Balance brought forward	(2979)	(2985)
Balance carried forward to Balance Sheet	(2966)	(2979)

REVIEW OF OPERATIONS:

Your Company has achieved a Gross Turnover and Operational Income of Rs.33,024 lacs as compared to Rs.37,268 lacs in the previous year. The Gross Profit is Rs.345 lacs as compared to Rs.397 lacs in the previous year. The Net Profit for the year stood at Rs.13 lacs as compared to Rs. 6 lacs in the previous year.

Your Company is undertaking various efforts to increase the revenue and cost rationalization measures to improve bottom-line of the Company.

DIVIDEND AND RESERVES:

Due to non-availability of sufficient profit, the Board of Directors does not recommend any payment of Dividend for the year under review.

During the year under review, no amount was transferred to General Reserve.

SHARE CAPITAL:

The paid up equity share capital as at March 31, 2016 stood at Rs. 21.84 crores divided into 2,18,38,463 Equity shares, having face value of ₹ 10/- each fully paid up. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity shares. As on March, 31 2016 none of the Directors of the company hold instruments convertible into equity shares of the Company.

OUTLOOK:

Your Company is making all its efforts to take growth in

profitable segments by intensive working. The concern related to working capital shortfall and operational cost is being addressed by various new techniques and methods to improve overall financial performance of the Company. Your company will strive towards excellence in all performance parameters by creating value for its stakeholders.

AUDITORS AND AUDITORS REPORT:

At the Annual General Meeting held on 15th September, 2015 M/s. Jayantilal Thakkar & Co. Chartered Accountants, Mumbai, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In the proviso to section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Jayantilal Thakkar & Co. Chartered Accountants, Mumbai, as Statutory Auditors of the Company, is placed for ratification by the shareholders.

The Company has received letters from them to the effect that ratification of their re-appointment, if made would be within the prescribed limits under section 141 (3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Accounts referred to in the Auditors Report are self-explanatory and do not call for any further comments.

The Auditors' Report for financial year 2015-2016 does not contain any qualification, reservations or adverse remark. The Auditors report is enclosed with the financial statements in this Annual Report.

COST AUDITORS:

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2015 the Board of Directors of the Company has appointed M/s. K.G Goyal & Associates as Cost Auditors of the Company to conduct the cost Audit for the financial year 2016-2017.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s GMJ & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as Annexure-A. There is a qualification in the report regarding non compliance of the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the constitution of the Board from 22nd September, 2015

BOARD'S COMMENTS ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARKS IN THE AUDITORS REPORT:

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

Directors' Report



The Secretarial Auditors has given a qualification in Secretarial Audit Report related to Board Composition for certain period. Your Company tried to induct suitable person on Board as Independent Director, but it took time to finalise, now the Company has appointed suitable person on Board w.e.f. 16th May, 2016 and now the Composition of Board is as prescribed under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

The Company adheres to the requirements set out by the Securities and exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate Governance Practices.

The Corporate Governance and Management & Analysis Report, which form an integral part of this Report, are set out as separate Annexures B & C, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

JOINT VENTURE:

To mark its global presence and cater the different geographies, the Company has a Joint Venture - GK Company Limited, in South Korea. Due to unavailability of the financial statements of Joint Venture with G K Company Ltd. South Korea, the Company is unable to comment on the same, however non-inclusion will not have any material impact on financial statements of Company.

CONSOLIDATED FINANCIAL STATEMENT:

The Company has not prepared consolidated financial statements due to unavailability of the financial statements of its Joint Venture with GK Company Ltd. - South Korea, for the year under review. However this non-inclusion will not have any material impact on Financial Statements of the company.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under section 92 of the Companies Act, 2013, is included in this report as Annexure-D

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board made the following appointments/re-appointments based on the recommendations of the nomination and remuneration committee:

During the year under review the Board has appointed Ms. Kumud Manseta and Mr. Sanjiv Rungta as Additional Director (Independent) w.e.f. 16.05.2016. They will hold office up to the ensuing AGM of the Company. The Company has received a notice under section 160 of the Companies Act, 2013 from a member of the Company proposing their candidature for the office of the Independent Directors for terms of 5 consecutive years commencing from the ensuing AGM.

During the year, Mr. Yash Rungta was appointed as an Independent Director of the company with effect from 07.11.2015. Due to preoccupation, he has resigned w.e.f. 16.05.2016 and Mrs. Darshika Poddar has resigned w.e.f. 22.04.2016. The Board places on record its appreciation for the service rendered by them during their tenure with the Company.

Mr. K. M Garg resigned as an Independent Director with effect from 22.09.2015. The Board places on record its appreciation for the service rendered by him during his tenure with the Company.

Directors' Report



The Board appointed Mr. Keshav Purohit as Company Secretary and Compliance officer effective 26.08.2015. In compliance with SEBI Listing Regulations, 2015.

The Company has received declarations from all Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNUAL PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors. The Board has carried out an evaluation of its performance after taking into consideration various performance related aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance. The performance evaluation of the Board as a whole and Chairman and the Non-independent Directors was also carried out by the Independent Directors at their meeting held on 7th November, 2015.

Similarly, the performance of various committees, individual independent and Non independent Directors was evaluated by the entire Board of Directors (excluding the Director being evaluated) on various parameters like engagement, analysis, decision making, communication and interest of Stakeholders.

The Board of Directors expressed its satisfaction with the performance of the Board, its committees and individual Directors.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of familiarization program is available on our website (www.grltires.com/investor-relation.html).

NUMBER OF METINGS OF THE BOARD:

The Details of the number of Meetings of the Board held during the Financial Year 2015-16 forms part of the Corporate Governance Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. The details of the Policy on Vigil Mechanism and Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

NOMINATION AND REMUNERATION POLICY:

The Board of Directors have re-constituted the Nomination and Remuneration Committee comprising 2 Independent Directors and 1 non-executive Director as members. The Nomination and Remuneration committee has framed the Nomination and Remuneration Policy and broad parameters are mentioned in Corporate Governance Report Section and also available on our website (www.grltires.com/investor-relation.html).

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on at arm'slength basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee and also before the Board for approval.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the provisions of section 135 of Companies Act, 2013 the company has constituted the Corporate Social Responsibility Committee (CSR).

The Corporate Social Responsibility (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Company is in the process of identifying the projects for CSR spending. Efforts are being undertaken to implement the same in financial year 2016-17.

COMPOSITION OF AUDIT COMMITTEE AND OTHER DISCLOSURES:

The Composition of the Audit Committee has been given in Corporate Governance Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF EMPLOYEES:

Particular of remuneration paid to the employees as required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not given as none of the employee receives remuneration in excess of prescribed limit

APPOINTMENT OF M/S. LINK INTIME INDIA PRIVATE LIMITED AS THE REGISTRAR & TRANSFER AGENT OF YOUR COMPANY: