



Garware
Polyester Limited

ANNUAL REPORT
2013-14



BOARD OF DIRECTORS	: S. B. GARWARE	<i>Chairman & Managing Director</i>
	: S. S. GARWARE (Mrs.)	
	: DILIP J. THAKKAR	Resigned w.e.f. 29.05.2014
	: N. P. CHAPALGAONKAR	
	: M. GARWARE MODI (Mrs.)	<i>Vice Chairperson & Jt. Managing Director</i>
	: SARITA GARWARE RAMSAY (Mrs.)	<i>Jt. Managing Director</i>
	: SONIA GARWARE (Ms.)	<i>Jt. Managing Director</i>
	: B. MORADIAN	
	: M. S. ADSUL	<i>Director – Technical</i>
	: M. C. AGARWAL (Dr.)	
	: RAMESH. P. MAKHIJA	
	: A. B. BHALERAO	Resigned w.e.f. 31.10.2013
	: T. M. PARIKH	Appointed w.e.f. 27.12.2013
COMPANY SECRETARY & SR. GENERAL MANAGER	: Manoj Koul :	Resigned w.e.f. 19.07.2014
	S. C. Nanda	Appointed w.e.f. 31.07.2014
CHIEF FINANCIAL OFFICER	: Gokul Naik	
BANKERS	: Indian Overseas Bank Dena Bank Bank of India The Federal Bank Limited	
AUDITORS	: Shah & Co. Chartered Accountants	
SOLICITORS & ADVOCATES	: Crawford Bayley & Co.	
REGISTERED OFFICE	: Naigaon, Post Waluj, Aurangabad - 431 133. CIN - L10889MH1957PLC010889	
CORPORATE OFFICE	: Garware House, 50-A, Swami Nityanand Marg, Vile Parle (East), Mumbai - 400 057.	
WORKS	: L-5 & L-6, Chikalthana Industrial Area, Dr. Abasaheb Garware Marg, Aurangabad - 431 210. Naigaon, Post Waluj, Aurangabad - 431 133. A-1 & A-2, MIDC, Ambad, Nasik - 422 010.	
OFFICES	: 204,DLF Tower B, Near Apollo Hospital, Jasola, New Delhi - 110 025. 37/1B, Hazra Road, Kolkata - 700 029. Old No. 37, New No. 55, Ambercrest, 4th Floor, Pantheon Road Lane, Egmore, Chennai - 600 008.	
OVERSEAS BRANCH OFFICE	: Unit 2-17, The Plaza, 535, Kings Road, London - SW10 0SZ	
REGISTRARS & TRANSFER AGENTS	: Link Intime India Private Limited	

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by sending the duly filled in and signed copy of the '**E-Mail Registration Form**' attached with this Annual Report by post at the Registered Office address of the Company or to the Registrar & Share Transfer Agent viz. M/s. Link Intime India Pvt. Limited. Alternatively members can also send the scanned copy of duly filled in and signed 'E-Mail Registration Form' to the Company at the e-mail address cs@garwarepoly.com or to the Registrars & Share Transfer Agents at the e-mail address garwarepolyestergogreen@linkintime.co.in. Members, in their own interest, are requested to get the shares dematerialized.

NOTICE**GARWARE POLYESTER LIMITED**

CIN: (L10889MH1957PLC010889)

Registered Office : Naigaon, Post Waluj, Aurangabad – 431 133.

Website: www.garwarepoly.com

Email: nandasc@garwarepoly.com

Tel. No.: 022 6698 8000, Fax No. : 022 2824 8155

NOTICE IS HEREBY GIVEN THAT the 57th Annual General Meeting of the members of GARWARE POLYESTER LIMITED will be held at the Registered Office of the Company on Thursday, 25th September, 2014 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad - 431 133 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on preference shares.
3. To appoint a Director in place of Mrs. Monika Garware Modi (holding DIN : 00143400), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Ms. Sonia Garware (holding DIN : 00135995), who retires by rotation and being eligible, offers herself for re-appointment.
5. 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Manubhai & Shah, Chartered Accountants, (Firm Registration no. 106041W), be and is hereby appointed as statutory auditors of the Company, in place of M/s. Shah & Co., Chartered Accountants, (Firm Registration No.109430W), the retiring statutory auditors, to hold the office of the auditors from the conclusion of this Annual General Meeting until the conclusion of the Sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting at such remuneration plus service tax, as may be mutually agreed upon between the Board of Directors of the Company and auditors, plus travelling and out of pocket expenses actually incurred by the auditors in connection with the audit work.”

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, the consent of the Company be and is hereby accorded to the re-appointment of Shri S. B. Garware (holding DIN: 00943822), as Managing Director of the Company for a further period of five years with effect from 1st November, 2014, and the draft agreement between the Company and Shri S. B. Garware setting out the terms and conditions including remuneration payable, duly initialed by Mr. B. Moradian, Director of the Company for the purpose of identification and placed before the meeting, be and is hereby approved.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Shri S. B. Garware the remuneration as specified in the aforesaid draft agreement as and by way of minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

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

“RESOLVED THAT in modification of the Resolution Number 7 passed by the Members of the Company at the Annual General Meeting held on 26th September, 2013 and pursuant to the provisions of Section-197 of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to the requisite approval of the Central Government or any other such approval, if required, the consent of the Company be and is hereby accorded to the variation in the payment of remuneration payable to Mrs. Monika Garware Modi, (holding DIN : 00143400) as, Vice Chairperson & Joint Managing Director with effect from 1st April, 2014 to 31st October, 2018, on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mrs. Monika Garware Modi the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

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

“RESOLVED THAT in modification of the Resolution Number 8 passed by the Members of the Company at the Annual General Meeting held on 26th September, 2013 and pursuant to the provisions of Section-197 of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to the requisite approval of the Central Government or any other such approval, if required, the consent of the Company be and is hereby accorded to the variation in the payment of remuneration payable to Mrs. Sarita Garware Ramsay (holding DIN : 00136048) as, Joint Managing Director with effect from 1st April, 2014 to 31st October, 2018, on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mrs. Sarita Garware Ramsay the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

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

“RESOLVED THAT in modification of the Resolution Number 9 passed by the Members of the Company at the Annual General Meeting held on 26th September, 2013 and pursuant to the provisions of Section-197 of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to the requisite approval of the Central Government, the consent of the Company be and is hereby accorded to the variation in the payment of remuneration payable to Ms. Sonia Garware (holding DIN: 00135995) as, Joint Managing Director with effect from 1st April, 2014 to 31st March, 2015, on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Ms. Sonia Garware the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto."

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

"RESOLVED THAT Mr. T. M. Parikh (holding DIN: 00049287), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th December, 2013, in terms of Section 260 of the Companies Act, 1956 (corresponding to Section 161(1) of the Companies Act, 2013) and Article 121 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing 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 (five) consecutive years for a term up to 31st March, 2019."

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. N. P. Chapalgaonkar (DIN: 00365494), who was previously appointed as an independent Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 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 (five) consecutive years for a term up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

12. 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 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ramesh P. Makhija (DIN: 00209869), who was previously appointed as an independent Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 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 (five) consecutive years for a term up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

13. 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 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. B. Moradian (holding DIN 00242123), Director of the Company whose period of office is liable to determination by retirement of rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 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 (five) consecutive years for a term up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

14. 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 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. M. C. Agarwal (holding DIN 02595878), Director of the Company whose period of office is liable to determination by retirement of rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 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 (five) consecutive years for a term up to 31st March, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

15. 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 139, 143(8) read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (Act), as amended from time to time, the Board be and is hereby authorised to appoint as Branch Auditors of any branch office of the Company, whether existing and / or to be opened / acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditor within the provisions of Section 143(8) of the Act and to fix their remuneration. **RESOLVED FURTHER THAT** the acts, deeds and things already done by the Board of Directors in this regard be and are hereby confirmed, approved and ratified.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors

Mumbai,
31st July, 2014

S. C. Nanda
Company Secretary &
Sr. General Manager

Registered Office
Naigaon, Post Waluj,
Aurangabad – 431 133.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the 'Meeting') IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY 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.

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.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Item No. 6 to 15 of the Notice is annexed hereto.
3. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from, Saturday, 13th September, 2014 to Thursday, 25th September, 2014 (both days inclusive).
5. The Preference dividend as recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid to those members whose names appear in the Register of Members of the Company on 12th September, 2014.
6. Members are requested to notify immediately any change in their addresses directly to their Depository Participant in case they hold shares in dematerialized form or to the Company's Registrars & Share Transfer Agents, in case they hold shares in physical form.
7. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed Dividends for the financial years 2008-09 to 2011-12, as on the 56th Annual General Meeting (AGM) held on 26th September, 2013 on the website of IEPF viz. www.iepf.gov.in.
8. Unclaimed dividend for the Financial Years 2008-09, 2009-10, 2010-11 (Interim & Final) and 2011-12 are still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed the dividend warrants for the said financial years are requested to contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited at the address provided in point no. 13 below.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. 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. Members holding shares in physical form can submit their PAN details to the Company.
10. Details under Clause 49 of the Listing Agreement 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. Physical copies of the Notice of the 57th 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. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 57th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):
The instructions for e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open e-mail and open PDF file viz; "Garware Poly e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.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 e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of Garware Polyester Limited.
 - (viii) Now you are ready for 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 nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in
 - B. Member upon receiving physical copy of an Annual Report :
 - (i) Initial password is provided in the attached e-voting form.
EVEN (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.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com

- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. 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).
- V. The e-voting period commences on Tuesday 16th September, 2014 (9:00 a.m.) and ends on Thursday, 18th September, 2014 (6:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 14th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 14th August, 2014.
- VII. Mr. Nilesh Shah, Practicing Company Secretary (Membership No. FCS-4554, CP No. 2631), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.garwarepoly.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
13. Members holding shares in physical form are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agents of the Company at the following address:

LINK INTIME INDIA PRIVATE LIMITED

(Unit: Garware Polyester Limited)
 C-13, Pannalal Silk Mill Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai - 400 078.
 Tel. No. 022-2594 6970, Fax : 022-2594 6969.

Notice of the Meeting and copies of Audited Financial Statements, Directors' Report, Auditors' Report will also be displayed on the company's website www.garwarepoly.com.

By Order of the Board of Directors

Mumbai,
 31st July, 2014

S. C. Nanda
 Company Secretary &
 Sr. General Manager

Registered Office
 Naigaon, Post Waluj,
 Aurangabad – 431 133.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 6:

At the Annual General Meeting held on 28th December, 2009 Shri S. B. Garware was re-appointed as Managing Director of the Company by Members for a term of five years with effect from 1st November, 2009. On account of overall increase in the volume of business of the Company, the duties and responsibilities of Shri S. B. Garware, Chairman & Managing Director of the Company, have substantially increased.

The Board of Directors at their meeting held on 31st July, 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 31st July, 2014, approved the re-appointment of Shri S. B. Garware as the Chairman & Managing Director of the Company for a period of 5 (five) years commencing from 1st November, 2014 to 31st October, 2019, not liable to retire by rotation. The Board also approved the terms and conditions of his appointment including remuneration, as recommended by the Nomination and Remuneration Committee, in accordance with the provisions of Sections 197, 196, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders at the ensuing Annual General Meeting.

A brief profile along with other details of Shri S. B. Garware and incompliance with clause 49 of the Listing Agreement between the Company and the Stock Exchange is as follows:

Name of the Director	Shri S. B. Garware
Director Identification Number	00943822
Date of Birth and Age	05.11.1934 - 80 years
Date of joining the Board	06.06.1957
Profile of the Director	<p>Shri S. B. Garware is associated with the Garware Group since 1951. He completed his Senior Business Management Course at the University of Edinburgh. Under his stewardship, the Company has earned several accolades in the polyester film business for unique and innovative products to match the ever-growing demands of the industry. With a view to enhance revenues through Exports, under his able guidance, his discerning and dynamic leadership skills, the Company is poised for rapid and voluminous growth.</p> <p>With the experience of more than 60 years in the industry, Mr. Garware has acquired an excellent reputation in the sophisticated market of Western Europe and USA in competition with multi-national companies. Over the years, he has mastered the technology and all branches of science of industrial arts and has acquired expertise in the new techniques of process industry and production. R&D has been his primary area of interest. Focusing on relevant technology to meet specific needs of customers, the Company has produced highly innovative products. His major achievements in Polyester Film include Sun Control film application, Holography Mat Opaque, High shrink and Low Oligomer Film for environment friendly refrigerant, Super Clear Polyester Films for LCD, etc. He has obtained a patent in the United States for the U.V. Stabilised Polyester Film. The film is used on windows of automobiles and buildings, which saves energy upto 30% on air conditioning and also filters the harmful U.V. radiations.</p>

	He has been able to develop a strong management team under him who work on formulation of strategy, expansion plan and other management policies under his able guidance. With his untiring efforts, focused attention and diligent work, he has been able to remain in touch with the management team on day to day basis. Shri S. B. Garware has been engaged in philanthropy work, and social service through the Shri S. B. Garware Charitable Trust as its Chairman and is actively associated with various social causes. Shri S. B. Garware received National Gold Shield for import substitution in 1981 for development & production of Polyester Film; and Top Export Awards for last 20 years from Plexcouncil.
No. of Shares held in the Company	11,63,001
Directorships and Committee memberships in other companies*	1. Garware Chemicals Ltd.** 2. Garware Industries Ltd. 3. B. D. Garware Research Centre

* Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholders relationship Committee of only public companies have been included in the aforesaid table.

** Garware Chemicals Limited merged with Garware Industries Ltd. on 17th April, 2014.

The draft agreement between the Company and Shri S. B. Garware contains, inter-alia, the following terms and conditions: -

- a) Monthly Compensation: Rs. 19.00 Lakhs (With an annual increase of 10% per annum with effect from 01.11.2015 till the expiry of the term.)
- b) Commission: Shri S. B. Garware will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.
- c) Perquisites:
 - I) Shri S. B. Garware will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 35% of monthly compensation.
 - II) Encashment of leave at the end of his tenure.
- d) Special allowances: Rs. 3.50 Lakhs per month.
- e) Shri S. B. Garware will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- f) Shri S. B. Garware will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.
- g) Shri S. B. Garware will also be entitled to receive from the Company traveling, hotel and other expenses incurred by him in performance of his duties on behalf of the Company.

- h) Shri S. B. Garware will not, so long as he functions as such, become interested or otherwise concerned directly or indirectly in any selling agency of the Company in future without the prior approval of the Central Government. The remuneration payable to Shri S. B. Garware as Managing Director has been approved by the Nomination & Remuneration Committee of the Board of Directors at its meeting held on 31st July, 2014.

The draft agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 6 of the accompanying notice will be open for inspection by the Members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Shri S. B. Garware, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to Shri S. B. Garware, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act 2013, therefore the special resolution is proposed for the approval of the shareholders. After the member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Shri S. B. Garware as minimum remuneration.

Shri S. B. Garware satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 11 of Section 197 of the Companies Act, 2013 for being eligible to be appointed as a Chairman & Managing Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In view of the above, in order to take advantage of knowledge, experience and foresight of Shri Garware, it is long term interest of the Company to continue to have his association with the Company for maintaining sustained growth in future for the time to come. Hence, the Board of Directors are of the opinion that the appointment of Shri S. B. Garware as the Chairman & Managing Director is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 6 for approval of the members.

Shri S. B. Garware is concerned or interested in the resolution under Item No.6 of the accompanying notice. Mrs. S. S. Garware, Mrs. Monika Garware Modi, Mrs. Sarita Garware Ramsay and Ms. Sonia Garware Directors of the Company, being related to Shri S. B. Garware, may be deemed to be concerned or interested in the resolution. Save as aforesaid, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the resolution set out at Item No. 6 of the Notice.

This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement

Your Directors recommend this resolution.

Item No. 7:

Mrs. Monika Garware Modi was re-appointed as Vice Chairperson and Joint Managing Director of the Company by the members at the Annual General Meeting (AGM) held on 26th September, 2013 for a period of five years with effect from 1st November, 2013 and the terms of her remuneration were approved by the members at the said Annual General Meeting held on 26th September, 2013. The approval for re-appointment and payment of remuneration pursuant to section 198, 269 and other applicable provisions of the Companies Act, 1956 for a period of five years with effect from 01.11.2013 to 31.10.2018 subject to the approval of Central Government, which is awaited. In view of provisions of Companies Act, 2013 becoming effective from 1st April, 2014, this enabling resolution is being passed for payment of remuneration for the period from 1st April, 2014 to 31st October, 2018.

On account of the overall increase in the volume of business of the Company, the duties and responsibilities of Mrs. Monika Garware Modi, Vice Chairperson and Joint Managing Director of the Company, has substantially increased. In order to enable Shri S. B. Garware Chairman & Managing Director to concentrate on policy matters of the Company, it is advisable that Mrs. Monika Garware Modi should assist Shri S. B. Garware, Chairman and Managing Director, in discharging his duties more effectively. In the process of assisting Shri S. B. Garware, Mrs. Monika Garware Modi will shoulder higher responsibilities.

The Board of Directors at their meeting held on 31st July, 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 31st July, 2014, considered and approved the variation in her remuneration in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders at the ensuing Annual General Meeting.

A brief profile along with other details of Mrs. Monika Garware Modi and in compliance with Clause 49 of the Listing Agreement between the Company and the Stock Exchange is as follows:

Name of the Director	Mrs. Monika Garware Modi
Director Identification Number	00143400
Date of Birth and Age	04.06.1963 - 51 years
Date of joining the Board	31.03.1989
Profile of the Director	Mrs. Monika Garware Modi has been associated with the Company from April, 1989 and later on appointed as the Vice-Chairperson in the year 2002. She bears an excellent academic career. She graduated from Vasaar College, one of the renowned institutions in U.S.A. and then did her M.B.A. degree from Lubin Business School, Pace University, New York, U.S.A. She has requisite knowledge and experience to manage the corporate affairs. Mrs. Monika Garware Modi is looking after the business finance vertical of the organization like fund raising and fund management, audit, taxation, Capex and inventory management. Besides that she is monitoring the 'Safety' and adherence to 'TPM', 'ISO' norms etc. Further she is responsible for the business development and other strategic issues of the Company.
No. of Shares held in the Company	2,67,504
*Directorships and Committee memberships in other companies	1. Garware Industries Ltd. 2. Cadila Pharmaceuticals Ltd. 3. Casil Health Products Ltd. 4. Casil Industries Ltd. 5. Karnavati Engineering Ltd. 6. IRM Ltd. 7. Apollo Hospitals International Ltd. 8. Omnicare Pharmaceuticals Ltd. 9. Green Channel Logi-Solutions Ltd. 10. B. D. Garware Research Centre

* Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholders relationship Committee of only public companies have been included in the aforesaid table.

The draft agreement between the Company and Mrs. Monika Garware Modi, inter-alia, contains the following terms and conditions:

- a) Salary : Rs.11,50,000/- per month. (With an annual increase of 10% per annum with effect from 1st April, 2015 till the expiry of the term.)
- b) Commission: Mrs. Monika Garware Modi will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.
- c) Perquisites: Mrs. Monika Garware Modi will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary. Mrs. Monika Garware Modi shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:-
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - iii) Encashment of leave at the end of her tenure.
- d) Mrs. Monika Garware Modi will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) Mrs. Monika Garware Modi will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) Mrs. Monika Garware Modi will also be entitled to receive from the Company traveling, hotel and other expenses incurred by her in the performance of her duties on behalf of the Company.
- g) Mrs. Monika Garware Modi will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.

The draft agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 7 of the accompanying notice will be open for inspection by the Members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Mrs. Monika Garware Modi, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to Mrs. Monika Garware Modi, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act 2013, therefore the special resolution is proposed for the approval of the shareholders. After the member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Mrs. Monika Garware Modi as minimum remuneration.

Mrs. Monika Garware Modi satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 11 of Section 197 of the Companies Act, 2013 for being eligible to be appointed as a

Vice Chairperson and Joint Managing Director of the Company. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Mrs. Monika Garware Modi as the Vice Chairperson and Joint Managing Director is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 7 for approval of the members.

Mrs. Monika Garware Modi is concerned or interested in the resolution under Item No.7 of the accompanying notice. Shri S. B. Garware, Mrs. S. S. Garware, Mrs. Sarita Garware Ramsay, and Ms. Sonia Garware Directors of the Company, being related to Mrs. Monika Garware Modi, may be deemed to be concerned or interested in the resolution. Save as aforesaid, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in anyway, concerned or interested in the resolution set out at item No. 7 of the Notice.

This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Your Directors recommend this resolution

Item No. 8:

Mrs. Sarita Garware Ramsay was re-appointed as Joint Managing Director of the Company by the members at the Annual General Meeting (AGM) held on 26th September, 2013 for a period of five years with effect from 1st November, 2013 and the terms of her remuneration were approved by the members at the said Annual General Meeting held on 26th September, 2013. The approval for re-appointment and payment of remuneration pursuant to section 198, 269 and other applicable provisions of the Companies Act, 1956 for a period of five years with effect from 01.11.2013 to 31.10.2018 subject to the approval of Central Government which is awaited. In view of provisions of Companies Act, 2013 becoming effective from 1st April, 2014, this enabling resolution is being proposed for payment of remuneration for the period from 1st April, 2014 to 31st October, 2018.

On account of overall increase in the volume of business of the Company, the duties and responsibilities of Mrs. Sarita Garware Ramsay, Joint Managing Director of the Company, have accordingly increased. Further Mrs. Sarita Garware Ramsay is assisting Mrs. Monika Garware Modi, Vice Chairperson and Joint Managing Director in discharging her duties more effectively. In the process of assisting Mrs. Monika Garware Modi, Mrs. Sarita Garware Ramsay will shoulder higher responsibilities.

The Board of Directors at their meeting held on 31st July, 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 31st July, 2014, considered and approved the variation in her remuneration in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders at the ensuing Annual General Meeting.

A brief profile along with other details of Mrs. Sarita Garware Ramsay and in compliance with Clause 49 of the Listing Agreement between the Company and the Stock Exchange is as follows:

Name of the Director	Mrs. Sarita Garware Ramsay
Director Identification Number	00136048
Date of Birth and Age	25.10.1967 - 47 years
Date of joining the Board	24.12.1993

Profile of the Director	Mrs. Sarita Garware Ramsay has been associated with the Company as Director since 1993. She is an M.B.A. from European University in Switzerland with specialisation in marketing. She has requisite knowledge and experience to manage the corporate affairs. Mrs. Sarita Garware Ramsay joined the Company as Director in December 1993 and was appointed a Whole-time Director from April 1994 to March 1997. On account of her continuous support as a member of the Board of Directors of the Company and her positive contributions, the Board of Directors elevated Mrs. Sarita Garware Ramsay as Joint Managing Director for a term of five years with effect from 1st July, 2002. Since then Mrs. Sarita Garware Ramsay is on the Board of the Company designated as Joint Managing Director. Under her stewardship, the operating profit of film division improved substantially. Due to the overall increase in the volume of business of the Company the duties and responsibilities of Mrs. Sarita Garware Ramsay, Joint Managing Director of the Company have also increased manifold over the years. Besides assisting Mrs. Monika Garware Modi, Vice Chairperson and Joint Managing Director in day-to-day operations, she has been shouldering additional responsibilities efficiently and effectively. Mrs. Sarita Garware Ramsay is presently looking after the legal, secretarial, human resource and the property related matters of the whole group Companies. Besides that she is instrumental in devising the strategies for managing the Intellectual Property Rights of the Organization both in India and overseas.
No. of Shares held in the Company	267653
*Directorships and Committee memberships in other companies	1. Garware Industries Ltd.

* Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholders relationship Committee of only public companies have been included in the aforesaid table.

The draft agreement between the Company and Mrs. Sarita Garware Ramsay, inter-alia, contains the following terms and conditions:

- a) Salary: Rs. 10,50,000/- per month. (With an annual increase of 10% per annum with effect from 01.04.2015 till the expiry of the term.)
- b) Commission: Mrs. Sarita Garware Ramsay will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.

- c) Perquisites: Mrs. Sarita Garware Ramsay will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary. Mrs. Sarita Garware Ramsay shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration: -
- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - iii. Encashment of leave at the end of her tenure.
- d) Mrs. Sarita Garware Ramsay will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) Mrs. Sarita Garware Ramsay will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) Mrs. Sarita Garware Ramsay will also be entitled to receive from the Company traveling, hotel and other expenses incurred by her in performance of her duties on behalf of the Company.
- g) Mrs. Sarita Garware Ramsay will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.

The draft agreement and the resolution of the Annual General Meeting referred to in the resolution under Item No. 8 of the accompanying notice will be open for inspection by the members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Mrs. Sarita Garware Ramsay, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to Mrs. Sarita Garware Ramsay, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act 2013, therefore the special resolution is proposed for the approval of the shareholders. After the member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Mrs. Sarita Garware Ramsay as minimum remuneration.

Mrs. Sarita Garware Ramsay satisfies all the conditions as set out in Part I of Schedule V as also under sub-section 11 of Section 197 of the Companies Act, 2013 for being eligible to be appointed as a Joint Managing Director of the Company. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment of Mrs. Sarita Garware Ramsay as the Joint Managing Director is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 8 for approval of the members.

Mrs. Sarita Garware Ramsay is concerned or interested in the resolution under Item No.8 of the accompanying notice. Shri S. B. Garware, Mrs. S. S. Garware, Mrs. Monika Garware Modi, and Ms. Sonia Garware Directors of the Company, being related to Mrs. Sarita Garware Ramsay, may be deemed to be concerned

or interested in the resolution. Save as aforesaid, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in anyway, concerned or interested in the resolution set out at item No. 8 of the Notice.

This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement

Your Directors recommend this resolution.

Item No. 9:

At the Annual General Meeting held on 5th September, 2012, Ms. Sonia Garware was appointed as Joint Managing Director of the Company by Members for a term of five years with effect from 1st September, 2012.

The terms of her revised remuneration were approved by the members at the annual general meeting held on 26th September, 2013.

The approval for increase in payment of remuneration pursuant to section 198, 269 and other applicable provisions of the Companies Act, 1956 w.e.f. 1st September, 2013 till expiry of her present term of Agreement subject to the approval of Central Government which is awaited. In view of provisions of Companies Act, 2013 becoming effective from 1st April, 2014, this enabling resolution is being proposed for payment of remuneration for the period from 1st April, 2014 to 31st March, 2015.

On account of substantial increase in her job responsibility to look after the entire export division of the Company, which contributes around 45% of total turnover of the Company and earning of valuable foreign exchange for the Country. Ms. Sonia Garware has been posted at London- U.K.

The Board of Directors at their meeting held on 31st July, 2014 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 31st July, 2014, considered and approved the variation in her remuneration in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders at the ensuing Annual General Meeting.

A brief profile along with other details of Ms. Sonia Garware and in compliance with Clause 49 of the Listing Agreement between the Company and the Stock Exchange is as follows:

Name of the Director	Ms. Sonia Garware
Director Identification Number	00135995
Date of Birth and Age	24.07.1971 - 43 years
Date of joining the Board	31.01.2007
Profile of the Director	Ms. Sonia Garware has been associated with the Company since 1997. She bears an excellent academic career. Ms. Sonia Garware is a M. B. A. with triple major in Finance, Marketing & Strategy from Boston College, U.S.A. She has enormous work experience in marketing, business development and finance. She has a very good exposure in handling and managing the export business of the Company. Currently Ms. Sonia Garware is responsible for production planning, marketing of IPD and CPD product lines, procurement and R&D. Besides that she is responsible for the exports and looks after the entire businesses of the Companies subsidiaries situated at London-UK and USA.

No. of Shares held in the Company	268595
*Directorships and Committee memberships in other companies	1. Garware Industries Ltd.

* Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholders relationship Committee of only public companies have been included in the aforesaid table.

The draft Supplementary Agreement between the Company and Ms. Sonia Garware, inter-alia, contains the following terms and conditions:

- a) Salary : Rs. 8,00,000/- per month.
- b) Commission: Ms. Sonia Garware will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.
- c) Perquisites: (i) Ms. Sonia Garware will be entitled to furnished housing accommodation, gas electricity, water and furnishing and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concessions for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary.
- (ii) Ms. Sonia Garware shall also be entitled to the Encashment of leave at the end of her tenure which shall not be included in the computation of the ceiling on remuneration.
- d) Special Allowance Rs. 3,00,000/- per month.

Save as provided above, the other terms and conditions of her appointment/ employment previously approved by the members of the Company at the Annual General Meeting held on 26th September, 2013 shall remain the same.

The draft agreement and the Resolution of Annual General Meeting referred to in the Resolution under Item No. 9 of accompanying notice will be open for inspection by members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Ms. Sonia Garware, the Company may have inadequacy of profits during any such financial year/s, in such case the above mentioned remuneration paid/payable to Ms. Sonia Garware, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act 2013, therefore the special resolution is proposed for the approval of the shareholders. After member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Ms. Sonia Garware as minimum remuneration.

Ms. Sonia Garware is concerned or interested in the Resolution. Shri S. B. Garware, Mrs. S. S. Garware, Mrs. M. Garware Modi and Mrs. Sarita Garware Ramsay, Directors of the Company, being related to Ms. Sonia Garware, may be deemed to be concerned or interested in the Resolution. Save as aforesaid, none of the other Directors / Key Managerial Personnel of the Company/their relatives are, in anyway,

concerned or interested in the resolution set out at item No. 9 of the Notice.

This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Your Directors recommend this resolution.

Item No. 10:

Mr. Tushar M. Parikh was appointed as an additional director on the Board of the Company with effect from 27th December, 2013 under Section 161(1) of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with Article 121 of the Articles of the Association of the Company Mr. Parikh holds office as an additional director upto the date of the ensuing Annual General Meeting of the Company. Notices in writing have been received from some of the members of the Company under Section 160 of the Companies Act, 2013 signifying their intention to propose Mr. Parikh as the candidate to the office of the Director of the Company.

A brief profile along with other details of Mr. Parikh is as follows:

Director Identification Number	00049287
Date of joining the Board	27.12.2013
Date of Birth & Age	15.05.1949 - 65 years
Profile of the Director	Mr. Parikh is a Practicing Chartered Accountant and he is a sole proprietor of M/s. T. M. Parikh & Co.
No. of Shares held in the Company	Nil
Directorships and Committee memberships in other companies*	1. Choksi Imaging Limited

* Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholders relationship Committee of only public companies have been included in the aforesaid table.

It would be in the interest of the Company to avail of the valuable experience and guidance of Mr. Parikh. The Board recommends the appointment of Mr. Parikh as Director of the Company.

Mr. Parikh is concerned or interested in the resolution under Item No. 10 of the accompanying notice. Save as aforesaid, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested in the resolution set out at Item No. 10 of the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 11 to 14:

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. N. P. Chapalgaonkar, Mr. R. P. Makhija, Mr. B. Moradian and Dr. M. C. Agarwal as Independent Directors of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors.

A brief profile along with other details of the Independent Directors are as follows:

Name of the Director	Mr. N. P. Chapalgaonkar
Date of Birth & Age	10.04.1937 - 77 years
Director Identification Number	00365494
Date of joining the Board	23.10.2003
Profile of the Director	Mr. N.P. Chapalgaonkar is a retired High Court Judge with a distinguished track record in judiciary and is having 50 years of experience. His experience is of immense support to the Company.

No. of Shares held in the Company	Nil
Directorships and Committee memberships in other companies*	Nil

Name of the Director	Mr. Ramesh P. Makhija
Director Identification Number	00209869
Date of Birth & Age	19.08.1950 - Age 64 years
Date of joining the Board	12.11.2009
Profile of the Director	Mr. Makhija is a practicing solicitor since 1976. After successfully completing his Attorney-at-Law examination in U.K. he enrolled himself as Solicitor of the Supreme Court of England. Mr. Makhija has promoted and incorporated a Law Firm by the name of M/s. Ramesh Makhija & Co.
No. of Shares held in the Company	Nil
Directorships and Committee memberships in other companies*	1. i-flex Solutions Trustee Co. Ltd. - Director

Name of the Director	Mr. B. Moradian
Director Identification Number	00242123
Date of Birth & Age	13.11.1950 - Age 64 years
Date of joining the Board	29.10.2001
Profile of the Director	Mr. B. Moradian is B.E. (Mech.) from VJTI and MMS from JBIMS. Expertise in specific functional areas such as Marketing, Productivity, H.R.D. with a total Managerial experience of over 35 years.
No. of Shares held in the Company	Nil
Directorships and Committee memberships in other companies*	1. Essel Propeck Limited: Chairman - Stakeholders Relationship Committee and Member Audit Committee.

Name of the Director	Dr. M. C. Agarwal
Director Identification Number	02595878
Date of Birth & Age	14.09.1953 - Age 61 years
Date of joining the Board	29.04.2009
Profile of the Director	Dr. Agarwal has done MA in Psychology, Post – MA, Diploma in Research Methodology, Ph.D in Behavioural Science with a total experience over 40 years.
No. of Shares held in the Company	Nil
Directorships and Committee memberships in other companies*	Nil

* Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also alternate directorship, directorship in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committee and Stakeholders relationship Committee of only public

companies have been included in the aforesaid table.

The Board of Directors at its meeting held on 27th December, 2013 has appointed Mr. Tushar M. Parikh as an Additional Director on the Board of Directors of the Company. The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Mr. N. P. Chapalgaonkar, Mr. Ramesh P. Makhija, Mr. B. Moradian, Dr. M. C. Agarwal and Mr. T. M. Parikh as an Independent Directors as set out in Item Nos. 10 to 14 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management. Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Other than the Independent Directors of the Company and their relatives, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 7 to 11 of this Notice.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Item No. 15:

The Company has branches outside India and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

The Board of Directors of the Company commends the Resolution at Item No. 12 for approval by the Members.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

By Order of the Board of Directors

Mumbai,
31st July, 2014

S. C. Nanda
Company Secretary &
Sr. General Manager

Registered Office
Naigaon, Post Waluj,
Aurangabad – 431 133.

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2014
TO THE MEMBERS,

Your Directors present the 57th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

Financial Results

(Rs. in Crores)

	2013 - 2014		2012 - 2013	
Operating Profit before Interest & Depreciation		78.88		75.05
Less : Finance Cost	36.95		29.46	
Depreciation	33.47		39.32	
		70.42		68.78
Profit for the year before Exceptional Item		8.46		6.27
Add : Exceptional items		6.22		5.56
Provision for Income Tax		3.30		(15.87)
Profit After Tax		11.38		27.70
<i>Add : Balance brought forward from previous year</i>		296.88		269.18
Balance available for Appropriation		308.26		296.88
Appropriation:				
Dividend on Cumulative Redeemable Preference Shares (CRPS) (*Rs. 54,460/-)		*0.01		*0.01
Tax on Dividend (Rs.9,255/- on CRPS)		*0.00		*0.00
Balance carried to Balance Sheet		308.25		296.87
Total		308.26		296.88

Dividend

Your Directors have not recommended any dividend on the equity share capital for the year under review with a view to conserve resources to combat the impending liquidity crunch and to plough back profits to strengthen the net working capital. The Company is in investment mode and has decided to conserve cash to recycle into projects that are underway for completion. However, dividend on 54,46,000 cumulative redeemable preference shares of Rs. 100 each @ 0.01% amounting to Rs. 54,460 is recommended by the Board.

Operations

The year 2013-14 has ended with marginal improvement over the year 2012-13 with increase in sales by about 8% due to higher sales volume of Industrial Products. The average sales realization was also better compared to previous year due to better product mix. This was achieved irrespective of increase in Raw material and interest costs for the term loans. The Company is making efforts to divert the spare capacity of Consumer Products Division for exports which capacity has become spare due to the ban on use of Sun control film on motor car windows in Indian market on account of the order of the Hon'ble Supreme Court of India.

Future Outlook

The overcapacity situation persists in the Polyester film manufacturing industry in Indian Market as well as in International Market. The prices remain under pressure due to competition and oversupply situation. The Company has shifted its focus to the Specialty films and already developed some new products for the market such as digital printable films, Films for solar back sheet application and films with high Infrared heat rejection for Automobiles. These films will cater to the export market.

Research & Development

Your company is a leader in development of new products and new applications in the fields of Polyester film and Solar control window film. Apart from development of new products, R&D Department is also focusing on cost reduction measures by developing cost effective alternative raw materials and processes.

Company's R&D Centre is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. R&D team works hand-in-hand with production team to establish new products at the plant and to improve the product quality and plant efficiencies.

All the manufacturing plants / pilot plants and laboratories are upgraded with latest equipment to upgrade the product quality and achieve the stringent quality requirements of demanding customers.

Functioning of R & D Department

R&D activities are carried out in separate R&D centers for Film and Solar control division.

In these centers various pilot plants are installed for development of Polymers, film extrusion and different types of coating.

All new polymers and coatings are first produced in these plants and extensively tested in specially developed test facilities before commencing trials on the main plant. All the new product trials are taken under supervision of very senior R&D personnel and test marketing is done before producing them in bulk quantities.

Our laboratories are equipped with state-of-the-art latest testing equipments and many specialty test rigs are used as per the end product applications.

Information Technology (IT) -

- Company believes that IT is a strategic tool for excellence in customer service and sustainable business growth and with this in view, the Company has implemented SAP for better business integration by replacing legacy standalone systems.
- The company has setup SAP Disaster Recovery (DR) site as a contingency plan for business continuity.
- The Company has setup Domain Server and Active Directory to implement centralized IT security policies and access controls to all the desktop and laptop users.
- The Company has setup completely managed CISCO network to avoid network downtime and implement IT security policies.
- The Company has implemented Data Server virtualization to cut down server infrastructure cost and build server redundancy.
- The Company has setup centralized internet security firewall system to secure internet communication and mitigate internet security threats.
- The Company has developed and implemented Task Reminder System for timely compliances of all the statutory requirements.
- The Company has implemented Bio Metric attendance system across the offices and plants to help HR and Administration for processing of wages and payroll and online attendance records.
- The Company is in process of implementing CCTV security surveillance system to control and monitor manufacturing process.
- The Company has implemented centralized email system with CITRIX virtual cluster solution for efficient working.
- The Company has implemented complete software license compliance and adheres not to use any pirated software.

Awards and Recognitions

During this year, your Company has been honoured with eight Safety Awards at National as well as State Levels by various Government Authorities, viz. National Safety Council of India (NSCI), and Maharashtra State Chapter of National Safety Council (NSC – MC). Out of these eight awards, three awards were won by the Company's employees for their contribution in State Level Safety Slogan Competition.

Human Resource Development

The Company's HR policies and processes are aligned to effectively drive its business and other emerging opportunities. This has been achieved by continuously investing in learning and development programs by arranging target oriented training programs, creating appropriate work environment and maintaining a structured recognition system. The Company helps employees to build new skills and competencies and promote knowledge sharing and team building. HR has been working to provide an enabling working environment where innovation and performance thrive. Employees are empowered and we believe that it is people who ultimately deliver results.

Manufacturing and Quality Initiatives

With innovative approaches in manufacturing techniques and product optimization, the productivity in the manufacturing segment has significantly gone up. The quality culture of your Company ensures that the products are benchmarked as best in class by the customers. Our quest for excellence both in Manufacturing and Quality continues as before. Your Company is regarded as best in class for Quality and Reliability.

Corporate Social Responsibility

Corporate social responsibility in your Company is aligned with 'Garware' tradition of creating wealth in the community with focus on Art, Culture, Sports, health, education and safety. The Company is running Garware Community Center having full-fledged branches at Chikalhana and Waluj, Aurangabad and with various activities at various locations. The

Centre is engaged in overall development of the community members of all age group and creating hobbies among them for art, culture, sports, education, social work, music etc. The Company has thus established a very healthy corporate structured system, while sharing the interests and concerns of the community at large.

Corporate Social Responsible Committee

During the year, your directors have constituted the Corporate Social Responsibility Committee (CSR Committee) comprising Mrs. Sarita Garware Ramsay as the Chairman and Mr. B. Moradian and Dr. M. C. Agarwal as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

Subsidiaries Companies and their Financial Statements

Garware Polyester International Limited - UK and Global Pet Films Inc.- USA, continue to be the subsidiaries of the Company. The Ministry of Corporate Affairs, Government of India vide General Circular No: 2/2011 dated 8th February, 2011 has allowed general exemption to Companies from complying with Section 212(8) of the Companies Act, 1956, provided such companies publish audited consolidated financial statements in the Annual report. Your Board has decided to avail the said general exemption from applicability of provisions of Companies Act, 1956 and accordingly, the Annual Accounts of the above Subsidiary Companies for the financial year ended 31st March, 2014 are not being attached with this Annual Report and the specified financial highlights of the said Subsidiaries are disclosed in this Annual Report, as part of the Consolidated Financial Statements. The Audited annual accounts and related information of the subsidiaries will be made available, upon request and also be open for inspection at the Registered Office, to any shareholder with sufficient notice and on payment of prescribed fees as per the provisions of the law.

Safety, Health & Environmental Protection

Being a Responsible Corporate Citizen, your Company has continued to sustain various initiatives for the continual improvement in Safety, Health and Environment (SHE) at the works and surroundings. Some of the prominent activities include – Internal Safety Audit of plants (as per Indian Standard on Occupational Safety and Health Audit: IS-14489), Safety audits Thermic Fluid system and Electrical System by external expertise (M/s Jacobs Engineering), periodical SHE inspections and trainings, schemes on the efficient usage of energy and the conservation of natural resources, activities for the enhancement of employee participation in SHE and the support in emergency management operations at public places. Your Company is a recipient of various safety laurels from the Regulatory Authorities on the State and National level as stated above during the year. Security system has been upgraded, like awareness training, evacuation drills to meet the new challenges.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 (erstwhile Section 217(2AA) of the Companies Act, 1956) the Board of Directors of your Company confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have 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 year;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) that the Directors have prepared the annual accounts on a going concern basis.

Directors

1. Mrs. Monika Garware Modi and Ms. Sonia Garware, retire by rotation and being eligible, offer themselves for re-appointment.
2. The Board of Directors of your Company has:
 - a) re-appointed Shri S. B. Garware as Chairman & Managing Director of the Company on revised terms, effective from 1st November, 2014 for a period of five years.
 - b) approved variation in the payment to remuneration payable to Mrs. Monika Garware Modi-Vice Chairperson & Joint Managing Director, Mrs. Sarita Garware Ramsay-Joint Managing Director w.e.f. 1st April, 2014 to 31st October, 2018 and to Ms. Sonia Garware, Joint Managing Director w.e.f. 1st April, 2014 to 31st March, 2015.
 - c) appointed Mr. T. M. Parikh as an additional Director with effect from 27th December, 2013. According to provisions of Section 260 of the Companies Act, 1956, (corresponding to Section 161(1) of the Companies Act, 2013) an Additional Director holds office as a Director only upto the date of the ensuing Annual General Meeting.

As required under Section 257 of the Companies Act, 1956, (corresponding to Section 160 of the Companies Act, 2013) notices have been received from members signifying their intention to propose the appointment of Mr. T. M. Parikh, as a Director. Resolution proposing his appointment as a Director forms part of agenda of ensuing Annual General Meeting.
3. In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. N. P. Chapalgaonkar, Mr. Ramesh Makhija, Mr. B. Moradian, Dr. M. C. Agarwal and Mr. T. M. Parikh as Independent Directors of your Company for 5 (five) consecutive years up to 31st March, 2019.

Appropriate resolutions for the appointment/re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their appointment/reappointment as Directors of your Company.
4. Mr. A. B. Bhalerao and Mr. Dilip J. Thakkar resigned as Independent Non-Executive Directors of your Company on 31st October, 2013 and 29th May, 2014, respectively. The Board places on record its appreciation for their valuable contribution to your Company as Directors during their association with your Company.

Audit Committee

Besides Mr. M. S. Adsul, the Audit Committee comprises of three independent Directors viz. Mr. B. Moradian, Dr. M. C. Agarwal and Mr. T. M. Parikh.

Mr. B. Moradian, who is an independent non-executive Director, acts as chairman of Audit Committee Meetings.

Corporate Governance

A Report on Management Discussion and Analysis, Corporate Governance as well as Auditor's Certificate regarding compliance of Clause 49 of the Listing Agreement forms part of this Report.

Auditors

Subject to approval of the Members, the Board of Directors of Company have decided to appoint M/s. Manubhai & Shah, Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting in place of M/s. Shah & Co., Chartered Accountants, the retiring statutory auditors of the Company in compliance with Section 140(4)(i) of the Companies Act, 2013.

Cost Auditors

The Company has appointed M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad as cost auditors for conducting the audit of cost records of the Company for the Financial Year 2013-14.

Other Statutory Information

The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forms part of this 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 inspect the same at the Registered Office of the Company or write to the Company Secretary at the Corporate Office of the Company. Information as per 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 and forming part of this Report is annexed.

Industrial Relations

The relations between the Employees and the Management remained cordial during the year under review. Your Directors wish to place on record their appreciation of the contribution made by the Employees at all levels.

Acknowledgements

Your Directors wish to place on record their appreciation of the wholehearted co-operation received by the Company from the various departments of the Central & State Governments, Company's Bankers and Financial & Investment Institutions during the period under review.

For and on behalf of the Board of Directors

Mumbai
31st July, 2014

S. B. GARWARE
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

Your Company always focuses on energy conservation and also strives to improve efficiency. Studies are conducted on regular basis to analyze quantitative energy consumption pattern and to find ways and means to improve efficiency. Following successful energy conservation efforts were made during the period under review-

1. Reduction in Furnace oil consumption by 25 TPM by optimizing oxygen percentage in Thermic fluid heater at Central Utility, Waluj.
2. Applied different measures to reduce water consumption by 150 M3/day at Waluj Complex.
3. Saving of 360 units/day by installing Screw air compressor and partial stoppage of Reciprocating compressor in Central Utility, Waluj.
4. In Chikalthana complex, saving of 400 units/day by optimizing compressed air consumption and slitting machine operation.

(B) TECHNOLOGY ABSORPTION**I. Research and Development (R & D)**

Company's R&D Centre is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, and is engaged in research on new applications as well as development of new products, improvement of manufacturing processes and debottlenecking activities. Your Company's thrust on R&D activities has paid rich dividends.

R & D Dept. is functioning from 1988 onwards in Garware Polyester Ltd.

It is approved by Department of Science and Industrial Research (DSIR), Govt. of India.

It plays a very vital role in development of new products / processes required for future business.

It is well equipped with various Pilot Plants and Testing facilities required for Product Development.

Our R & D Dept. have skilled and specialized work force for various developmental areas.

1. Specific areas in which R & D carried out by the Company

- a) Hydrolysis resistant film for solar back sheet application.
- b) Film for aluminum foil replacement (thermal lamination).
- c) Heat sealable anti mist film food packaging.
- d) Dyed and Nano particle combination film for Automobile Solar control application.
- e) Oxy-block barrier film for food packaging.

2. Benefit derived as a result of the above R & D

- a. Value added products developed and production costs reduced.

3. Expenditure on R&D / Product Development

(Rs. in Lakhs)

a) Capital (Excl. CWIP)	2.01
b) Recurring	111.32
Total	<u>113.33</u>

Total R&D expenditure as a percentage to total turnover: 0.14 %

II. Technology absorption, adaptation and innovation**1. Efforts made towards technology absorption, adaptation and innovation:**

- a. Nano-silica based anti block development and incorporation in polymer matrix to enhance the film properties established successfully.
- b. Up-gradation of shrink label film with improved mechanical properties.

2. Benefits derived as a result of above efforts

Above efforts have resulted in improvement of product output, quality and reduction in wastage

3. Technology imported during the last five years

No Technology has been imported during the last 5 years.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**I. Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.**

1. The export marketing activities are being consolidated to maintain the share of exports in total production. Newer markets are being explored.
2. Constant endeavor is being made to establish the products in specific overseas regional markets and to accomplish the same, individuals with knowledge and experience of these markets are appointed to service the customers.
3. The Company has established marketing outfits in USA and UK and in order to maintain the smooth activities of the export business, the Company has established a branch office in London, UK.

II. Total Foreign Exchange used and earned

(Rs. in Crores)

Used: -	104.49
Earned (FOB Basis):-	454.96

For and on behalf of the Board of Directors

Mumbai
31st July, 2014

S. B. GARWARE
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

In compliance with clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Management acknowledges that corporate governance is a set of laws, regulations and good practices that enables an organization to perform efficiently and effectively. The philosophy of the Company towards good corporate governance is to enhance the long-term economic value of the Company, its shareholders and other stakeholders at large by adopting better corporate practices in fair and transparent manner. The Company believes that Corporate Governance is an ongoing process and there is a need to view Corporate Governance as more than just a regulatory requirement as good governance, apart from business results, leads to enhanced shareholder value.

The Report on Corporate Governance is divided into six parts: -

1. Board of Directors – Composition & Meetings
2. Committees of the Board
3. Remuneration of Directors
4. Disclosures
5. Means of Communication
6. General Shareholder Information

1. BOARD OF DIRECTORS:

(A) COMPOSITION OF THE BOARD OF DIRECTORS

The Company has a broad based Board of Directors, constituted in compliance with the relevant guidelines issued under Companies Act, Listing Agreement and in accordance with the best practices in Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board.

Currently, the Board comprises of the following:

Category	Name of the Director	No. of Shares held as on 31 st March, 2014	No. of Board meetings attended during FY 2013-14	No. of Directorship(s) in Public Limited Companies as on 31 st March, 2014**	No. of Board Committee Membership held in Public Companies as on 31 st March, 2014 [#]		Attendance at last AGM held on 26 th September, 2013.
					Chairman	Member	
Non – Independent Executive	1. Shri S. B. Garware	11,63,001	6	4	-	-	NO
	2. Mrs. Monika Garware Modi	2,67,504	2	11	-	-	NO
	3. Mrs. Sarita Garware Ramsay	2,67,653	6	2	-	1	YES
	4. Ms. Sonia Garware	2,68,595	1	2	-	-	NO
	5. Mr. M. S. Adsul	87	3	2	-	1	YES
Independent Non-Executive	1. Mr. Dilip J. Thakkar \$	-	2	13	5	9	NO
	2. Mr. B. Moradian *	-	6	2	3	4	NO
	3. Mr. N. P. Chapalgaonkar	-	1	1	-	-	YES
	4. Dr. M. C. Agarwal	-	5	1	-	2	NO
	5. Mr. Ramesh P. Makhija	-	4	2	-	-	NO
	6. Mr. A. B. Bhalerao ±	1015	4	2	-	1	YES
	7. Mr. T. M. Parikh @	-	2	2	-	1	-
Non-Independent Non-Executive	1. Mrs. S. S. Garware	1,75,465	4	2	-	-	NO

* Chairman of Audit Committee and Stakeholders Relationship Committee.

** This excludes directorship held in Private Companies, Foreign Companies and directorship held as an alternate director but includes directorship in Garware Polyester Limited.

± Mr. A. B. Bhalerao resigned from the Board w.e.f. 31st October, 2013.

@ Mr. T. M. Parikh joined the Board w.e.f. 27th December, 2013.

\$ Mr. Dilip J. Thakkar resigned from the Board w. e. f. 29th May, 2014.

Committee of Directors includes membership in Audit Committee and Stakeholders Relationship Committee of Directors only. This includes membership in Committee of Directors of Garware Polyester Limited.

(B) MEETING OF BOARD OF DIRECTORS:

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Chairman and Managing Director, Whole time Director and other Departmental Heads and circulates the same in advance to all the Directors. The Company places before the Board all the relevant and necessary data / information at it's meetings related to production, sales, exports, review of business, any legal proceedings by / against the Company, share transfers, quarterly financial results, minutes of: (a) previous Board Meetings, (b) Audit Committee Meetings, (c) Stakeholders Relationship Committee Meetings (previously known as Share Transaction cum Investor Grievance Committee) (d) Nomination and Remuneration Committee Meeting (previously known as Remuneration Committee) and such other relevant information. The information as specified in Annexure 1A of Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable for discussion and consideration.

The Board meets at least once every quarter, inter alia, to review the quarterly results. During the year under review commencing w.e.f. 1st April, 2013, six Board Meetings were held. The gap between any two Board meetings did not exceed 4 months. The details of Board meetings held during financial year 2013-14 are given below:

Sr. No.	Date	Board Strength	No. of Directors Present
1	29.05.2013	12	6
2	20.07.2013	12	6
3	09.08.2013	12	9
4	30.10.2013	12	8
5	27.12.2013	12	9
6	14.02.2014	12	8

2. COMMITTEES OF THE BOARD

The Board has constituted Committees of Directors to take informed decisions and to oversee the activities falling within the purview of their terms of reference. The following are the various Committees of the Board:

- (A) Audit Committee
- (B) Stakeholders Relationship Committee
- (C) Nomination and Remuneration Committee
- (D) Corporate Social Responsible Committee *

Audit Committee is also made responsible for overseeing, monitoring and implementation of policies related to Vigil Mechanism and Business Risk Management.

* Corporate Social Responsible Committee has been constituted w.e.f. 29.05.2014.

(A) AUDIT COMMITTEE

(i) Composition

The Board of the Company has constituted an Audit Committee comprising of the following Directors.

Mr. B. Moradian	Chairman
Mr. M. S. Adsul	Member
Dr. M. C. Agarwal	Member
Mr. T. M. Parikh #	Member
Mr. A. B. Bhalerao*	Member

The Company Secretary, acts as the Secretary to the Committee.

*Mr. A. B. Bhalerao ceased to be a member of the Audit Committee w. e. f. 31st October, 2013.

Mr. T. M. Parikh was appointed as a member of the Audit Committee w. e. f. 27th December, 2013.

(ii) Terms of Reference:

The powers and terms of reference of the Audit committee are as mentioned in Clause II (C), (D) & (E) of the Listing Agreement and Section 177 of the Companies Act, 2013. The brief descriptions of terms of reference are:

- Overseeing and ensuring the adequacy and compliance of internal control systems.
- Reviewing the quarterly, half-yearly and annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements before submission to the Board.
- Reviewing the adequacy of the Audit and Compliance, including their policies, procedures, techniques and other regulatory requirements.
- Undertaking periodical review of Internal Audit Reports and appraising and reviewing the scope of Internal Audit functions from time to time.
- Interacting effectively with the Statutory Auditors from time to time and discuss about finalisation of annual financial statements.
- Review of the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters / letters of internal control weakness issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
- Considering any other matter, which may be referred to it by the Board.
- The Minutes of the Audit Committee Meetings are placed at the Meeting of the Board of Directors.

(iii) Meetings and attendance during the year

During the year under review, five Audit Committee meetings were held as per details given below.

Sr. No.	Date	Strength	No. of Members Present
1	29.05.2013	4	3
2	20.07.2013	4	3
3	09.08.2013	4	4
4	30.10.2013	4	3
5	14.02.2014	4	4

The attendance of Members at the Committee Meetings was as under:

Name of Members	Audit Committee Meetings Attended
Mr. B. Moradian	5
Mr. M. S. Adsul	3
Dr. M. C. Agarwal	4
Mr. A. B. Bhalerao	4
Mr. T. M. Parikh	1

(B) STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement, Share Transaction cum Investors' Grievance (STC) Committee has been re-named as Stakeholders Relationship Committee. The Board of the Company has constituted a Stakeholders Relationship Committee comprising of the following Directors:

(i) Composition:

Mr. B. Moradian	Chairman
Mrs. Sarita Garware Ramsay	Member
Dr. M. C. Agarwal	Member

The Company Secretary, acts as the Compliance Officer.

(ii) Terms of Reference:

Brief descriptions of terms of reference are:

- To consider and approve transfer of shares and issuance of duplicate share certificates etc.
- Redressal of shareholder's / investor's complaints relating to transfer of shares, non-receipt of annual report, dividends, transmission, transposition, splitting, consolidation and dematerialisation of shares, etc.

(iii) Details of complaints received and redressed during the year from 1st April, 2013 to 31st March, 2014

During the year under review, the Company has resolved investor grievances expeditiously. As per information received from Registrar M/s. Link Intime India Private Limited, during the year, the Company received 77 complaints from shareholders, which were resolved. The details are as under:

Nature of Complaint	No. of Complaints	No. of Complaints Resolved as on 31.03.2014	No. of Complaints Pending as on 31.03.2014
Transfer of Shares	8	8	Nil
Dividend	55	55	Nil
Others	14	14	Nil
Total	77	77	Nil

(iv) Share Transfer Details:

During the year, the Committee met 27 times. As on 31st March, 2014, there were no requests pending for transfer of shares. The details of share transfers are reported to the Board of Directors along with the Minutes of the aforesaid Committee Meetings. The attendance of Members at the aforesaid Committee Meetings was as under:

Name of Members	Meetings Attended
Mrs. Sarita Garware Ramsay	27
Mr. B. Moradian	12
Dr. M. C. Agarwal	16

(v) Investor's Grievances:

The Registrars and Share Transfer Agents, viz. Link Intime India Private Limited under supervision of the Secretarial Department of the Company redresses the Investor's grievances.

(C) NOMINATION AND REMUNERATION COMMITTEE:

In compliance to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement,

Remuneration Committee has been re-named as Nomination and Remuneration Committee.

(i) Composition:

The Board of the Company has constituted a Nomination and Remuneration Committee comprising of the following Directors:-

Mr. B. Moradian	Independent Non- Executive
Dr. M. C. Agarwal	Independent Non- Executive
Mr. A. B. Bhalerao*	Independent Non- Executive
Mr. T. M. Parikh#	Independent Non- Executive

* Mr. A. B. Bhalerao ceased to be a member of the Nomination and Remuneration Committee w. e. f. 31st October, 2013.

Mr. T. M. Parikh was appointed as member of the Nomination and Remuneration Committee w. e. f. 27th December, 2013.

(ii) Terms of Reference:

Brief description of terms of reference are:

- To review the overall compensation policy and remuneration payable to Managing / Whole-time Directors.
- To make recommendations to the Board of Directors on the increments in the remuneration of the Directors.

(iii) Meeting and Attendance :

During the Financial year 2013-14, the Committee met on 9th August 2013. Mr. B. Moradian chaired the meeting, Mr. A. B. Bhalerao and Dr. M. C. Agarwal members of the Committee were present.

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of the Section 135 of the Companies Act, 2013, the Board has constituted a Corporate Social Responsibility Committee on 29th May, 2014. Mrs. Sarita Garware Ramsay is the Chairperson of the Committee and Mr. B. Moradian and Dr. M. C. Agarwal are the other two members of the Committee.

The Committee is *inter-alia* authorized to formulate and recommend to the Board a CSR Policy, the amount of expenditure to be incurred on the permissible activities as prescribed under Schedule VII of the Companies Act, 2013. The Committee shall be responsible for monitoring the CSR Policy.

3. REMUNERATION TO DIRECTORS:

The remuneration of the Board members is based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer companies. Compensation reflects each Board member's responsibility and performance. The remuneration to Managing Director, Joint Managing Directors and Director - Technical are paid as per the Agreements entered into between them and the Company. Wherever necessary, Company seeks approval of Central Government for their remuneration.

(a) For Executive Directors:

The details of remuneration paid to the Executive Directors of the Company during the year (1st April, 2013 to 31st March, 2014) are given below:

(Rs. In Lakhs)

Names	Salary	Perquisites & Allowances	Retirement Benefits	Performance linked Bonus	Stock Option
Shri S. B. Garware	199.60	105.08	Nil	Nil	Nil
Mrs. Monika Garware Modi*	110.56	32.90	29.85	Nil	Nil
Mrs. Sarita Garware Ramsay*	96.24	26.77	25.99	Nil	Nil
Ms. Sonia Garware*	84.17	45.30	Nil	Nil	Nil
Mr. M. S. Adsul	33.00	3.86	0.81	Nil	Nil

Certain Executive Directors (whole time directors) are covered under the Company's gratuity and leave encashment schemes along with other employees of the Company. These liabilities are determined for all employees by an independent actuarial valuation. The specific amount of these benefits can't be ascertained separately and hence the same has not been included above.

*The applications seeking approval for the above remuneration paid to Mrs. Monika Garware Modi - Vice Chairperson & Joint Managing Director and Mrs. Sarita Garware Ramsay - Joint Managing Director of the Company for the period 1st November 2013 to 31st March, 2014 and to the Ms. Sonia Garware – Joint Managing Director of the Company for the period 1st September, 2013 to 31st March, 2014 are pending with the Central Government.

Service contract in respect of Managing Director, Joint Managing Directors and Director-Technical is for five years.

(b) For Non-Executive Directors:

With effect from 30th October, 2013 the Board has revised the sitting fees payable to Non-Executive Directors from Rs. 5,000/- to Rs. 10,000/- for every Board Meeting and from Rs. 1,000/- to Rs. 2,000/- for every Committee Meeting attended by them.

Details of sitting fees paid to Non-Executive Directors during Financial Year 2013-14.

(Amount in Rs.)

Names	Board Meeting	Audit Committee Meeting	Share Transaction Cum Investor Grievance Committee	Remuneration Committee
Mrs. S. S. Garware	30,000	-	-	-
Mr. B. Moradian	45,000	7,000	17,000	1,000
Dr. M. C. Agarwal	40,000	6,000	23,000	1,000
Mr. A. B. Bhalerao	25,000	5,000	-	1,000
Mr. Dilip J. Thakkar	15,000	-	-	-
Mr. N. P. Chapalgaonkar	10,000	-	-	-
Mr. Ramesh P. Makhija	35,000	-	-	-
Mr. T. M. Parikh*	20,000	2,000	-	-

Except as above, the non-executive directors have not other pecuniary interest in the Company, as disclosed to us.

4. DISCLOSURES:

- Details of related party transactions as per requirement of Accounting Standard 18 are disclosed in Note No. 35 to the audited accounts. A statement of these transactions was also placed before the Audit Committee, from time to time. None of the transactions with any of the related parties was in conflict with the interests of the Company. All transactions with related parties are negotiated on an arms' length basis and are intended to further the interests of the Company's business.
- Your company recognizes the "Risk Management" as an integrated, forward-looking process oriented approach for managing "Enterprise Wide Risks". The Company has in place a mechanism to inform the board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of properly defined frame work.
- No penalties / strictures have been imposed on the Company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years.

5. MEANS OF COMMUNICATION

- The Board of Directors of the Company approves and takes on record the unaudited quarterly financial results in the format prescribed by the Stock Exchange, and discloses the said financial results to the Bombay Stock Exchange Limited, where the shares of the Company are listed.

- Further, the said results in the prescribed format are published in the leading newspapers.

Periodic information relating to Shareholding pattern and quarterly financial results are also made available on the Company's web-site immediately after the conclusion of respective Board Meeting. The Company's website is: www.garwarepoly.com

- Report on Management Discussion and Analysis forms part of this Annual Report.

6. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

Date, time and venue : 25th September, 2014 at 11.30 a.m. at Registered Office of the Company – Naigaon, Post Waluj, Aurangabad – 431 133.

(b) Financial Year : 1st April to 31st March.

(c) Financial Calendar (tentative)

Financial Year	1 st April, 2014 to 31 st March, 2015
Unaudited Financial Results for the Quarter ending: 30 th June, 2014; 30 th September, 2014; 31 st December, 2014 and 31 st March, 2015.	Within 45 days from the end of reporting quarter.
Annual General Meeting for year ending - 31 st March, 2015.	Before the end of September 2015.
Date of Book Closure for the current financial year	Saturday, 13th September, 2014 to Thursday, 25th September, 2014.
Email address for Investor Complaints	nandasc@garwarepoly.com

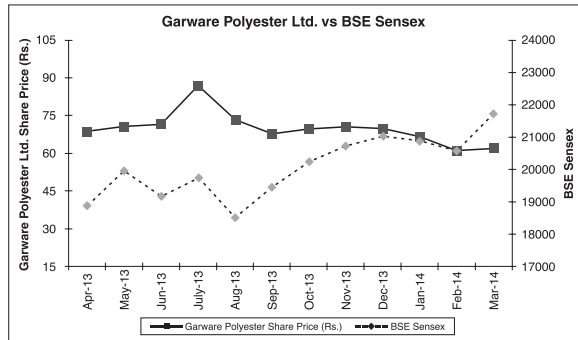
(d) Listing on Stock Exchange

- Shares of the Company are listed on the Stock Exchange, Mumbai, under Stock Code No. 500655.
- ISIN No. for dematerialised shares is INE 291A01017.
- The Company has paid Annual Listing Fees for the year 2014-15 to the above Stock Exchange. The Company has also paid custodial charges to National Securities Depository Limited and Central Depository Services (India) Limited for 2014-15.

(e) Share price Data on The Stock Exchange, Mumbai

Month	Share Price Data		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2013	78.90	58.40	19622.68	18144.22
May 2013	79.40	61.95	20443.62	19451.26
June 2013	83.40	59.65	19860.19	18467.16
July 2013	95.50	78.00	20351.06	19126.82
August 2013	82.20	64.00	19569.20	17448.71
September 2013	74.40	60.85	20739.69	18166.17
October 2013	72.80	66.00	21205.44	19264.72
November 2013	73.90	67.00	21321.53	20137.67
December 2013	74.50	65.10	21483.74	20568.70
January 2014	71.90	61.05	21409.66	20343.78
February 2014	67.00	55.20	21140.51	19963.12
March 2014	66.80	57.00	22467.21	20920.98

(f) Performance of Share Price in comparison to the BSE Indices



(g) Registrars and Share Transfer Agents :

Link Intime India Private Limited,
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
Tel. No.: 022 - 25946970 Fax No.: 022 - 25946969
e-mail : rnt.helpdesk@linkintime.co.in
Contact Person: Mr. Mahesh Masurkar

(h) Share Transfer System

The Share Transfer requests received in physical form are registered and transferred within 15 days from the date of lodgement by the Registrars and Share Transfer Agents if the same are valid and complete in all respects and thereafter the same are duly approved by Share Transactions cum Stakeholders Relationship Committee. Since the Company's shares are compulsorily traded in demat segment on the Stock Exchange, Mumbai, bulk of the transfers takes place in electronic form.

(i) Categories of shareholding as on 31st March, 2014.

Sr. No.	Category	No. of Shares held	% Shareholding
1	Promoters (Shri S. B. Garware, family and Associates)	1,40,58,709	60.30
2	Mutual Funds and UTI	15,226	0.06
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	8,57,261	3.68
4	Private Corporate Bodies	21,46,193	9.20
5	Foreign Institutional Investors	3,855	0.02
6	NRIs	1,98,087	0.85
7	Indian Public	60,35,819	25.89
	Grand Total	2,33,15,150	100.00

(j) Distribution of Shareholdings as on 31st March, 2014

No. of Shares held	No. of Share-holders	% of Share-holders	No. of Shares	% of Share-holding
1 to 500	30411	96.89	2569307	11.02
501 to 1000	479	1.53	372664	1.60
1001 to 2000	242	0.77	377404	1.62
2001 to 3000	57	0.18	143550	0.61
3001 to 4000	22	0.07	78721	0.34
4001 to 5000	33	0.11	158996	0.68
5001 to 10000	51	0.16	376882	1.62
10001 and above	92	0.29	19237626	82.51
Total	31387	100	23315150	100

(k) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for which purpose the Company has entered into Agreements with the respective institutions. The Shares of the Company are compulsorily to be delivered in the demat form to the Stock Exchanges by all investors. Nearly 94.20 % of the equity shares of the Company have been dematerialised by investors and bulk of transfers take place in the demat form.

(l) Outstanding GDRs/ADRs/

Warrants or any convertible instruments and conversion date and likely impact on equity : **Not Applicable**

(m) Plants Locations :

Waluj, Chikalthana and Nasik.

(n) Address for Correspondence:

Garware Polyester Limited,
Garware House, 50-A, Swami Nityanand Marg,
Vile Parle (East), Mumbai-400 057.
Tel No: 022-6698 8000 – 15
Fax No: 022-2824 8155 / 66
e-mail: nandasc@garwarepoly.com

(o) Reappointment / Appointment of Directors

Information on directors retiring by rotation and directors seeking re-appointment, subject to members approval at the ensuing Annual General Meeting is provided in the Notice.

(p) Code of Conduct

The Company has always encouraged and supported ethical business practice in personal and corporate behaviour by its directors and employees. The Company has framed a specific Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company.

In addition pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for prevention of Insider Trading. Mr. S. C. Nanda Company Secretary is the Compliance Officer. This code of conduct is applicable to all Directors and such identified employees of the Company as well as of the Group Companies, who are expected to have access to unpublished price sensitive information relating to the Company.

(q) CEO / CFO CERTIFICATION

The Chairman & Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

(r) Information on General Body Meetings

Details of the last three (3) Annual General Meetings (AGM) held by the Company are as under:

	Date	Venue	Time
54 th AGM	27.12.2011	Registered Office:	11.30 a.m.
55 th AGM	05.09.2012	Naigaon, Post Waluj,	11.30 a.m.
56 th AGM	26.09.2013	Aurangabad-431133	11.30 a.m.

The following are the Special Resolutions passed at the Annual General Meetings held in the last 3 years:

Date of Meeting	Summary of Resolution
December 27 th , 2011	Appointment of auditors
September 5 th , 2012	1) Appointment of auditors 2) Appointment of Ms. Sonia Garware as Jt. Managing Director 3) Appointment of Mr. M. S. Adsul as Whole-Time Director
September 26 th , 2013	1) Appointment of auditors 2) Re-Appointment & payment of remuneration to Mrs. Monika Garware Modi - Jt. Managing Director of the Company. 3) Re-Appointment & payment of remuneration to Mrs. Sarita Garware Ramsay - Jt. Managing Director of the Company. 4) Revision in payment of remuneration to Ms. Sonia Garware – Jt. Managing Director of the Company. 5) Re-Appointment & payment of remuneration to Mr. M.S. Adsul as Whole –Time Director.

All resolutions moved at the last Annual General Meeting were passed by show of hands by the requisite majority of shareholders attending the meeting. None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot.

Declaration by CEO under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Clause 49 I(D) of the Listing Agreement with the Bombay Stock Exchange, I hereby confirm that, all the members of the Board and Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended March 31st 2014.

S. B. Garware
(Chairman & Managing Director)

Mumbai,
31st July, 2014

PRACTICING COMPANY SECRETARY’S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF GARWARE POLYESTER LIMITED

I have examined the compliance of conditions of Corporate Governance by GARWARE POLYESTER LIMITED (the Company) for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further 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.

Place : Mumbai
Dated : 31st July, 2014

ABBAS LAKDAWALLA
Practicing Company Secretary
FCS 2988
CP 4052

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview & Economic Environment

Garware Polyester Limited (GPL) is the pioneer and one of the largest exporters of polyester films in India. The Company manufactures Biaxially oriented polyethylene terephthalate (BOPET) / Polyester Films, Sun Control Films and Specialty Polyester films of high quality for a variety of end applications. GPL also manufactures the premium grade heat rejection films based on the latest 'Nano Technology' developed in its in-house R&D facility centre. GPL is the only manufacturer in India and one out of the two manufacturers of dyed polyester films in the world and possesses patented technology for the same.

1. Industry Structure and Developments

Polyester films has wide applications in a host of industries engaged in the manufacture of flexible packaging, shrink labels, electrical motor and cable insulation, sequin, TV screen, magnetic media, imaging, metallic yarn, laminated films for glass tint, safety application etc. Sun Control films cater to the automobile and real estate sector. The Company has a well-developed marketing network throughout the world, some of the major regions being Europe, USA, Far East, Middle East, Africa, South America etc. The Company has developed a wide network of dedicated customers in Europe, USA, Far East, Middle East, Brazil, Australia, China, Russia, New Zealand, Eastern Europe, Mexico and Africa. In order to expand the business and offer better services to the customers of Consumer products in overseas market, the Company has Subsidiary Companies / Branch office situated in USA and UK. The quality of GPL products is rated amongst the best in the world and the Company pays special attention on customer service and satisfaction due to which the customer base is consistent and increasing.

2. Opportunities and Threats

The supply demand situation for polyester films continues to be not favorable as the capacities are exceeding demand. This scenario is likely to be continued for some more time until the Global economies and consumption picks up. Due to uncertainty in the advanced economies and continuing euro debt crisis, the Global economy is adversely impacted resulting in weak domestic and external demand. Policy uncertainty, tight money policy with sustained level of high interest rates accentuated the problem. Furthermore, due to the commoditized nature of BOPET films, the Industry remains highly competitive with pressure on margins.

For the Company, the strategy is to focus the specialty films, launch new products, strengthen network and speed up brand building initiatives. Plans are afoot on a marketing warpath, overhauling the product portfolio and penetrate newer markets, launch aggressive advertisement campaigns. The shrink label application film is very well stabilized in the market. In thermal film, GPL has developed Gold & Feather feel films. The Company therefore hopes to rapidly grow its market share in various film segments. The Company has set up a plant for manufacture of BOPP as part of a move to diversify into value added products i.e. Thermal Lamination to metalized films. With this, GPL would be the only company in the segment which will be manufacturing BOPET, BOPP, Thermal Lamination and Sun control Films.

GPL derives its strength from its established track record, experienced management, diversified customer and product profile, well recognized brands and integrated manufacturing facilities which are expected to augur well for the company's future growth.

The Company has stopped sale of Sun Control film in Domestic Market for automobile application due to ban imposed by the Judgment of Hon'ble Supreme Court and made efforts to divert its capacity for international market. The Company has increased sale of Sun control film for Building segment.

3. Outlook Exports

Plain Film:

The Company has maintained its record of being the top exporter of polyester films and bagged the top exporter award from Plexconcil. With the introduction of variety and high quality product offerings, the Company is fully confident of maintaining its strong position in exports. Presently Company products are being successfully sold in China, Europe, Eastern Europe, USA, South America, Africa, Middle East, Far-East, Australia, New Zealand etc.

Sun Control Film:

The Company has successfully launched multiple brands, new products and with aggressive and innovative marketing strategies. The Company has introduced Infrared rejection films which can reduce infrared heat up to 92% apart from UV reduction of 95%. The Company has also introduced technology based films. The Company has also developed the film to filter the mobile tower radiation. The growth in Sun Control films is expected to be sustained during the coming years. Sun Control films are presently being marketed throughout the world and our consistent high-class quality and better customer orientation are highly valued in the market. The Company plans to market window films in the Realty Sector aggressively and the thrust will continue to be for exports. The Consumer Products Division of the Company are marketed in Europe through its Branch in UK and in the USA market by Global Pet Films Inc. (GPF), a wholly owned subsidiary of GPL. The aim is to expand export base and through the above Branch / Subsidiary catapult international operations into a major growth driver.

Thermal Film:

With variety and high quality product offerings in thermal lamination films, the Company is fully confident of growing its share in the export market. With setting up the BOPP plant, the input films for thermal Lamination will be available within. GPL has developed Gold & Feather feel films at this division and focusing on increasing exports volume for these specialty products.

Domestic Market:

Growing Retail sector, increasing preference towards packaged items, liberalization and rising middleclass is expected to increase in consumption of Polyester Films thereby adding to growth of this segment in the domestic market.

Increased usage of window films in offices, commercial buildings and malls will continue to add to the growth of the Company's business in the premium segment of window films.

4. Review of Operation

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and the applicable accounting standards.

(Rs. in Lakhs)

Particulars	2013-14	2012-13	% change
Net Sales	83518.59	77,599.56	7.63
Other Income	1163.02	813.75	42.92
Profit before Interest, Tax, Depreciation and Exceptional amortisation Items	7887.72	7,505.33	5.09
Interest & Financial Charges	3694.74	2,946.32	25.40
Depreciation	3347.51	3,931.44	(14.85)
Exceptional Items	622.16	556.14	11.87
Profit before Tax	1467.63	1,183.71	23.99
Provision for Tax	329.97	(1,586.94)	(120.79)
Profit after Tax	1137.66	2,770.65	(58.94)
Earnings per share (Basic and Diluted)	4.88	11.88	(58.95)
Market Capitalization	14711.86	17008.40	(13.50)

5. Internal Control Systems and their Adequacy

The Company has sound systems of internal control and checks, which are supplemented by a regular internal audit commensurate with the size of its business and nature of its operations. The Audit Committee of the Board meets at regular intervals and actively reviews the internal control systems, which are reflected in the internal audit reports. Suitable corrective actions are initiated wherever necessary.

6. Material Developments in HR / Industrial Relations

Your Company has a well-qualified and experienced team of professionals who have contributed to the performance of the Company. Labour relations at all Company locations continue to remain cordial with no industrial unrest during the year under review.

7. Risks and Concerns

The volatility of crude oil prices and depreciation / appreciation of Rupee vis-à-vis US dollar, the raw material prices has been exhibiting a volatile trend without any increase in finished goods. Demand for the Company's products is sensitive to changes in industry capacity and output levels, cyclical changes in regional

and global economic conditions and changes in consumer demand. Significant addition in capacities by competitors has heated the competition. The Central and State tax scheme in India is extensive and subject to change from time to time. The Company is subject to risks arising from volatile foreign exchange market as well as interest rate fluctuations, which could adversely affect its business operational results. The Company will continue to focus on cost control and cost effective measures and give dedicated thrust to exports. The Company has endeavored to monitor and mitigate these risks.

8. Cautionary Statement

The statements in report of the Board of Directors and the Management Discussion & Analysis Report describing the Company's outlook, estimates or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company takes no responsibility for keeping the members updated on changes in these factors except as may be statutorily required from time to time.

**INDEPENDENT AUDITORS' REPORT
 TO THE MEMBERS OF
 GARWARE POLYESTER LIMITED**
Report on the Financial Statements

We have audited the accompanying financial statements of GARWARE POLYESTER LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 the 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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 31st March, 2014;

- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note No : 30 relating to payment of remuneration to managerial personnel which is subject to sanction of the Central Government.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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 purposes 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 sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (e) the report on the accounts of the branch offices audited under section 228 of the Act by a person other than the Company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 of the Act and have been dealt with in preparing our report in the manner considered necessary by us.
 - (f) on the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Shah & Co.

Chartered Accountants
 Firm Registration No: 109430W

P. N. Shah

Partner
 Membership No.: 001738

Place : Mumbai

Date : 29th May, 2014

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF GARWARE POLYESTER LIMITED
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme certain fixed assets were physically verified during the year and no material discrepancies were noted on such verification.
- c) In our opinion, the Company has not disposed off a substantial part of the fixed assets during the year and the going concern status of the Company is not affected.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, purchase of fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls in respect of these areas.
- v) a) In our opinion and according to the information and explanations given to us, transactions that need to be entered in the register maintained under section 301 of the Act have been so entered.
- b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time in the opinion of management.
- vi) The Company has not accepted any deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Act, and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records.
- ix) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As at 31st March 2014 there are no undisputed statutory dues which are outstanding for a period exceeding six months from the date they became payable.
- b) According to the information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes:

Name of statute	Nature of the Dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	50.92	2003-04 and 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	20.95	2005-06	High Court
Income Tax Act, 1961	Income Tax	1292.80	2009-10	Commissioner of Income Tax
Central Excise Act, 1944	Excise Duty	38.87	1994-95 and 2001-02	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	5.33	1989-90 and 2006-07	High Court
Central Excise Act, 1944	Excise Duty	423.89	2007-08 to 2011-12	Commissioner of Excise
Central Excise Act, 1944	Excise Duty	6.46	2011-12 to 2012-13	Asst. Commissioner of Excise
Central Excise Act, 1944	Service Tax	2.61	2012-13	Central Excise and Service Tax Appellate Tribunal
Local Body Tax	LBT	308.06	2012-13	High Court

- x) The company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank during the year.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures or other investments.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they are raised.
- xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short term basis for long term investment during the year.
- xviii) The Company has not made preferential allotment of shares during the year to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- xix) The Company has not issued any debentures during the year.
- xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us and on the basis of the examination of the records, no fraud on or by the Company was noticed or reported during the course of our audit.

For Shah & Co.

Chartered Accountants
Firm Registration No: 109430W

P. N. Shah

Partner
Membership No.: 001738

Place : Mumbai

Date : 29th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31.03.2014 Rs.in Lakhs	As at 31.03.2013 Rs.In Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	7,771.31	7,771.31
Reserves and Surplus	3	52,872.77	51,734.50
		60,644.08	59,505.81
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	7,314.78	7,453.61
Deferred Tax Liabilities (Net)	5	2,430.97	2,113.65
Long Term Provisions	9	448.38	408.62
		10,194.13	9,975.88
CURRENT LIABILITIES			
Short Term Borrowings	6	27,399.17	19,318.04
Trade Payables	7	4,367.11	3,447.92
Other Current Liabilities	8	4,915.98	3,939.86
Short Term Provisions	9	852.22	867.28
		37,534.48	27,573.10
TOTAL		108,372.69	97,054.79
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets :			
Tangible Assets	10	56,070.43	55,343.33
Intangible Assets	10	86.13	114.52
Capital Work-in-Progress	10	8,619.38	3,908.55
		64,775.94	59,366.40
Non-Current Investments	11	206.94	214.46
Long Term Loans and Advances	12	8,397.13	9,442.62
CURRENT ASSETS			
Inventories	13	14,555.75	9,214.28
Trade Receivables	14	5,894.24	4,511.31
Cash and Bank Balances	15	9,126.03	9,856.15
Short Term Loans and Advances	12	5,147.19	4,288.12
Other Current Assets	16	269.47	161.45
		34,992.68	28,031.31
TOTAL		108,372.69	97,054.79
Notes forming part of the financial statements	1 to 43		

As per our report of even date

For and on behalf of the Board of Directors

For **Shah & Co.**
 Chartered Accountants
 (Registration No. 109430W)

P. N. SHAH
 Partner
 M.No.001738

S. B. GARWARE
 Chairman & Managing Director

B. MORADIAN
 Director

GOKUL NAIK
 Chief Financial Officer

M. S. ADSUL
 Director (Technical)

MANOJ KOUL
 Company Secretary &
 Sr. General Manager

Mumbai, 29th May, 2014

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

	Note	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
INCOME :			
Revenue from Operations (Gross Including Excise Duty)	17	87,882.15	81,150.53
Less : Excise Duty		4,363.56	3,550.97
Revenue from Operations (Net)		83,518.59	77,599.56
Other Income	18	1,163.02	813.75
Total Revenue		84,681.61	78,413.31
EXPENDITURE :			
Cost of Raw Materials Consumed	19	53,161.21	41,503.15
Purchases of Traded Goods		0.00	441.83
Changes in Inventories of Finished Goods, Work in Progress & Traded Goods	20	(2,928.78)	2,073.92
Employee Benefits Expense	21	5,846.94	5,102.89
Other Expenses	22	20,714.52	21,786.19
Total Expenses		76,793.89	70,907.98
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		7,887.72	7,505.33
Depreciation & Amortization Expenses	10	3,347.51	3,931.44
Finance Costs	25	3,694.74	2,946.32
Profit before Tax and Exceptional Items		845.47	627.57
Exceptional Items	24	622.16	556.14
Profit before Tax		1,467.63	1,183.71
Tax Expenses			
Current Tax (Current year includes Rs. 40.93 Lakhs for Prior Period)		330.58	163.09
Less : Mat Credit Entitlement (Current Year includes Rs. 40.93 Lakhs for Prior Period)		(317.93)	(163.09)
(Excess) / Short Provision for Tax of Earlier Years		0.00	(0.99)
Deferred Tax	5	317.32	(1,585.95)
Total Tax Expenses		329.97	(1,586.94)
Profit for the year		1,137.66	2,770.65
Earning Per Share - Basic & Diluted (Rupees) (Face Value of Rs.10/- each) Refer Note No. 26		4.88	11.88
Notes forming part of the financial statements	1 to 43		

As per our report of even date

For and on behalf of the Board of Directors

For **Shah & Co.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No.001738

S. B. GARWARE
Chairman & Managing Director

B. MORADIAN
Director

GOKUL NAIK
Chief Financial Officer

M. S. ADSUL
Director (Technical)

MANOJ KOUL
Company Secretary &
Sr. General Manager

Mumbai, 29th May, 2014

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

	Year ended 31.03.2014 (Rs. in Lakhs)	Year ended 31.03.2013 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net Profit before tax as per Statement of Profit and Loss account	1,467.63	1,183.71
Adjustments to reconcile profit before tax to cash provided by operating activities		
<i>Add:</i> Depreciation	3,347.51	3,931.44
Finance Cost	3,694.74	2,946.32
Provision for Leave & Gratuity	200.74	37.84
Sub Total	7,242.99	6,915.60
Total	8,710.62	8,099.31
<i>Less:</i> Interest Income	757.37	453.63
Gain on Exchange Rate Fluctuations	63.16	21.48
Profit on Sale of Fixed Assets	1.40	71.50
Profit on Sale of Investment	12.78	0.00
Dividend Received / Income from Investment	210.00	10.82
Exceptional Items	622.16	556.14
Sundry Balances Written Back (Net)	18.45	154.68
Rent	1.20	1.20
Sub total	1,686.52	1,269.45
Operating profit before working capital changes	7,024.10	6,829.86
Adjustments for :		
Trade Receivables	(1,418.86)	(2,601.27)
Inventories	(5,341.47)	2,560.69
Trade and Other Payables	851.20	526.87
Loans and Advances	925.95	(2,041.85)
Cash generated from operations	2,040.92	5,274.30
Direct taxes refund / (paid)(Net)	(207.27)	(75.52)
Net cash inflow / (outflow) from operating activities	1,833.65	5,198.78
B. Cash flow from investing activities :		
Purchase of Fixed Assets	(8,536.31)	(6,136.45)
Proceeds from Sale of Fixed Assets	1.77	1,559.90
Interest Received	726.60	388.46
Non Current Investments	20.30	0.00
Dividend Received / Income from Investment	210.00	10.82
Rent	1.20	1.20
Net cash inflow / (outflow) from investing activities	(7,576.44)	(4,176.07)
C. Cash flow from financing activities		
Interest / Financial Charges	(3,694.74)	(2,946.32)
Proceeds from Long Term Borrowings	3,253.67	6,542.09
(Repayments) of Long Term Borrowings	(2,749.14)	(1,764.33)
Proceeds (Repayment) from Short Term Borrowings (Net)	8,203.82	1,664.35
Dividend / Unclaimed Dividend paid including Dividend Distribution Tax	(0.93)	(405.70)
Net cash inflow / (outflow) from financing activities	5,012.67	3,090.09
Net increase / (decrease) in cash and cash equivalents	(730.12)	4,112.81
Cash and cash equivalents as at opening		
Cash and Bank balances	9,856.15	5,743.34
Cash and Cash equivalents as at closing		
Cash and Bank balances	9,126.03	9,856.15
	(730.12)	4,112.81

As per our report of even date

For and on behalf of the Board of Directors

For **Shah & Co.**
 Chartered Accountants
 (Registration No. 109430W)
P. N. SHAH
 Partner
 M.No.001738

S. B. GARWARE
 Chairman & Managing Director

M. S. ADSUL
 Director (Technical)

B. MORADIAN
 Director

MANOJ KOUL
 Company Secretary &
 Sr. General Manager

GOKUL NAIK
 Chief Financial Officer

Mumbai, 29th May, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation of Financial Statements

The financial statements are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with notified Accounting Standards by Companies (Accounting Standard) Rules, 2006 and relevant presentation requirements of the Companies Act, 1956. The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

B. Use Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Fixed Assets and Depreciation / Amortization

Fixed Assets are stated at cost net of MODVAT / CENVAT and includes amounts added on revaluation, less accumulated depreciation. Cost comprises of the purchase price and any directly attributable cost of bringing the assets to working condition for its intended use including interest and other incidental and trial run expenses up to the date of commercial production. Surplus on revaluation of assets is credited to Capital / Revaluation Reserve.

Depreciation / Amortization :

i) Tangible Assets-

On Capital Expenditure on R & D and Assets other than Plant & Machinery on Written Down Value method as per rates prescribed under Schedule XIV of the Companies Act, 1956.

On Plant & Machinery on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.

No write-off is being made in respect of leasehold land.

Assets costing Rs. 5000/- or less are depreciated fully in the year of acquisition.

ii) Intangible Assets-

Goodwill to be amortized at 1/5th per annum or as per the decision of Board of Directors.

On Technical know-how / Product Development Expenses @ 1/6th per annum.

On Copyright Expenditure @ 1/5th per annum.

Computer Software @20% per annum.

D. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

E. Investments

Investments are considered as non-current investments and are stated at cost of acquisition. Market value of Quoted Investments at the date of the Balance Sheet is disclosed. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

F. Inventories:

- i) Raw Materials and Packing Materials are valued at the lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties & taxes, which are subsequently recoverable from the taxing authorities.
- ii) Stores and Spares are valued at cost computed on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities.
- iii) Semi-finished goods including those held for captive consumption is valued at factory cost including depreciation.
- iv) Finished goods are valued at the lower of cost and net realizable value. Cost includes direct material & labour cost and a proportion of manufacturing overheads.
- v) Purchase of finished goods are valued at the lower of cost and net realizable value.

G. Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii) Non monetary foreign currency items are carried at cost.
- iv) In respect of branch, which is integral foreign operations, all transactions are translated at rates prevailing on the date of transactions or that approximates the actual rate at the date of transactions. Branch monetary assets and liabilities are restated at the year end rates.
- v) The company has opted for accounting exchange rate differences arising on reporting of Long Term Foreign Currency Monetary Items in line with Companies (Accounting Standard) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) notified by the Government of India on March 31, 2009. Accordingly, the effect of exchange differences on Foreign Currency Loans of the company is accounted by addition or deduction to the cost of assets so far it relates to depreciable capital assets and in other cases by charging to statement of profit and loss as gain or loss on account of exchange difference.

- vi) Investments in shares of foreign subsidiary company are expressed in Indian Currency at the rate of exchange prevailing at the time when the original investments were made.

H. Duties

Excise duty on finished goods and custom duty on imported materials has been accounted on the basis of payments made in respect of goods cleared as also provision made for goods lying in Bonded Warehouse.

I. Employee Benefits:

i) Short Term Employee Benefits:

All benefits paid / payable wholly within 12 months of rendering the service are classified as short term. Benefits such as salaries, wages, short-term compensated absences, etc. and the expected cost of bonus, ex-gratia, medical, LTA are recognized undiscounted during the period in which the employee renders the related service and charged to statement of Profit and Loss.

ii) Defined Contribution Plans:

Company contributes Provident Fund in accordance with EPF Act, 1952 and ESIC Schemes in accordance with ESIC Act, 1948 under Government administered schemes, however certain employees are covered under the contributory plans with the trust "Garware Polyester Limited Office Staff & Officers Provident Fund". Contributions are accounted on accrual / paid basis and charged to statement of Profit & Loss.

iii) Defined Benefit Plans:

- a. Liability towards Superannuation and Gratuity are covered by appropriate schemes with Life Insurance Corporation of India on accrual basis. Gratuity plans are determined by actuarial valuation by using the Projected Unit Credit method.
- b. Leave encashment benefits are accounted on actuarial valuation basis.

J. Lease Rentals

Lease Rentals are accounted on accrual basis over the Lease Term as per the relevant Lease Agreements.

K. Research & Development

Revenue expenditure on Research and Development is charged out in the accounting year in which it is incurred. Expenditure, which results in creation of assets, is included in Fixed Assets and depreciation is provided on such assets as applicable.

L. Revenue Recognition

i) Sale of products

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured are accounted for inclusive of excise duty and VAT / Sales Tax (wherever not charged separately), and are net of discounts and returns.

ii) Export Benefits

Export entitlements under the Duty Drawback Scheme / other scheme are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

iii) Others

Revenue from services is recognised on rendering of services.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

M. Taxation

- a) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- b) Current tax is determined as the amount of tax payable in respect of taxable income for the period. The credit is taken as per entitlement for the tax liability provided under MAT based on taxable income as per the provisions of Income Tax Act, 1961.

N. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

O. Measurement of EBITDA

The company has elected to present earnings before Interest (Finance cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The company measures EBITDA on the basis of Profit / (Loss) from continuing operations.

P. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Q. Earning per Share

Earnings per Share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
2. SHARE CAPITAL		
Authorised :		
40,000,000 Equity Shares of Rs. 10/- each (Previous Year 40,000,000)	4,000.00	4,000.00
6,000,000 Preference Shares of Rs. 100/- each (Previous Year 6,000,000)	6,000.00	6,000.00
	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up.		
23,315,150 Equity Shares of Rs. 10/- each (Previous Year 23,315,150)	2,331.52	2,331.52
Less: Unpaid Allotment / Call Money (from Others)	6.21	6.21
	2,325.31	2,325.31
5,446,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 5,446,000) (Refer Notes below)	5,446.00	5,446.00
TOTAL	7,771.31	7,771.31

Out of the above:

- (i) 2,00,000 Equity Shares of Rs.10/- each were allotted as fully paid-up to various schemes operating under UTI Assets Management Company Ltd. at a premium of Rs. 22.67 per Share on 23rd December, 2008 as per arrangement (Previous Year 200,000).
- (ii) 2,54,764 Equity Shares of Rs. 10/- each fully paid-up issued to the shareholders of Garware Chemicals Limited (GCL) as per scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 on 14th November, 2011. (Previous Year 2,54,764)
- (iii) 54,46,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted as fully paid-up to IDBI at par (49,54,000 on 7th November, 2007 and 4,92,000 on 19th June, 2008) as per arrangement. (Previous Year 54,46,000)

Terms / Rights attached to Shares**Equity Shares :**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each equity shareholder is entitled to One Vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

As per the companies Act, 1956 the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of Liquidation of the company. The distribution will be in proportion to the number of equity shares held by the shareholder.

Preference Shares :

The preference shares amounting to Rs. 4,954.00 Lakhs allotted on 07.11.2007 are redeemable in 3 equal installments from 1st April, 2014 to 1st April, 2016 and Rs. 492.00 Lakhs allotted on 19.06.2008 shall be redeemed in single installment on 1st April, 2016. These preference shares carry a fixed cumulative dividend of 0.01% per annum.

Reconciliation of the number of Shares Outstanding at the beginning and at the end of the year

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	23,315,150	2,331.52	23,315,150	2,331.52
Add: Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	23,315,150	2,331.52	23,315,150	2,331.52

Details of Shareholders holding more than 5% Equity Shares in the company

<u>Name of the Shareholder</u>	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. B. Garware Family Trust	10,577,100	45.37	10,477,100	44.94
Bharat Jayantilal Patel			1,165,818	5.00

Preference Shares

	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	5,446,000	5,446.00	5,446,000	5,446.00
Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	5,446,000	5,446.00	5,446,000	5,446.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Details of Shareholders holding more than 5% Preference Shares in the company

Name of the Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
IDBI Bank Limited	5,446,000	100.00	5,446,000	100.00

3. RESERVES AND SURPLUS

	As at 31.03.2014		As at 31.03.2013	
	Rs. in Lakhs		Rs. in Lakhs	
Capital Reserve :				
Balance as per last Balance Sheet		4,439.48		4,439.48
Securities Premium Reserve :				
Balance as per last Balance Sheet		592.14		592.14
Revaluation Reserve :				
Balance as per last Balance Sheet	10,105.40		4,584.49	
Add : Additions during the year (Refer Note No. 29)	0.00		18,755.94	
Less: Impairment (Refer Note No. 29)	0.00		13,235.03	
		10,105.40		10,105.40
General Reserve				
Balance as per last Balance Sheet		6,909.91		6,909.91
Surplus in the statement of Profit and Loss				
Balance as per last Balance Sheet	29,687.57		26,917.55	
Add: Profit for the year	1,137.66		2,770.65	
Proposed Dividend on equity shares of prior year written back	1.24		0.00	
Less: Appropriations				
Dividend Payable on preference shares [One paise per share (Previous Year One paise per share)]	0.54		0.54	
Tax on Dividend	0.09		0.09	
		30,825.84		29,687.57
TOTAL		52,872.77		51,734.50

4. LONG TERM BORROWINGS

	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Secured Loans				
Term Loans :				
Indian Rupee Loan from Banks	5,519.83	4,964.48	2,398.80	1,529.70
Foreign Currency Loan from Banks	506.03	1,074.67	730.00	737.84
Vehicle Finance Lease Obligation	85.46	211.00	128.03	124.82
Unsecured Loans :				
Interest Free Sales tax / VAT Deferral Loan of SICOM	1,203.46	1,203.46	0.00	0.00
TOTAL	7,314.78	7,453.61	3,256.83	2,392.36

- Term Loans of Rs. 9,154.66 Lakhs (Previous Year Rs. 8,306.69 Lakhs) are secured by first pari-passu charge on fixed assets of the company both present and future except Land and Building at Vile Parle, Mumbai and also by way of second pari-passu charge on current assets of the company. The loans are repayable in 20 quarterly installments from quarter ended March 2011 till December 2018.
- Vehicle Finances of Rs. 213.49 Lakhs (Previous Year Rs. 335.82 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 60 monthly Installments The installments are payable from June 2009 till November 2016 covering all loans taken at various dates.
- Deferral Loan from SICOM is payable from April 2016 to April 2026.
- The rate of interest on Foreign Currency Loans are at LIBOR + 7.5%, on Rupee Loan @ 12.75% to 14.05% p.a. and on Vehicle Loan @ 8.50% to 15.50% p.a.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

5. DEFERRED TAX LIABILITY (NET) :-

Major components of deferred tax (liabilities) / assets arising on account of timing differences as at 31st March, 2014 are as follows:

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Deferred Tax Assets:		
Disallowance U/S 43B of the Income Tax Act, 1961	183.63	190.82
Unabsorbed Business Losses & Depreciation	596.20	1,056.78
Others	322.35	273.03
	(i) 1,102.18	1,520.63
Less : Deferred Tax Liability		
Excess of Net Block over WDV as per the Income Tax Act, 1961	(ii) 3,533.15	3,634.28
Deferred Tax Asset / (Liability) (Net)	(i-ii) (2,430.97)	(2,113.65)
Deferred Tax Asset / (Liability) as per Balance Sheet	(2,113.65)	(3,699.60)
Deferred Tax Expense / (Income) Recognised in Profit & Loss	317.32	*(1,585.95)
* (Including Rs. 775.62 Lakhs of Previous Year)		

6. SHORT TERM BORROWINGS

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Cash / Packing Credit from Banks :		
Indian Rupees (Secured)	1,176.19	504.84
Foreign Currency (Secured)	3,399.40	4,151.89
Working Capital Loans	22,823.58	14,661.31
TOTAL	27,399.17	19,318.04

- a) Cash / Packing Credit Loans are secured by hypothecation of all the current assets including all stocks, book debts etc. of the Company and further secured by a second charge on fixed assets of the company excluding property at Vile Parle.
- b) Interest on Working Capital (Rupee) Loans ranges between 11% to 16.80% p.a. and Foreign Currency Loans Libor + 3% to Libor + 3.50% p.a.

7. TRADE PAYABLES

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Due to Micro, Small & Medium Enterprises (Refer Note No. 38)	379.23	280.25
Others	3,987.88	3,167.67
TOTAL	4,367.11	3,447.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

8. OTHER CURRENT LIABILITIES

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Current Maturities of Long Term Borrowing (Refer Note No. 4)	3,256.83	2,392.36
Unclaimed Dividend #	67.01	67.95
Unclaimed Debenture & Interest	0.00	2.14
Deposit & Advances from Customers & Vendors	445.29	411.23
Creditors for Capital Expenditure	696.85	534.87
Balance With Banks - Overdrawn as per Books	51.32	39.71
Payable to Employees	75.02	52.43
Statutory Liabilities	192.54	228.72
Provision For Expenses	131.12	210.45
TOTAL	4,915.98	3,939.86

These Figures do not include any amount due and outstanding to be credited to The Investor Education and Protection Fund. During the year ended 31st March, 2014 company had deposited Rs. Nil (Previous Year Rs. 4.55 Lakhs) to the The Investor Education and Protection Fund towards unclaimed dividend.

9. PROVISIONS

	Long Term		Short Term	
	As at 31.03.14 Rs. in Lakhs	As at 31.03.13 Rs. in Lakhs	As at 31.03.14 Rs. in Lakhs	As at 31.03.13 Rs. in Lakhs
Provisions for Employee benefits: (Refer Note No. 28)				
Provision for Gratuity	0.00	0.00	43.83	142.53
Provision for Leave Encashment	448.38	408.62	803.72	719.95
	448.38	408.62	847.55	862.48
Other Provisions				
Provision for Dividend on Preference Shares	0.00	0.00	0.54	0.54
Provision for Proposed Dividend on Equity Shares	0.00	0.00	0.00	1.24
Provision for Tax on Dividend	0.00	0.00	0.09	0.09
Provision for Wealth Tax	0.00	0.00	4.04	2.93
	0.00	0.00	4.67	4.80
TOTAL	448.38	408.62	852.22	867.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10. FIXED ASSETS -

Rs. in Lakhs

Description	Gross Block			Depreciation / Amortisation			Impairment (Refer Note No. 29)			Net Block		
	As at 01.04.2013	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2014	Up to 01.04.2013	Charge for the year	Disposal/ Transfers/ Adjustments during the year	Up to 31.03.2014	As at 01.04.2013	Additions/ Deductions/ Adjustments during the year	As at 31.03.2014	As at 31.03.2014
TANGIBLE ASSETS :-												
Land (Freehold)	25,476.92			25,476.92	0.00	0.00		0.00				25,476.92
Land (Leasehold)	6,719.00			6,719.00	0.00	0.00		0.00				6,719.00
Buildings	8,105.48	206.10		8,311.58	5,768.28	221.14		5,989.42	101.25		101.25	2,220.91
Plant & Machinery	72,196.07	3,715.00	39.33	75,871.74	43,674.54	2,841.01	39.33	46,476.22	8,722.52		8,722.52	20,673.00
Electrical Installations	3,019.27			3,019.27	2,699.34	44.51		2,743.85				275.42
Moulds	287.54			287.54	287.54	0.00		287.54				0.00
Laboratory Equipments	419.63	10.50		430.13	283.40	17.65		301.05	10.90		10.90	118.18
Furniture & Fixtures	550.62	15.91		566.53	492.93	13.70		506.63				59.90
Office Equipments	608.21	7.41		615.62	459.31	21.33		480.64				134.98
Vehicles	256.25	13.95	10.78	259.42	214.06	10.82	10.41	214.47				44.95
Vehicles on Finance Lease	753.83			753.83	407.96	89.54		497.50				256.33
Capital Expenditure On Research & Development	218.92	2.01		220.93	216.24	1.22		217.46				3.47
Data Processing Equipments	1,375.43	57.87		1,433.30	1,305.57	40.36		1,345.93				87.37
TOTAL (A)	119,987.17	4,028.75	50.11	123,965.81	55,809.17	3,301.28	49.74	59,060.71	8,834.67	0.00	8,834.67	56,070.43
INTANGIBLE ASSETS :-												
Software	227.12	17.84		244.96	112.60	46.23		158.83				86.13
Copyrights	157.46			157.46	157.46	0.00		157.46				0.00
Expenditure on Technical Know how/ Product Development	1,430.76			1,430.76	1,430.76	0.00		1,430.76				0.00
Goodwill	4,400.36			4,400.36	0.00	0.00		0.00	4,400.36		4,400.36	0.00
TOTAL (B)	6,215.70	17.84	0.00	6,233.54	1,700.82	46.23	0.00	1,747.05	4,400.36	0.00	4,400.36	86.13
TOTAL (A + B)	126,202.87	4,046.59	50.11	130,199.35	57,509.99	3,347.51	49.74	60,807.76	13,235.03	0.00	13,235.03	56,156.56
Previous Years (Refer Note 10A)	106,160.50	2,965.17	1,678.74	126,202.87	53,768.89	3,931.44	190.34	57,509.99	0.00	13,235.03	13,235.03	52,391.58
Capital Work in Progress (Refer Note No. 27)												8,619.38

NOTES :

- The Free hold land includes Rs. 4,584.49 Lakhs on account of revaluation of land at Vile Parle, Mumbai as at 31st March, 2007.
- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- Building include Rs. 0.07 Lakh being value of 136 shares in Co-Op. Housing Societies.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS -11 Notified by the Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011, company has capitalised Rs. 221.97 Lakhs to Plant and Machinery (Previous Year Rs. 162.29 Lakhs) on account of exchange rate difference on foreign currency loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

10-A FIXED ASSETS - Contd.

Description	Gross Block						Depreciation / Amortisation			Impairment (Refer Note No. 29)	Net Block As at 31.03.2013
	As at 01.04.2012	Additions / Adjustments during the year	Additions due to Revaluation (Refer Note No. 29)	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2013	Up to 01.04.2012	Charge for the year	Disposal/ Transfers/ Adjustments during the year	Up to 31.03.2013		
TANGIBLE ASSETS :-											
Land (Freehold)	11,576.62		13,900.30		25,476.92	0.00	0.00		0.00		25,476.92
Land (Leasehold)	1,863.36		4,855.64		6,719.00	0.00	0.00		0.00		6,719.00
Buildings	9,491.92	218.07		1,604.51	8,105.48	5,611.23	307.46	150.41	5,768.28	101.25	2,235.95
Plant & Machinery	69,556.17	2,651.62		11.72	72,196.07	40,383.87	3,295.18	4.51	43,674.54	8,722.52	19,799.01
Electrical Installations	3,019.27				3,019.27	2,647.65	51.69		2,699.34		319.93
Moulds	287.54				287.54	287.54	0.00		287.54		0.00
Laboratory Equipments	398.19	21.44			419.63	264.30	19.10		283.40	10.90	125.33
Furniture & Fixtures	547.49	3.13			550.62	479.19	13.74		492.93		57.69
Office Equipments	595.29	14.89		1.97	608.21	488.15	23.13	1.97	459.31		148.90
Vehicles	308.86	7.93		60.54	256.25	232.20	15.31	33.45	214.06		42.19
Vehicles on Finance Lease	753.83				753.83	287.14	120.82		407.96		345.87
Capital Expenditure On Research & Development	218.60	0.32			218.92	215.17	1.07		216.24		2.68
Data Processing Equipments	1,359.54	15.89			1,375.43	1,264.10	41.47		1,305.57		69.86
TOTAL (A)	99,976.68	2,933.29	18,755.94	1,678.74	119,987.17	52,110.54	3,888.97	190.34	55,809.17	8,834.67	55,343.33
INTANGIBLE ASSETS :-											
Software	195.24	31.88			227.12	70.79	41.81		112.60		114.52
Copyrights	157.46				157.46	157.46	0.00		157.46		0.00
Expenditure on Technical Know how/ Product Development	1,430.76				1,430.76	1,430.10	0.66		1,430.76		0.00
Goodwill	4,400.36				4,400.36	0.00	0.00		0.00	4,400.36	0.00
TOTAL (B)	6,183.82	31.88	0.00	0.00	6,215.70	1,658.35	42.47	0.00	1,700.82	4,400.36	114.52
TOTAL (A + B)	106,160.50	2,965.17	18,755.94	1,678.74	126,202.87	53,768.89	3,931.44	190.34	57,509.99	13,235.03	55,457.85
Capital Work in Progress (Refer Note No. 27)											3,908.55

NOTES :

- The Freehold Land includes Rs. 4,584.49 Lakhs on account of revaluation of land at Vile Parle, Mumbai as at 31st March, 2007.
- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- Building include Rs. 0.07 Lakh being value of 136 shares in Co-Op. Housing Societies.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by Government of India on 31.03.2009 and subsequent amendment did. 29th December, 2011, company has capitalised Rs. 162.29 Lakhs to Plant and Machinery (Previous Year Rs. 409.46 Lakhs) on account of exchange rate difference on foreign currency loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. NON-CURRENT INVESTMENTS

	As at 31.03.2014 Rs. in Lakhs		As at 31.03.2013 Rs. in Lakhs	
Non Trade Investments				
A. In Government Securities (Unquoted) :				
1) 10 years 8.5% Rural Debentures of Maharashtra State Electricity Board of the face value of Rs. 0.17 Lakh	-		-	
2) 7 years National Savings Certificates of the face value of Rs. 0.03 Lakh (Lodged with the Excise Authorities as Security Deposit)	-		-	
B. In Shares :				
Quoted Equity Instruments				
50 Equity Shares of M. M. Rubber Ltd. of the face value of Rs. 2/- each, fully paid-up.	0.01		0.01	
2,80,000 Equity Shares of Garware Marine Industries Ltd. of the face value of Rs. 10/- each, fully paid-up.	-		-	
4,00,300 Equity Shares of Garware Wall Ropes Ltd. of the face value of Rs. 10/- each, fully paid-up.	56.98		56.98	
500 Equity Shares of Oswal Chemicals and Fertilizers Ltd. of the face value of Rs. 10/- each fully paid-up.	-		-	
71 Equity Shares of Navin Flourine International Ltd. of the face value of Rs. 10/- each fully paid-up.	-		-	
400 Equity Shares of NALCO of the face value of Rs. 5/- each fully paid-up.	0.81		0.81	
		57.80		57.80
Unquoted Equity Instruments				
<u>In Subsidiary Companies</u>				
2,50,000 ordinary Shares of Garware Polyester International Limited, London, of the face value of Pound 1/- each, fully paid-up.	133.57		133.57	
<u>In Associate Company</u>				
0 (Previous Year 75,201) Equity Shares of Garware Chemicals Ltd. of the face value of Rs. 10/- each fully paid-up including five equity shares held by nominees.	0.00		7.52	
		133.57		141.09
Unquoted Equity Instruments				
2,500 Equity Shares of The New India Co-Op. Bank Ltd. Mumbai, of the face value of Rs. 10/- each, fully paid-up.	0.25		0.25	
2,500 Equity Shares of The North Kanara Goud Saraswat Brahmin Co-Op. Bank Ltd., Mumbai, of the face value of Rs. 10/- each, fully paid-up.	0.25		0.25	
500 Shares of The Co-Op. Stores Ltd. (New Delhi) of the face value of Rs. 10/- each, fully paid-up.	0.05		0.05	
10,000 Equity Shares of S I C O M Ltd., of the face value of Rs. 10/- each fully paid-up.	8.00		8.00	
20,000 Equity Shares of Deogiri Nagari Sahakari Bank Ltd. of the face value of Rs. 25/- each fully paid-up.	5.00		5.00	
4,000 Equity Shares of Vaidyanath Urban Co-Op. Bank Ltd. of the face value of Rs. 25/- each fully paid-up.	1.00		1.00	
1,000 Equity Shares of Poornawadi Co-Op. Bank Ltd. of the face value of Rs 100/- each fully paid-up.	1.00		1.00	
100 Equity Shares of Cosmos Co-Op. Bank Ltd. of the face value of Rs. 10/-each fully paid-up.	0.02		0.02	
		15.57		15.57
TOTAL		206.94		214.46
	Cost	Market Value	Cost	Market Value
Aggregate amount of company's Investment				
Quoted	57.80	274.71	57.80	191.60
Unquoted	149.14		156.66	
TOTAL	206.94	274.71	214.46	191.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

12. LOANS & ADVANCES :	Non-current		Current	
	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Capital Advances				
Secured, Considered Good (#)	0.00	126.30	0.00	0.00
Unsecured, Considered Good	99.01	1,513.75	0.00	0.00
(A)	99.01	1,640.05	0.00	0.00
Security Deposit				
Unsecured, Considered Good	140.90	109.72	0.00	0.00
Including Rs. 36.00 Lakhs due from Director (Previous Year Rs. 30.00 Lakhs) (Rent Deposit) and Rs. 36.00 Lakhs due from company in which directors are Director / Member (Previous Year Rs. Nil) (Rent Deposit)				
(B)	140.90	109.72	0.00	0.00
Advances Recoverable in Cash or Kind				
Unsecured, Considered Good	0.00	0.00	170.42	189.30
(C)	0.00	0.00	170.42	189.30
Other Loans & advances				
Advance Income-Tax (Net of Provision for Taxation)	8.64	131.95	0.00	0.00
MAT Credit Entitlement	6,167.36	5,849.43	0.00	0.00
Prepaid Expenses	0.00	0.00	804.95	576.34
Loan and Advances to Employee	0.00	0.00	23.52	23.80
Balances with Statutory / Government Authorities	1,981.22	1,711.47	4,148.30	3,498.68
(D)	8,157.22	7,692.85	4,976.77	4,098.82
TOTAL (A+B+C+D)	8,397.13	9,442.62	5,147.19	4,288.12
# Secured against Bank Guarantee				
13. INVENTORIES (Valued at lower of cost and net realisable value)			As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
a) Stores, Spares & Packing Materials			2,077.28	1,957.75
b) Raw Materials			2,825.23	1,426.17
c) Finished Goods			472.63	409.61
d) Stock in Transit - Finished Goods			89.30	85.83
e) Semi Finished Goods			9,091.31	5,334.92
			14,555.75	9,214.28
14. TRADE RECEIVABLES			As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Unsecured, Considered Good unless otherwise stated excluding bills receivable discounted [Refer Note No. 37(d)]				
a) Debts outstanding for a period exceeding six months from the date they are due for payment				
i) Unsecured, Considered Good			36.64	54.36
ii) Doubtful			258.85	258.85
			295.49	313.21
Less: Provision for Doubtful Receivables			258.85	258.85
			36.64	54.36
b) Other Receivables				
Unsecured, Considered Good			5,857.60	4,456.95
			5,857.60	4,456.95
TOTAL (a+b)			5,894.24	4,511.31
Trade Receivables include :				
Due from company in which the Directors are Director / Member			494.71	26.36
Due from subsidiary companies			350.48	319.98
			845.19	346.34

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

15. CASH & BANK BALANCES

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Cash & Cash Equivalents		
a) Balances with Bank :		
In Current Accounts	174.63	2,400.65
In Fixed Deposit	6,245.55	7,350.62
b) Cash on hand	34.24	36.93
Other Bank Balances :		
In Unclaimed Dividend Accounts	67.01	67.95
Margin Money Deposit	2,604.60	0.00
TOTAL	9,126.03	9,856.15

(Fixed Deposit with Bank includes Rs. 1.49 Lakhs (Previous Year Rs. Nil Lakhs) with maturity of more than 12 Months)

16. OTHER CURRENT ASSETS

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Interest accrued on Fixed Deposits & Others	117.74	86.97
Other Receivables	151.73	74.48
TOTAL	269.47	161.45

17. REVENUE FROM OPERATIONS :

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Sale of Products	86,339.13	78,436.23
Other operating Revenue		
Export Incentives	1,390.79	2,545.89
Sale of Scrap and Others	152.23	168.41
Revenue from operation (Gross including excise duty)	87,882.15	81,150.53

Details of products sold :

Polyester Films	86,339.13	78,436.23
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18. OTHER INCOME

Interest Income on :

Bank Deposits	756.22	450.40
Income Tax & Sales Tax Refund	32.05	0.00
Others	1.15	3.23

Dividend Income on :

Investment in Subsidiary	199.18	0.00
Long term investment	10.82	10.82
Insurance Claims	11.23	29.10
Profit on Sale of Fixed Assets	1.40	71.50
Profit on Sale of Investments	12.78	0.00
Excess Provision / Sundry Credit Balances Written Back	18.45	154.68
Rent	1.20	1.20
Sales Tax Refund	118.54	0.00
Gain on Exchange Rate Fluctuations	0.00	27.08
Other Misc. Income	0.00	65.74
TOTAL	1,163.02	813.75

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

19. COST OF RAW MATERIALS CONSUMED

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Inventory at the beginning of the year	1,426.17	1,684.97
Add : Purchases	58,275.76	42,058.10
Less : Sales	(3,715.49)	(813.75)
	55,986.44	42,929.32
Less : Inventory at the end of the year	2,825.23	1,426.17
Cost of Raw Materials Consumed	<u>53,161.21</u>	<u>41,503.15</u>

TOTAL**Details of Raw Materials Consumed**

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
PTA	22,282.41	18,646.93
MEG	8,624.74	6,966.14
Chemicals & Others	22,254.06	15,890.08
	<u>53,161.21</u>	<u>41,503.15</u>

TOTAL**Details of inventory**

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
PTA	210.53	28.47
MEG	182.87	112.10
REPOL 34 SG	523.45	0.00
Chemicals & Others	1,908.38	1,285.60
	<u>2,825.23</u>	<u>1,426.17</u>

TOTAL**20. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS**

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Inventories at the end of the year		
Work In Progress	9,091.31	5,334.92
Finished Goods	561.93	495.44
	<u>9,653.24</u>	<u>5,830.36</u>
Inventories at the beginning of the year		
Work In Progress	5,334.92	5,045.11
Finished Goods	495.44	2,859.17
	<u>5,830.36</u>	<u>7,904.28</u>
	<u>(3,822.88)</u>	<u>2,073.92</u>
(Increase) / Decrease in Stock of Finished and Semi Finished Goods out of Trial Run Production	<u>(894.10)</u>	<u>0.00</u>
(Increase) / Decrease	<u>(2,928.78)</u>	<u>2,073.92</u>

21. EMPLOYEE BENEFITS EXPENSE (Refer Note No. 30)

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Salaries, Wages and Bonus	4,909.42	4,404.37
Contribution to Provident Fund and Other Funds	582.59	388.18
Staff Welfare Expenses	354.93	310.34
	<u>5,846.94</u>	<u>5,102.89</u>

TOTAL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

22. OTHER EXPENSES	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Stores, Spares & Packing Materials Consumed	3,749.74	3,309.92
Power and Fuel	8,616.97	8,999.27
Processing Charges	119.00	2,007.98
Water Charges	88.75	89.81
Rent, Hire Charges and Compensation	95.36	106.32
Rates, Taxes and License Fees	68.90	48.98
Insurance	228.07	193.74
Freight & Forwarding (Net)	2,058.19	1,988.59
Research and Development Expenses	111.32	166.41
Advertisement Expenses	19.35	22.32
Repairs and Maintenance Expenses :-		
Plant and Machinery	838.91	804.88
Building	391.01	340.27
Others	714.06	617.25
Sales Tax / VAT	1.24	8.49
Travelling & Conveyance	542.49	317.69
Postage, Telegrams & Telephones	123.42	115.88
Commission on Sales	452.71	358.54
Donations	40.00	60.00
Legal and Professional Charges (Refer Note No. 32)	646.43	692.50
Auditors Remuneration (Refer Note No. 23)	27.02	39.38
Director Sitting Fees	2.83	1.99
Miscellaneous Expenses	1,711.31	1,495.98
Loss on Swap / Exchange Rate Fluctuation	67.44	0.00
TOTAL	20,714.52	21,786.19
23. PAYMENT TO AUDITORS AS :	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Audit Fees (Including Branch Audit)	13.90	20.00
Tax Audit Fees	5.00	5.00
For Certification / Others	7.85	14.05
Reimbursement of Out of Pocket Expenses	0.27	0.33
TOTAL	27.02	39.38
24. EXCEPTIONAL ITEMS :		
1) Central Sales Tax Claim Receivable (Refer Note No. 33)	(622.16)	(556.14)
TOTAL	(622.16)	(556.14)
25. FINANCE COST		
Interest Expenses	989.28	671.02
Other Borrowing Cost	2,624.22	2,191.09
Applicable Loss on Foreign Currency Transactions and Translations	81.24	84.21
TOTAL	3,694.74	2,946.32
26. EARNINGS PER SHARE (EPS)		
Profit after Tax	1,137.66	2,770.65
Less: Dividend on Preference Shares including Tax	0.63	0.63
Amount available for Equity Shareholders	1,137.03	2,770.02
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	23,315,150	23,315,150
Earning per share - Basic & Diluted (Rupees) (Absolute)	4.88	11.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

27. <u>The break up of expenses shown under Capital Work in Progress (Pending Allocation) as on 31st March, 2014 (Including BOPP Project) is as under :</u>	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
Particulars		
Balance as on 01-04-2013	3,908.55	574.98
Capital Work in Progress	3,668.95	2,814.00
Pre-operative Expenditure Incurred during the year		
Raw Material Consumed	3,233.37	330.61
Power and Fuel	374.34	36.14
Stores, Spares and Packing Material Consumed	55.80	15.24
Freight and Forwarding	48.67	0.00
Employee Benefits	237.75	212.06
Travelling and Conveyance	42.50	41.32
Legal and Professional Charges	52.45	31.82
Others	71.31	77.38
Finance Charges	651.70	295.45
Total Expenditure	12,345.39	4,429.00
Less : Sales	2,408.96	58.76
(Net of Excise duty Rs. 278.41 Lakhs Previous Year Rs. 7.26 Lakhs)		
Less : Stock of Finished / Semi Finished Goods Out of Trial Run Production	894.10	0.00
TOTAL	9,042.33	4,370.24
Capitalised during the year	422.95	461.69
Balance as on 31-03-2014	8,619.38	3,908.55
28. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"		
A. Funded retirement benefit - Gratuity		
	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	1,702.64	2,063.44
Service Cost	132.24	117.48
Interest Cost	131.08	157.88
Actuarial Loss / (Gain)	(49.12)	(221.20)
Benefits Paid	(148.52)	(414.96)
Defined Benefit Obligations at end of the year (a)	1,768.32	1,702.64
Change in Plan Assets		
Fair Value of Plan Assets as at beginning of the year	1,560.11	1,656.08
Expected return on Plan Assets	139.27	144.53
Contributions by Employer	175.92	177.99
Actuarial Gain / (Loss)	(2.29)	(3.53)
Benefits Paid	(148.52)	(414.96)
Fair Value of Plan Assets at end of the year (b)	1,724.49	1,560.11
Present Value of Funded Obligations (a-b)	43.83	142.53
The net amount recognized in the statement of profit and loss for the year ended 31st March, 2014 is as follows:		
Current Service Cost	132.24	117.48
Interest Cost	131.08	157.88
Expected Return on Plan Assets	(139.27)	(144.53)
Net Actuarial Loss / (Gain) Recognized	(46.83)	(217.67)
Net amount recognized	77.22	(86.84)
The Principal Actuarial assumptions used as at 31st March, 2014 are as follows:		
Discount Rate	9.15%	8.05%
Expected Rate of Return on Plan Assets		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	5%	5%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Other Disclosure**Rs. in Lakhs**

	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Present value of Defined Benefit obligation	1,768.32	1,702.64	2,063.44	1,688.41	1,509.87
Fair value of Plan Assets	1,724.49	1,560.11	1,656.08	1,430.98	1,301.16
(Deficit) / Surplus of the plan	43.83	142.53	407.36	257.43	208.71
Experience Adjustment on Plan Liabilities Loss / (Gain)	-	-	-	*	*
Experience Adjustment on Fair Value of Plan Assets	2.29	3.53	0.01	*	*

* Not available in the valuation report hence not furnished.

B. Un-funded retirement benefit - Leave Encashment

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	1,128.57	1,001.91
Service Cost	78.76	62.69
Interest Cost	89.76	84.04
Actuarial Loss / (Gain)	(17.85)	6.29
Benefits Paid	(27.14)	(26.36)
Defined Benefit Obligations at end of the year (a)	1,252.10	1,128.57
Change in Plan Assets		
Contributions by Employer	27.14	26.36
Benefits Paid	(27.14)	(26.36)
Fair Value of Plan Assets at end of the year (b)	0.00	0.00
Present Value of un-funded obligations (a-b)	1,252.10	1,128.57
The net amount recognized in the statement of profit and loss for the year ended 31st March, 2014 is as follows:		
Current Service Cost	78.76	62.69
Interest Cost	89.76	84.04
Net Actuarial Loss / (Gain) Recognized	(17.85)	6.29
Net amount recognized	150.67	153.02
The Principal Actuarial assumptions used as at 31st March, 2014 are as follows:		
Discount Rate	9.15%	8.05%
Expected Rate of Return on Plan Assets		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	5%	5%

29. The company has revalued its Aurangabad and Nashik land in Previous Year at Rs. 21,803.73 Lakhs on the basis of certified valuers (M/s VGK Truman Consultancy Pvt. Ltd.) report dated 25/04/2013. This has resulted in land being further revalued by Rs. 18,755.94 Lakhs. The consequent appreciation in value has been credited to Revaluation Reserve.

Further in accordance with Accounting Standard (AS-28) issued by the Institute of Chartered Accountants of India, dealing with "Impairment of Assets", the company has been advised that there was impairment of certain Cash Generating Unit (CGU) by considering the market value and its potential capacity to generate cash flows in Previous Year. On the basis of the report given by a professional consultancy firm of valuers such impairment in value of CGU works out to Rs. 13,235.03 Lakhs. This has been adjusted against the balance in Revaluation Reserve in the Previous Year as provided in the scheme of Arrangement between Garware Chemicals Ltd. and the company under Section 391 to 394 of the Companies Act, 1956 as sanctioned by the Hon'ble High Court of Judicature at Bombay by its order dated 21st October, 2011.

30. The remuneration of Rs. 237.82 Lakhs paid to the Managing Director, Joint Managing directors and Director are subject to the sanction of the Central Government in respect of which applications have been made and are pending with Government. (Previous Year Rs. 767.68 Lakhs which was subject to sanction of Central Government has been duly approved).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
31. LEASES :

The company has entered in to finance and operating lease agreements. As required under the Accounting Standard 19 on 'Leases', The future minimum lease payments on account of each type of lease are as follows.

A. Hire Purchase / Finance Leases (Vehicle)

Particulars	Future Lease payments		Present Value of Minimum Future Minimum Lease Payments		Finance Charges	
	2014	2013	2014	2013	2014	2013
As at 31st March						
Not later than one year	144.69	155.21	128.03	124.82	16.66	30.39
Later than one year and not later than five years	90.91	233.12	85.46	211.00	5.45	22.12
Later than five years	0.00	0.00	0.00	0.00	0.00	0.00

B. Operating Leases

The company has taken various residential / commercial premises and vehicles on operating leases. These operating lease are in the nature of "cancellable lease" therefore disclosure as per Accounting Standard 19 is not required.

32. Legal and Professional Charges include Rs. 5.75 Lakhs (Previous Year Rs. 5.50 Lakhs) paid to some of the Partners of the Auditors for other services and Rs. 4.67 Lakhs paid to a firm in which one of Director is proprietor (Previous Year Rs. 3.57 Lakhs).
33. The Company has expensed out / Written off Sales Tax receivable of Rs. 1684.36 Lakhs in prior years pursuant to amendment of MVAT Act by the Government of Maharashtra with retrospective effect. However, as per legal opinion obtained by the company, this amendment was not applicable to CST. Accordingly, balance amount of Rs. 622.16 Lakhs out of Rs. 1178.30 Lakhs relating to CST which has been expensed out earlier, is now written back by the company. (Previous Year Rs. 556.14 Lakhs has been written back).

34. SEGMENT REPORTING :

- a) The company is only in one line of business namely - Polyester Film
- b) The Segment Revenue in the Geographical Segment considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India.
 - Revenue outside India includes sales to customers located outside India including Export Benefits / Incentives.

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Sales		
Within India	39,276.30	31,390.03
China (Including Export Incentives)	10,563.83	9,859.04
Rest of World (Including Export Incentives)	38,042.02	39,901.46
TOTAL	87,882.15	81,150.53

35. RELATED PARTY DISCLOSURES

- a) List of Related Parties

Subsidiary	Garware Polyester International Limited
Step down Subsidiary	Global Pet Films Inc.
Key Management Personnel	Shri. S. B. Garware Mrs. S. S. Garware Mrs. Monika Garware Modi Mrs. Sarita Garware Ramsay Ms. Sonia S. Garware
Enterprises over which Key Managerial Person are able to exercise significant influence	S. B. Garware Family Trust Garware Charitable Trust Garware Industries Ltd. Great View Real Estates Pvt. Ltd.

(Associate Company Garware Chemicals Ltd. has been merged with Garware Industries Ltd. with effect from 1/4/2013)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

b) Transaction with Related Parties	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
1) Sales of Goods		
i) Subsidiaries	0.00	1,014.84
ii) Step down Subsidiary	4,338.48	4,036.94
iii) Associate Companies	0.00	2,511.60
iv) Enterprise over which Key Managerial Person are able to exercise significant influence	8,887.31	4,327.58
2) Purchase of Materials		
i) Enterprise over which Key Managerial Person are able to exercise significant influence	12,495.14	4,444.88
3) Service Received / Processing Charges / Reimb. of Expenses		
i) Subsidiaries	507.68	306.30
ii) Associate Companies	0.00	24.58
iii) Enterprise over which Key Managerial Person are able to exercise significant influence	125.44	1,986.40
4) Service Rendered		
i) Enterprise over which Key Managerial Person are able to exercise significant influence	334.09	1.35
5) Dividend from Subsidiary Company	199.18	0.00
6) Rent Deposit Paid to Director	6.00	0.00
7) Rent Deposit Paid to Enterprises over which key Managerial Person are able to exercise significant influence	36.00	0.00
8) Key Management Personnel & Relative Managerial Remuneration (Including Employee Benefits)	874.46	728.58
9) Rent Paid to Director	65.00	60.00
10) Donation to Garware Charitable Trust	40.00	60.00
11) Director Sitting Fees	0.30	0.40
12) Balances [Dr / (Cr)]		
i) Subsidiaries	(260.73)	(348.77)
ii) Step down Subsidiary	350.48	308.81
iii) Associate Company	0.00	(13.51)
iv) Enterprise over which Key Managerial Person are able to exercise significant influence	530.72	26.36
iv) Receivable from Director (Rent Deposit)	36.00	30.00

Figures are on gross basis (Including Taxes and Duties)

36. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,053.31 Lakhs (Previous Year Rs. 3,520.61 Lakhs) against which an advance of Rs. 99.01 Lakhs (Previous Year Rs. 1,640.05 Lakhs) has been paid.

37. CONTINGENT LIABILITIES -

a) Contingent Liabilities not provided for -	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Disputed matters in appeal / contested in respect of:		
Income Tax	1,487.64	209.31
Excise Duty and Service Tax	477.16	208.48
Sales Tax	900.96	17.13
Local Body Tax	383.06	302.62
Maharashtra State Electricity Board (MSEB)	27.72	27.72
TOTAL	3,276.54	765.26

- b) The Company has given counter-guarantees for Rs. 5,182.57 Lakhs (Previous Year Rs. 3,436.91 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for purchase of equipment, supply of goods, clearance of goods from Customs, Excise Bonds, etc.
- c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to Rs. 25,904.60 Lakhs (Previous Year Rs. 17,078.95 Lakhs).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

d) Bills of Exchange discounted under Bill Marketing Scheme amount to Rs. 2,653.07 Lakhs (Previous Year Rs. 3,189.27 Lakhs).

38. DISCLOSURE IN ACCORDANCE WITH SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Principal amount remaining unpaid	379.23	280.25
Interest due thereon	NIL	NIL
Interest paid by the Company in term of Section 16	NIL	NIL
Interest due and payable for the period of delay in payment	NIL	NIL
Interest accrued and remaining unpaid	NIL	NIL
Interest remaining due and payable even in succeeding years	NIL	NIL

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

39. VALUE OF IMPORTS ON CIF BASIS

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Raw Materials	6,282.60	5,141.41
Packing Material	51.02	102.75
Components and Spares	152.66	156.82
Capital Goods	2,446.74	1,823.36

40. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
(i) Commission	453.21	331.51
(ii) Traveling Expenses	196.66	86.39
(iii) Books, Periodicals & Subscription	13.37	22.54
(iv) Technical / Engg. Services / Professional / Testing Charges	150.52	136.09
(v) Exhibition Expenses	7.71	3.08
(vi) Interest and Bank Charges	163.30	202.26
(vii) Others	531.64	232.48

41. DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS, PACKING MATERIALS CONSUMED AND PERCENTAGE OF EACH TO THE TOTAL :

Particulars	2013-14		2012-13	
	Value (Rs. in Lakhs)	% of Total	Value (Rs. in Lakhs)	% of Total
(i) Raw Materials:				
- Imported	4,233.40	8	5,060.11	12
- Indigenous	48,927.81	92	36,443.04	88
TOTAL	53,161.21	100	41,503.15	100
(ii) Stores, Spares and Packing Material:				
- Imported	190.17	5	306.30	9
- Indigenous	3,559.57	95	3,003.62	91
TOTAL	3,749.74	100	3,309.92	100

42. EARNING IN FOREIGN EXCHANGE (ACCRUAL BASIS)

	2013-14 (Rs. in Lakhs)	2012-13 (Rs. in Lakhs)
Exports (F.O.B. Basis)	45,296.97	45,602.94
Others Misc. Income	0.00	65.74
Dividend Income	199.18	0.00

43. The Previous Year's figure have been re-grouped / reclassified to conform to this year's classification.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANIES**

A)	Name of the Subsidiary Companies	Garware Polyester International Limited	Global Pet Films Inc.
B)	Financial Year of the Subsidiary Companies ended on:	31st March, 2014	31st March, 2014
C)	Shares of the Subsidiary held by Garware Polyester Limited, on the above dates:		
	(a) Number and Face Value	2,50,000 Equity Shares of Pound 1 each	NIL
	(b) Extent of holding	100%	
D)	The net aggregate of Profit / (Loss) of the Subsidiary Companies so far as it concerns the members of Garware Polyester Limited		
	(a) Not dealt with in the accounts Garware Polyester Limited, for the year ended 31/03/2014:	(in Pound)	
	(i) For the Subsidiaries' Financial Year ended on the respective dates	94,382	N.A.
	(ii) For the previous Financial Years of the Subsidiaries since they became the Holding Company's Subsidiaries	252,057	N.A.
	(b) Dealt with in the accounts of Garware Polyester Limited, for the year ended 31/03/2014 amounted to:	(in Pound)	
	(i) For the Subsidiaries' Financial Year ended on the respective dates	200,000	N.A.
	(ii) For the previous Financial Years of the Subsidiaries since they became the Holding Company's Subsidiaries	787,245	N.A.
E)	Changes in the interest of Garware Polyester Ltd. between the end of the Subsidiaries' Financial Year and 31/03/2014	NIL	NIL
F)	Material changes between the end of the Subsidiary's Financial Year and 31/03/2014	NIL	NIL
	(1) Fixed Assets		
	(2) Investments		
	(3) Monies lent by the Subsidiary		
	(4) Monies borrowed by the Subsidiary Company other than for meeting Current Liabilities		

For and on behalf of the Board of Directors

S. B. GARWARE
Chairman & Managing Director

M. S. ADSUL
Director (Technical)

B. MORADIAN
Director

MANOJ KOUL
Company Secretary &
Sr. General Manager

GOKUL NAIK
Chief Financial Officer

Mumbai, 29th May, 2014

**Consolidated
Financials 2013-14**

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF GARWARE POLYESTER LIMITED**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **GARWARE POLYESTER LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, 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 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 30 relating to payment of remuneration to managerial personnel which is subject to sanction of the Central Government.

Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements of two subsidiaries, which reflects total assets of Rs. 1,043.69 Lakhs as on 31st March, 2014 and total revenues of Rs. 5,441.38 Lakhs and net cash inflows aggregating Rs. 84.43 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.

Shah & Co.
Chartered Accountants
Firm's Registration No: 109430W

P. N. Shah
Partner
Membership No.: 001738

Place: Mumbai
Date: 29th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	7,771.31	7,771.31
Reserves and Surplus	3	53,021.05	51,896.48
		60,792.36	59,667.79
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	7,314.78	7,453.61
Deferred Tax Liabilities (Net)	5	2,430.97	2,113.65
Long Term Provisions	9	448.38	408.62
		10,194.13	9,975.88
CURRENT LIABILITIES			
Short Term Borrowings	6	27,960.66	19,794.35
Trade Payables	7	4,144.40	3,190.88
Other Current Liabilities	8	4,971.04	3,971.80
Short Term Provisions	9	873.52	867.28
		37,949.62	27,824.31
TOTAL		108,936.11	97,467.98
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10	56,099.14	55,357.95
Intangible Assets	10	86.13	114.52
Capital Work-in-Progress	10	8,619.38	3,908.55
		64,804.65	59,381.02
Non-Current Investments	11	73.37	80.89
Long Term Loans and Advances	12	8,390.34	9,382.73
CURRENT ASSETS			
Inventories	13	14,889.29	9,602.57
Trade Receivables	14	5,790.53	4,354.25
Cash and Bank Balances	15	9,571.27	10,216.95
Short Term Loans and Advances	12	5,147.19	4,288.12
Other Current Assets	16	269.47	161.45
		35,667.75	28,623.34
TOTAL		108,936.11	97,467.98
Notes forming part of the financial statements	1 to 38		

As per our report of even date

For and on behalf of the Board of Directors

For **Shah & Co.**
 Chartered Accountants
 (Registration No. 109430W)

P. N. SHAH
 Partner
 M.No. 001738

S. B. GARWARE
 Chairman & Managing Director

B. MORADIAN
 Director

GOKUL NAIK
 Chief Financial Officer

M. S. ADSUL
 Director (Technical)

MANOJ KOUL
 Company Secretary &
 Sr. General Manager

Mumbai, 29th May, 2014

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

	Note	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
INCOME:			
Revenue from Operations (Gross Including Excise Duty)	17	88,684.75	81,305.69
Less : Excise Duty		4,363.56	3,550.97
Revenue from Operations (Net)		84,321.19	77,754.72
Other Income	18	971.94	814.18
Total Revenue		85,293.13	78,568.90
EXPENDITURE:			
Cost of Raw Materials Consumed	19	53,542.43	41,605.87
Purchases of Traded Goods		0.00	441.83
Changes in Inventories of Finished Goods, Work in Progress & Traded Goods	20	(2870.60)	1,709.39
Employee Benefits Expense	21	5,930.62	5,272.48
Other Expenses	22	20,830.35	21,839.09
Total Expenses		77,432.80	70,868.66
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		7,860.33	7,700.24
Depreciation & Amortization Expenses	10	3,352.91	3,937.01
Finance Costs	25	3,741.50	2,988.03
Profit before Tax and Exceptional Items		765.92	775.20
Exceptional Items	24	622.16	556.14
Profit before Tax		1,388.08	1,331.34
Tax Expenses			
Current Tax		359.76	248.32
Less : Mat Credit Entitlement		(317.93)	(163.09)
(Excess) / Short Provision for Tax of Earlier Years		0.00	(0.99)
Deferred Tax	5	317.32	(1585.95)
Total Tax Expenses		359.15	(1501.71)
Profit for the year		1,028.93	2,833.05
Earning per share - Basic & Diluted (Rupees) (Face Value of Rs. 10/- each) Refer Note No. 26		4.41	12.15
Notes forming part of the financial statements	1 to 38		

As per our report of even date

For and on behalf of the Board of Directors

For **Shah & Co.**
 Chartered Accountants
 (Registration No. 109430W)

P. N. SHAH
 Partner
 M.No. 001738

S. B. GARWARE
 Chairman & Managing Director

B. MORADIAN
 Director

GOKUL NAIK
 Chief Financial Officer

M. S. ADSUL
 Director (Technical)

MANOJ KOUL
 Company Secretary &
 Sr. General Manager

Mumbai, 29th May, 2014

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

	Year ended 31.03.2014 (Rs. in Lakhs)	Year ended 31.03.2013 (Rs. in Lakhs)
A. Cash flow from operating activities :		
Net Profit before tax as per Statement of Profit and Loss account	1,388.08	1,331.34
Adjustments to reconcile profit before tax to cash provided by operating activities		
<i>Add:</i> Depreciation	3,352.91	3,937.01
Finance Cost	3,741.50	2,988.03
Provision for Leave & Gratuity	200.74	37.84
Sub Total	<u>7,295.15</u>	<u>6,962.88</u>
Total	8,683.23	8,294.22
<i>Less:</i> Interest Income	757.61	454.06
Gain on Exchange Rate Fluctuations	63.16	21.48
Profit on Sale of Fixed Assets	1.40	71.50
Profit on Sale of Investment	12.78	0.00
Dividend Received / Income from Investment	10.82	10.82
Exceptional Items	622.16	556.14
Sundry Balances Written Back (Net)	18.45	154.68
Rent	1.20	1.20
Sub total	<u>1,487.58</u>	<u>1,269.88</u>
Operating profit before working capital changes	7,195.65	7,024.34
Adjustments for :		
Transfer to Foreign Currency Translation Reserve	95.03	(5.19)
Trade and Other Payables	914.95	150.52
Trade Receivables	(1,415.93)	(2,372.56)
Inventories	(5,286.72)	2,196.21
Loans and Advances	923.46	(2,030.57)
Cash generated from operations	2,426.44	4,962.75
Direct taxes refund / (paid)(Net)	(242.94)	(150.40)
Net cash inflow / (outflow) from operating activities	2,183.50	4,812.35
B. Cash flow from investing activities :		
Purchase of Fixed Assets	(8,555.80)	(6,144.20)
Proceeds from Sale of Fixed Assets	1.77	1,559.90
Interest Received	726.60	388.89
Non Current Investments	20.30	0.00
Dividend Received / Income from Investment	10.82	10.82
Rent	1.20	1.20
Net cash inflow / (outflow) from investing activities.	(7,795.11)	(4,183.39)
C. Cash flow from financing activities :		
Interest / Financial Charges	(3,741.50)	(2,988.03)
Proceeds from Long Term Borrowings	3,253.67	6,542.09
(Repayments) of Long Term Borrowings	(2,749.14)	(1,764.33)
Proceeds (Repayment) from Short Term Borrowings (Net)	8,203.82	1,865.54
Dividend / Unclaimed Dividend paid including Dividend Distribution Tax	(0.93)	(431.31)
Net cash inflow / (outflow) from financing activities	4,965.92	3,223.96
Net increase / (decrease) in cash and cash equivalents	(645.69)	3,852.93
Cash and cash equivalents as at opening		
Cash and bank balances	10,216.96	6,364.03
Cash and cash equivalents as at closing		
Cash and bank balances	<u>9,571.27</u>	<u>10,216.96</u>
	(645.69)	3,852.93

As per our report of even date

For **Shah & Co.**

Chartered Accountants

(Registration No. 109430W)

P. N. SHAH

Partner

M.No. 001738

For and on behalf of the Board of Directors

S. B. GARWARE

Chairman & Managing Director

M. S. ADSUL

Director (Technical)

B. MORADIAN

Director

MANOJ KOUL

Company Secretary &

Sr. General Manager

GOKUL NAIK

Chief Financial Officer

Mumbai, 29th May, 2014

1 SIGNIFICANT ACCOUNTING POLICIES OF THE CONSOLIDATED FINANCIAL STATEMENT

A. Basis of presentation of Financial Statements

The Consolidated financial statements of Garware Polyester Ltd. ("the Holding Company") and its subsidiary companies viz. Garware Polyester International Ltd. and Global Pet Films Inc. ("together the group") are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with the applicable Accounting Standards and relevant presentation requirements of the Companies Act, 1956.

The company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

B. The subsidiary companies considered in the consolidated financial statements are:

Name of the company	Country of Incorporation	Percentage of voting Power	Financial Year
Subsidiary Garware Polyester International Ltd.	United Kingdom	100%	April 13 - March 14
Step down Subsidiary Global Pet Films Inc.	U.S.A.	100%	April 13 - March 14

C. Principles of Consolidation:

- Consolidated financial statements are done in accordance with the AS-21 by consolidating financial statements of subsidiaries on the reporting period. The consolidation is based on the audited financial statement of Garware Polyester International Ltd. for the period ended 31st March, 2014.
- The financial statements of the company and the subsidiaries have been combined to the extent possible on a line-by-line basis, by adding together like items of assets, liabilities, income and expenses. All significant intra group balances and transactions have been eliminated on consolidation.
- In respect of subsidiaries, transactions of Profit and Loss account items have been translated at average rate and the Assets and Liabilities items of the Balance Sheet have been translated into Indian Rupees at the closing exchange rate of respective currencies prevailing as at 31st March, 2014 except for subsidiary's share capital.

D. Use of Estimates:

In case of Global Pet Films Inc., the preparation of financial statements in conformity with generally accepted accounting principals require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

E. Fixed Assets and Depreciation / Amortization

Fixed Assets are stated at cost net of MODVAT / CENVAT and includes amounts added on revaluation, less accumulated depreciation. Cost comprises of the purchase price and any directly attributable cost of bringing the assets to working condition for its intended use including interest and other incidental and trial run expenses up to the date of commercial production. Surplus on revaluation of assets is credited to Capital / Revaluation Reserve.

Depreciation / Amortization:

- Tangible Assets-**
 - On Capital Expenditure on R & D and Assets other than Plant & Machinery on Written Down Value method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
 - On Plant & Machinery on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
 - No write-off is being made in respect of leasehold land.
 - Assets costing Rs. 5000/- or less are depreciated fully in the year of acquisition.
- Intangible Assets-**
 - Goodwill to be amortized at 1/5th per annum or as per the decision of Board of Directors.
 - On Technical Know-how / Product Development Expenses @ 1/6th per annum.
 - On Copyright Expenditure @ 1/5th per annum.
 - Computer software @20% per annum.

In respect of Subsidiaries:

- Garware Polyester International Ltd. (GPIL)

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each assets over its expected useful life as follows :

Land and Buildings Leasehold	- Straight line over the life of the lease
Furniture, Fittings and Equipment	- 25% Reducing balance

- Global Pet Films Inc. (GPF)

Equipments are stated at cost less accumulated depreciation. Some assets are depreciated using Straight Line MACRS method over the useful lives of the assets and some other assets are expensed under Sec. 179 of Internal Revenue Code.

Legal cost for organization of business is capitalized and is carried at cost less accumulated amortization and is being provided on straight line basis over the economic useful life of 5 years.

F. Impairment of assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

G. Investments

Investments are considered as long term investments and are accordingly stated at cost of acquisition. Market value of Quoted Investments at the date of the Balance Sheet is disclosed. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

H. Inventories

- i. Raw Materials and Packing Materials are valued at the lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties & taxes, which are subsequently recoverable from the taxing authorities.
- ii. Stores and Spares are valued at cost computed on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities.
- iii. Semi-finished goods including those held for captive consumption is valued at factory cost including depreciation.
- iv. Finished goods is valued at the lower of cost and net realizable value. Cost includes direct material & labour cost and a proportion of manufacturing overheads.
- v. Purchase of Finished Goods are valued at the lower of cost and net realizable value.

In respect of subsidiary Garware Polyester International Ltd., stock is valued at the lower of cost and net realizable value.

In respect of ultimate subsidiary Global Pet films Inc., inventories are stated at the lower of cost (determined by FIFO method) or market (Net Realizable) value.

I. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non monetary foreign currency items are carried at cost.
- d) In respect of branch, which is integral foreign operations, all transactions are translated at rates prevailing on the date of transactions or that approximates the actual rate at the date of transactions. Branch monetary assets and liabilities are restated at the year end rates.
- e) The company has opted for accounting exchange rate differences arising on reporting of long term Foreign Currency Monetary Items in line with Companies (Accounting Standard) Amendment Rules, 2009 on Accounting Standard 11 (AS-11) notified by the Government of India on March 31, 2009. Accordingly, the effect of exchange differences on Foreign Currency Loans of the company is accounted by addition or deduction to the cost of assets so far it relates to depreciable capital assets and in other cases by charging to statement of profit and loss as gain or loss on account of exchange difference.
- f) Investments in shares of foreign subsidiary company are expressed in Indian Currency at the rate of exchange prevailing at the time when the original investments were made.
- g) In case of Garware Polyester International Ltd., monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The transactions in foreign currencies are recorded at the rate ruling at the date of transactions. All differences are taken to Profit and Loss account.

J. Duties

Excise duty on finished goods and custom duty on imported materials has been accounted on the basis of payments made in respect of goods cleared as also provision made for goods lying in Bonded Warehouse.

K. Employee Benefits:

- a) Short Term Employee Benefits:

All benefits paid / payable wholly within 12 months of rendering the service are classified as short term. Benefits such as salaries, wages, short-term compensated absences, etc. and the expected cost of bonus, ex-gratia, medical, LTA are recognized undiscounted during the period in which the employee renders the related service and charged to Profit and Loss Account.

- b) Defined Contribution Plans:

Company contributes Provident Fund in accordance with EPF Act, 1952 and ESIC Schemes in accordance with ESIC Act, 1948 under Government administered schemes, however certain employees are covered under the contributory plans with the trust "Garware Polyester Limited Office Staff & Officer's Provident Fund". Contributions are accounted on accrual / paid basis and charged to statement of Profit & Loss.

c) **Defined Benefit Plans:**

- a. Liability towards Superannuation and Gratuity are covered by appropriate schemes with Life Insurance Corporation of India on accrual basis. Gratuity plans are determined by actuarial valuation by using the Projected Unit Credit method.
- b. Leave encashment benefits are accounted on actuarial valuation basis.

L. Lease Rentals

Lease Rentals are accounted on accrual basis over the Lease Term as per the relevant Lease Agreements.

M. Research and Development

Revenue expenditure on Research and Development is charged out in the accounting year in which it is incurred. Expenditure, which results in creation of assets, is included in Fixed Assets and depreciation is provided on such assets as applicable.

N. Revenue Recognition

a) Sales

Sales are accounted for inclusive of excise duty and VAT / Sales Tax (wherever not charged separately), and are net of discounts and returns.

In respect of Garware Polyester International Limited turnover represents amount receivable for goods and services net of VAT and trade discounts.

In respect of Global Pet Films Inc., revenues from product sales to customers are recognized when products are shipped to customers.

c) Export Benefits

Export entitlements under the Duty Drawback Scheme / other scheme are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

d) Others

Revenue from services is recognised on rendering of services.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

O. Taxation

- a) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- b) Current tax is determined as the amount of tax payable in respect of taxable income for the period. The credit is taken as per entitlement for the tax liability provided under MAT based on taxable income as per the provisions of Income Tax Act, 1961.
- c) In respect of subsidiary, Garware Polyester International Limited, the accounting policy in respect of deferred tax reflects the requirements of FRS19-Deferred Tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. On the basis of these financial statements no provision has been made for deferred tax.

P. Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

Q. Purchases

In case Global Pet Films Inc., purchases are recorded in books only when received in company warehouse and or received at Customs Warehouse located at the port of destination.

R. Measurement of EBITDA

The company has elected to present earnings before Interest (Finance Cost), Tax, Depreciation and Amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the year. The company measures EBITDA on the basis of Profit / (Loss) from continuing operations.

S. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
2. SHARE CAPITAL		
Authorised :		
40,000,000 Equity Shares of Rs. 10/- each (Previous Year 40,000,000)	4,000.00	4,000.00
6,000,000 Preference Shares of Rs. 100/- each (Previous Year 6,000,000)	6,000.00	6,000.00
	10,000.00	10,000.00
Issued, Subscribed and Fully paid-up		
23,315,150 Equity Shares of Rs. 10/- each (Previous Year 23,315,150)	2,331.52	2,331.52
Less: Unpaid Allotment / Call Money (from Others)	6.21	6.21
	2,325.31	2,325.31
5,446,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 5,446,000) (Refer Notes below)	5,446.00	5,446.00
TOTAL	7,771.31	7,771.31

Out of the above :

- (i) 2,00,000 Equity shares of Rs. 10/- each were allotted as fully paid-up to various schemes operating under UTI Assets Management Company Ltd. at a premium of Rs. 22.67 per share on 23rd December, 2008 as per arrangement (Previous Year 200,000).
- (ii) 2,54,764 Equity Shares of Rs. 10/- each fully paid-up issued to the shareholders of Garware Chemicals Limited (GCL) as per scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 on 14th November, 2011. (Previous Year 2,54,764).
- (iii) 54,46,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted as fully paid-up to IDBI at par (49,54,000 on 7th November, 2007 and 4,92,000 on 19th June, 2008) as per arrangement. (Previous Year 54,46,000).

Terms / Rights attached to Shares

Equity Shares :

The company has only one class of equity shares having a par value of Rs. 10/- per share. each equity shareholder is entitled to One Vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to approval of shareholders in the ensuing Annual General Meeting.

As per the Companies Act, 1956 the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of Liquidation of the company. The distribution will be in proportion to the number of equity shares held by the shareholder.

Preference Shares :

The preference shares amounting to Rs. 4,954.00 Lakhs allotted on 07.11.2007 are redeemable in 3 equal installments from 1st April, 2014 to 1st April, 2016 and Rs. 492.00 Lakhs allotted on 19.06.2008 shall be redeemed in single installment on 1st April, 2016. These preference shares carry a fixed cumulative dividend of 0.01% per annum.

Reconciliation of the number of Shares Outstanding at the beginning and at the end of the year

Equity Shares

	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	23,315,150	2,331.52	23,315,150	2,331.52
Add: Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	23,315,150	2,331.52	23,315,150	2,331.52

Details of Shareholders holding more than 5% Equity Shares in the company

Name of the Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. B. Garware Family Trust	10,577,100	45.37	10,477,100	44.94
Bharat Jayantilal Patel			1,165,818	5.00

Preference Shares

	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	5,446,000	5,446.00	5,446,000	5,446.00
Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	5,446,000	5,446.00	5,446,000	5,446.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Details of Shareholders holding more than 5% Preference Shares in the company

Name of the Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
IDBI Bank Limited	5,446,000	100.00	5,446,000	100.00

3. RESERVES AND SURPLUS

	As at 31.03.2014		As at 31.03.2013	
	Rs. in Lakhs		Rs. in Lakhs	
Capital Reserve :				
Balance as per last Balance Sheet		4,439.48		4,439.48
Securities Premium Reserve :				
Balance as per last Balance Sheet		592.14		592.14
Revaluation Reserve :				
Balance as per last Balance Sheet	10,105.40		4,584.49	
Add : Additions during the year (Refer Note No. 29)	0.00		18,755.94	
Less: Impairment (Refer Note No. 29)	0.00		13,235.03	
		10105.40		10105.40
General Reserve				
Balance as per last Balance Sheet		6,909.91		6,909.91
Surplus in the statement of Profit and Loss				
Balance as per last Balance Sheet	29,450.96		26,618.54	
Add: Profit for the year	1,028.93		2,833.05	
Proposed Dividend on equity shares of prior year written back	1.24		0.00	
Less : Appropriations				
Dividend Payable on preference shares [One paise per share (Previous Year One paise per share)]	0.54		0.54	
Tax on Dividend	0.09		0.09	
		30,480.50		29,450.96
Foreign Currency Translation Reserve				
Balance as per last Financial Statements	398.59		403.78	
Addition (Deduction) during the year	95.03		(5.19)	
		493.62		398.59
TOTAL		53,021.05		51,896.48

4. LONG TERM BORROWINGS

	Non-Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Secured Loans				
Term Loans :				
Indian Rupee Loan from Banks	5,519.83	4,964.48	2,398.80	1,529.70
Foreign Currency Loan from Banks	506.03	1,074.67	730.00	737.84
Vehicle Finance Lease Obligation	85.46	211.00	128.03	124.82
Unsecured Loans :				
Other loans and advances				
Interest Free Sales tax / VAT Deferral Loan of SICOM (Unsecured)	1,203.46	1,203.46	0.00	0.00
	7,314.78	7,453.61	3,256.83	2,392.36

- Term Loans of Rs. 9,154.66 Lakhs (Previous Year Rs. 8,306.69 Lakhs) are secured by first pari-passu charge on Fixed assets of the company both present and future except Land and Building at Vile Parle, Mumbai and also by way of second pari-passu charge on current assets of the company. The loans are repayable in 20 quarterly installments from quarter ended March 2011 till December 2018.
- Vehicle Finances of Rs. 213.49 Lakhs (Previous Year Rs. 335.82 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 60 monthly installments. The installments are payable from June 2009 till November 2016 covering all loans taken at various dates.
- Deferral Loan from SICOM is payable from April 2016 to April 2026.
- The rate of interest on Foreign Currency loans are at LIBOR + 7.5%, on Rupee Loan @ 12.75% to 14.05% p.a. and on Vehicle Loan @ 8.50% to 15.50% p.a.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

5. DEFERRED TAX LIABILITY (NET) :-

Major components of deferred tax (liabilities) / assets arising on account of timing differences as at 31st March, 2014 are as follows

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Deferred Tax Assets		
Disallowance U/S 43B of the Income Tax Act, 1961	183.63	190.82
Unabsorbed Business Losses & Depreciation	596.20	1,056.78
Others	322.35	273.03
	(i) <u>1,102.18</u>	<u>1,520.63</u>
Less :- Deferred Tax Liability		
Excess of net Block over WDV as per the Income Tax Act, 1961	(ii) <u>3,533.15</u>	<u>3,634.28</u>
Deferred Tax Asset / (Liability) (Net)	(i-ii) <u>(2430.97)</u>	<u>(2113.65)</u>
Deferred Tax Asset / (Liability) as per Balance Sheet	<u>(2113.65)</u>	<u>(3699.60)</u>
Deferred Tax Expense / (Income) Recognised in Profit & Loss	<u>317.32</u>	<u>*(1585.95)</u>
* (Including Rs. 775.62 Lakhs of Previous Year)		

6. SHORT TERM BORROWINGS

Cash / Packing Credit from Banks :

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Indian Rupees (Secured)	1,176.19	504.84
Foreign Currency (Secured)	3,399.40	4,151.89
Working Capital Loans	<u>23,385.07</u>	<u>15,137.62</u>
TOTAL	<u><u>27,960.66</u></u>	<u><u>19,794.35</u></u>

a) Cash / Packing Credit Loans are secured by hypothecation of all the current assets including all stocks, book debts etc. of the Company and further secured by a second charge on fixed assets of the company excluding property at Vile Parle.

b) Interest on Working Capital (Rupee) Loans ranges between 11% to 16.80% p.a. and Foreign Currency Loans Libor + 3% to Libor + 3.5% p.a.

7. TRADE PAYABLES

Due to Micro, Small & Medium Enterprises

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Others	379.23	280.25
	<u>3,765.17</u>	<u>2,910.63</u>
TOTAL	<u><u>4,144.40</u></u>	<u><u>3,190.88</u></u>

8. OTHER CURRENT LIABILITIES

Current maturities of long term borrowing (Refer note No. 4)

	As at 31.03.2014 (Rs. in Lakhs)	As at 31.03.2013 (Rs. in Lakhs)
Unclaimed Dividend #	3,256.83	2,392.36
Unclaimed Debenture & Interest	67.01	67.95
Deposit & Advances from Customers & Vendors	0.00	2.14
Creditors for Capital Expenditure	457.49	441.24
Balance With Banks - Overdrawn as per Books	696.85	534.87
Payable to Employees	51.32	39.71
Statutory Liabilities	75.02	52.43
Provision for Expenses	194.92	176.00
	<u>171.60</u>	<u>265.10</u>
TOTAL	<u><u>4,971.04</u></u>	<u><u>3,971.80</u></u>

These Figures do not include any amount due and outstanding to be credited to The Investor Education and Protection Fund. During the year ended 31st March, 2014 company had deposited Rs. Nil Lakhs (Previous Year Rs. 4.55 Lakhs) to the Investor Education and Protection Fund towards unclaimed dividend.

9. PROVISIONS

Provisions for Employee Benefits: (Refer Note No. 28)

	Long Term		Short Term	
	As at 31.03.14 Rs. in Lakhs	As at 31.03.13 Rs. in Lakhs	As at 31.03.14 Rs. in Lakhs	As at 31.03.13 Rs. in Lakhs
Provision for Gratuity	0.00	0.00	43.83	142.53
Provision for Leave Encashment	448.38	408.62	803.72	719.95
	<u>448.38</u>	<u>408.62</u>	<u>847.55</u>	<u>862.48</u>

Other Provisions

Provision for Dividend on Preference Shares	0.00	0.00	0.54	0.54
Provision for Proposed Dividend on Equity Shares	0.00	0.00	0.00	1.24
Provision for Tax on Dividend	0.00	0.00	0.09	0.09
Provision for Tax	0.00	0.00	21.30	0.00
Provision for Wealth Tax	0.00	0.00	4.04	2.93
	<u>0.00</u>	<u>0.00</u>	<u>25.97</u>	<u>4.80</u>
TOTAL	<u><u>448.38</u></u>	<u><u>408.62</u></u>	<u><u>873.52</u></u>	<u><u>867.28</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10. FIXED ASSETS -

Description	Gross Block		Depreciation / Amortisation		Impairment Note No -29		Rs. in Lakhs					
	As at 01.04.2013	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2014	Up to 01.04.2013	Charge for the year	Disposal/ Transfers/ Adjustments during the year	Up to 31.03.2014	As at 01.04.2013	Additions/ Deductions/ Adjustment during the year	As at 31.03.2014	Net Block As at 31.03.2014
TANGIBLE ASSETS :-												
Land (Freehold)	25,476.92			25,476.92	0.00			0.00				25,476.92
Land (Leasehold)	6,723.14			6,723.14	0.00			0.00				6,723.14
Buildings	8,106.26	206.10		8,312.36	5,774.85	221.14		5,995.99	101.25		101.25	2,215.12
Plant & Machinery	72,196.48	3,715.00	39.33	75,872.15	43,674.56	2,841.01	39.33	46,476.24	8,722.52		8,722.52	20,673.39
Electrical Installations	3,019.27			3,019.27	2,699.34	44.51		2,743.85				275.42
Moulds	287.54			287.54	287.54	0.00		287.54				0.00
Laboratory Equipments	419.63	10.50		430.13	283.40	17.65		301.05	10.90		10.90	118.18
Furniture & Fixtures	596.40	35.40		631.80	516.36	18.95		535.31				96.49
Office Equipments	611.67	7.41		619.08	468.94	21.33		490.27				128.81
Vehicles	256.25	13.95	10.78	259.42	214.06	10.82	10.41	214.47				44.95
Vehicles on Finance Lease	753.83			753.83	407.96	89.54		497.50				256.33
Capital Expenditure On Research & Development	218.92	2.01		220.93	216.24	1.22		217.46				3.47
Data Processing Equipments	1,378.22	57.87		1,436.09	1,308.66	40.51		1,349.17				86.92
TOTAL (A)	120,044.53	4,048.24	50.11	124,042.66	55,851.91	3,306.68	49.74	59,108.85	8,834.67	0.00	8,834.67	56,099.14
INTANGIBLE ASSETS :-												
Software	227.73	17.84		245.57	113.21	46.23		159.44				86.13
Copyrights	157.46			157.46	157.46	0.00		157.46				0.00
Expenditure on Technical Know how/ Product Development	1,430.76			1,430.76	1,430.76	0.00		1,430.76				0.00
Goodwill	4,400.36		0.00	4,400.36	0.00	0.00		0.00	4,400.36		4,400.36	0.00
TOTAL (B)	6,216.31	17.84	0.00	6,234.15	1,701.43	46.23	0.00	1,747.66	4,400.36	0.00	4,400.36	86.13
TOTAL (A + B)	126,260.84	4,066.08	50.11	130,276.81	57,553.34	3,352.91	49.74	60,856.51	13,235.03	0.00	13,235.03	56,185.27
Previous Year (Refer Note No. 10-A)	106,210.75	2,972.89	1,678.74	126,260.84	53,806.67	3,937.01	190.34	57,553.34	0.00	13,235.03	13,235.03	55,472.47
Capital Work in Progress (Refer Note No. 27)												8,619.38

NOTES :

- The Freehold land includes Rs. 4,584.49 Lakhs on account of revaluation of land at Vile Parle, Mumbai as at 31st March, 2007.
- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- Building include Rs. 0.07 Lakh being value of 136 shares in Co-Op. Housing Societies.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by the Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011, company has capitalised Rs. 221.97 Lakhs to Plant and Machinery (Previous Year Rs. 162.29 Lakhs) on account of exchange rate difference on foreign currency loans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Description	Gross Block				Depreciation / Amortisation			Rs. in Lakhs			
	As at 01.04.2012	Additions/ Adjustments during the year	Additions due to Revaluation (Refer Note No. 28)	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2013	Up to 01.04.2012	Charge for the year	Disposal/ Transfers/ Adjustments during the year	Up to 31.03.2013	Impairment (Refer Note No. 29)	Net Block As at 31.03.2013
TANGIBLE ASSETS :-											
Land (Freehold)	11,576.62		13,900.30		25,476.92	0.00	0.00		0.00		25,476.92
Land (Leasehold)	1,867.50		4,855.64		6,723.14	0.00	0.00		0.00		6,723.14
Buildings	9,492.70	218.07		1,604.51	8,106.26	5,617.80	307.46	150.41	5,774.85	101.25	2,230.16
Plant & Machinery	69,556.58	2,651.62		11.72	72,196.48	40,383.89	3,295.18	4.51	43,674.56	8,722.52	19,799.40
Electrical Installations	3,019.27				3,019.27	2,647.65	51.69		2,699.34		319.93
Moulds	287.54				287.54	287.54	0.00		287.54		0.00
Laboratory Equipments	398.19	21.44			419.63	264.30	19.10		283.40	10.90	125.33
Furniture & Fixtures	585.84	10.56			596.40	497.58	18.78		516.36		80.04
Office Equipments	598.75	14.89		1.97	611.67	447.78	23.13	1.97	468.94		142.73
Vehicles	308.86	7.93		60.54	256.25	232.20	15.31		214.06		42.19
Vehicles on Finance Lease	753.83				753.83	287.14	120.82		407.96		345.87
Capital Expenditure On Research & Development	218.60	0.32			218.92	215.17	1.07		216.24		2.68
Data Processing Equipments	1,362.04	16.18			1,378.22	1,266.66	42.00		1,308.66		69.56
TOTAL (A)	100,026.32	2,941.01	18,755.94	1,678.74	120,044.53	52,147.71	3,894.54	190.34	55,851.91	8,834.67	55,357.95
INTANGIBLE ASSETS :-											
Software	195.85	31.88			227.73	71.40	41.81		113.21		114.52
Copyrights	157.46				157.46	157.46	0.00		157.46		0.00
Expenditure on Technical Know how/ Product Development	1,430.76				1,430.76	1,430.10	0.66		1,430.76		0.00
Goodwill	4,400.36				4,400.36	0.00	0.00		0.00	4,400.36	0.00
TOTAL (B)	6,184.43	31.88	0.00	0.00	6,216.31	1,658.96	42.47	0.00	1,701.43	4,400.36	114.52
TOTAL (A + B)	106,210.75	2,972.89	18,755.94	1,678.74	126,260.84	53,806.67	3,937.01	190.34	57,553.34	13,235.03	55,472.47
Capital Work in Progress (Refer Note No- 27)											3,908.55

Notes:

- The Freehold land includes Rs. 4,584.49 Lakhs on account of revaluation of land at Vile Parle, Mumbai as at 31st March, 2007.
- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 Lakhs respectively, the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- Building include Rs. 0.07 Lakh being value of 136 shares in Co-Op. Housing Societies.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011, company has capitalised Rs. 162.29 Lakhs to Plant and Machinery (Previous Year Rs. 409.46 Lakhs) on account of exchange rate difference on foreign currency loans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. NON-CURRENT INVESTMENTS

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Non Trade Investments		
A In Government Securities (Unquoted) :		
1) 10 years 8.5% Rural Debentures of Maharashtra State Electricity Board of the face value of Rs. 0.17 Lakh	-	-
2) 7 years National Savings Certificates of the face value of Rs. 0.03 Lakh (Lodged with the Excise Authorities as Security Deposit)	-	-
	-	-
B In Shares :		
Quoted Equity Instruments		
50 Equity Shares of M. M. Rubber Ltd. of the face value of Rs. 2/- each, fully paid-up.	0.01	0.01
2,80,000 Equity Shares of Garware Marine Industries Ltd. of the face value of Rs. 10/- each, fully paid-up.	-	-
4,00,300 Equity Shares of Garware Wall Ropes Ltd. of the face value of Rs. 10/- each, fully paid-up.	56.98	56.98
500 Equity Shares of Oswal Chemicals and Fertilizers Ltd. of the face value of Rs.10/- each fully paid-up.	-	-
71 Equity Shares of Navin Flourine International Ltd. of the face value of Rs. 10/- each fully paid-up.	-	-
400 Equity Shares of NALCO of the face value of Rs. 5/- each fully paid-up.	0.81	0.81
	57.80	57.80
Unquoted Equity Instruments		
<i>In Associate Company</i>		
0 (Previous Year 75,201) Equity Shares of Garware Chemicals Ltd. of the face value of Rs. 10/- each fully paid-up including five equity shares held by nominees.	0.00	7.52
	0.00	7.52
Unquoted Equity Instruments		
2,500 Equity Shares of The New India Co-Op. Bank Ltd. Mumbai, of the face value of Rs. 10/- each, fully paid-up.	0.25	0.25
2,500 Equity Shares of The North Kanara Goud Saraswat Brahmin Co-Op. Bank Ltd. Mumbai, of the face value of Rs. 10/- each, fully paid-up.	0.25	0.25
500 Shares of The Co-Op. Stores Ltd. (New Delhi) of the face value of Rs. 10/- each, fully paid-up.	0.05	0.05
10,000 Equity Shares of S I C O M Ltd., of the face value of Rs. 10/- each fully paid-up.	8.00	8.00
20,000 Equity Shares of Deogiri Nagari Sahakari Bank Ltd. of the face value of Rs. 25/- each fully paid-up.	5.00	5.00
4,000 Equity Shares of Vaidyanath Urban Co-Op. Bank Ltd. of the face value of Rs. 25/- each fully paid-up.	1.00	1.00
1,000 Equity Shares of Poornawadi Co-Op. Bank Ltd. of the face value of Rs. 100/- each fully paid-up.	1.00	1.00
100 Equity Shares of Cosmos Co-Op. Bank Ltd. of the face value of Rs. 10/-each fully paid-up.	0.02	0.02
	15.57	15.57
TOTAL	73.37	80.89
	Cost	Market Value
Aggregate amount of company's Investment		
Quoted	57.80	274.71
Unquoted	15.57	23.09
TOTAL	73.37	274.71
	Cost	Market Value
	80.89	191.60

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

12. LOANS & ADVANCES :	Non-current		Current	
	As at	As at	As at	As at
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Capital Advances				
Secured, Considered Good (#)	0.00	126.30	0.00	0.00
Unsecured, Considered Good	99.01	1,513.75	0.00	0.00
(A)	99.01	1,640.05	0.00	0.00
Security Deposit				
Unsecured, Considered Good	142.76	112.21	0.00	0.00
Including Rs. 36.00 Lakhs due from Director Previous Year Rs. 30.00 Lakhs (Rent Deposit) and Rs. 36 Lakhs due from company in which directors are Directors / Member (Previous Year Rs. Nil) (Rent Deposit)				
(B)	142.76	112.21	0.00	0.00
Advances Recoverable in Cash or Kind				
Unsecured, Considered Good	0.00	0.00	170.42	189.30
(C)	0.00	0.00	170.42	189.30
Other Loans & advances				
Advance Income-Tax (Net of Provision for Taxation)	0.00	69.57	0.00	0.00
MAT Credit Entitlement	6167.36	5,849.43	0.00	0.00
Prepaid Expenses	0.00	0.00	804.95	576.34
Employee Advances	0.00	0.00	23.52	23.80
Balances with Statutory / Government Authorities	1981.21	1,711.47	4,148.30	3,498.68
(D)	8148.57	7,630.47	4,976.77	4,098.82
TOTAL (A+B+C+D)	8390.34	9,382.73	5,147.19	4,288.12

Secured against Bank Guarantee

13. INVENTORIES (Valued at lower of cost and net realisable value)	As at	As at
	31.03.2014	31.03.2013
	Rs. in Lakhs	Rs. in Lakhs
a) Stores, Spares & Packing Materials	2,077.28	1,957.75
b) Raw Materials	2,825.23	1,426.17
c) Finished Goods	500.36	463.19
d) Stock in Transit - Finished Goods	395.11	420.54
e) Semi Finished Goods	9,091.31	5,334.92
	14,889.29	9,602.57

14. TRADE RECEIVABLES	As at	As at
	31.03.2014	31.03.2013
	Rs. in Lakhs	Rs. in Lakhs
Unsecured, Considered Good unless otherwise stated excluding bills receivable discounted [Refer Note No. 37 (d)]		
a) Debts outstanding for a period exceeding six months from the date they are due for payment		
i) Unsecured, Considered Good	36.64	54.36
ii) Doubtful	258.85	258.85
	295.49	313.21
Less: Provision for Doubtful Receivables	258.85	258.85
	36.64	54.36
b) Other Receivables		
Unsecured, Considered Good	5,753.89	4,299.89
	5,753.89	4,299.89
TOTAL (a+b)	5,790.53	4,354.25
Trade Receivables Include :		
Due from company in which the Directors are Director / Member	494.71	26.36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

15. CASH & BANK BALANCES

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Cash & Cash Equivalents		
a) Balances with Bank :		
In Current Accounts	619.82	2,761.41
In Fixed Deposit	6,245.55	7,350.62
b) Cash on hand	34.29	36.97
Other Bank Balances :		
In Unclaimed Dividend Accounts	67.01	67.95
Margin Money Deposit	2,604.60	0.00
TOTAL	9,571.27	10,216.95

(Fixed Deposit with Bank includes Rs. 1.49 Lakhs (Previous Year Rs. Nil Lakhs) with maturity of more than 12 Months)

16. OTHER CURRENT ASSETS

	As at 31.03.2014 Rs. in Lakhs	As at 31.03.2013 Rs. in Lakhs
Interest accrued on Fixed Deposit & Others	117.74	86.97
Other receivable	151.73	74.48
TOTAL	269.47	161.45

17. REVENUE FROM OPERATIONS :

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Sale of Products	87,141.73	78,591.39
Other Operating Revenue		
Export Incentives	1,390.79	2,545.89
Others	152.23	168.41
Revenue from operation (Gross including excise duty)	88,684.75	81,305.69
Details of products sold :		
Polyester Film	87,141.73	78591.39

18. OTHER INCOME

Interest Income on :		
Bank Deposits	756.27	450.70
Income Tax & Sales Tax Refund	39.91	0.00
Others	1.34	3.36
Dividend Income on :		
Long Term Investment	10.82	10.82
Insurance Claims	11.23	29.10
Profit on Sale of Fixed Assets	1.40	71.50
Profit on Sale of Investment	12.78	0.00
Excess Provision / Sundry Credit Balances Written Back	18.45	154.68
Rent	1.20	1.20
Sales Tax Refund	118.54	0.00
Gain on Exchange Rate Fluctuations	0.00	27.08
Other Misc. Income	0.00	65.74
TOTAL	971.94	814.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

19. COST OF RAW MATERIALS CONSUMED

	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
Inventory at the beginning of the year	1,426.17	1,684.97
Add : Purchases	58,656.98	42,160.82
Less: Sales	(3715.49)	(813.75)
	<u>56,367.66</u>	<u>43,032.04</u>
Less : Inventory at the end of the year	2,825.23	1,426.17
Cost of Raw Materials Consumed	<u>53,542.43</u>	<u>41,605.87</u>
Details of Raw Materials Consumed		
PTA	22,282.41	18,646.93
MEG	8,624.74	6,966.14
Chemicals & Others	22,635.28	15,992.80
TOTAL	<u>53,542.43</u>	<u>41,605.87</u>
Details of inventory		
PTA	210.53	28.47
MEG	182.87	112.22
REPOL 34 SG	523.45	0.00
Chemicals & Others	1,908.38	1,285.48
TOTAL	<u>2,825.23</u>	<u>1,426.17</u>

20. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS

	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
Inventories at the end of the year		
Work In Progress	9,091.31	5,334.92
Finished Goods	892.04	883.73
	<u>9,983.35</u>	<u>6,218.65</u>
Inventories at the beginning of the year		
Work In Progress	5,334.92	5,045.11
Finished Goods	883.73	2,882.93
	<u>6,218.65</u>	<u>7,928.04</u>
(Increase) / Decrease in Stock of Finished and Semi-Finished Goods out of Trial Run Production	(894.10)	0.00
(Increase) / Decrease	<u>(2870.60)</u>	<u>1,709.39</u>

21. EMPLOYEE BENEFITS EXPENSE (Refer Note No. 30)

Salaries, Wages and Bonus	4,993.10	4,564.94
Contribution to Provident Fund and Other Funds	582.59	396.68
Staff Welfare Expenses	354.93	310.86
TOTAL	<u>5,930.62</u>	<u>5,272.48</u>

22. OTHER EXPENSES

Stores, Spares & Packing Materials Consumed	3,749.74	3,309.92
Power and Fuel	8,618.52	8,999.65
Processing Charges	119.00	2,007.98
Water Charges	88.75	89.96
Rent, Hire Charges and Compensation	110.75	115.92
Rates, Taxes and License Fees	69.16	51.98
Insurance	242.05	209.25
Freight & Forwarding (Net)	2,174.98	2,115.66
Research and Development Expenses	111.32	166.41
Advertisement Expenses	27.52	29.85

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Repairs and Maintenance Expenses :-		
Plant and Machinery	838.91	807.75
Building	391.01	340.27
Other Assets	714.87	618.04
Sales Tax / VAT	1.24	8.49
Travelling & Conveyance	668.86	357.68
Postage, Telegrams & Telephones	136.72	131.04
Commission on Sales	172.95	143.54
Donations	54.11	66.53
Legal and Professional Charges (Refer Note No. 32)	654.04	698.53
Auditors Remuneration (Refer Note No. 23)	40.88	51.69
Director Sitting Fees	2.83	1.99
Miscellaneous Expenses	1,774.70	1,516.96
Loss on Swap / Exchange Rate Fluctuation	67.44	0.00
TOTAL	20830.35	21,839.09
23. PAYMENT TO AUDITORS AS :	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
Audit Fees	27.76	32.31
Tax Audit Fees	5.00	5.00
For Certification / Others	7.85	14.05
Reimbursement of Out of Pocket Expenses	0.27	0.33
TOTAL	40.88	51.69
24. EXCEPTIONAL ITEMS :		
1) Central Sales Tax Claim Receivable (Refer Note No. 33)	(622.16)	(556.14)
TOTAL	(622.16)	(556.14)
25. FINANCE COST		
Interest Expenses	989.28	671.02
Other Borrowing Cost	2,670.98	2,232.80
Applicable Loss on Foreign Currency Transactions and Translations	81.24	84.21
TOTAL	3,741.50	2,988.03
26. EARNINGS PER SHARE (EPS)		
Profit after Tax	1,028.93	2,833.05
Less: Dividend on Preference Shares including Tax	0.63	0.63
Amount available for Equity Shareholders	1,028.30	2,832.42
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	23,315,150	23,315,150
Earning per share - Basic & Diluted (Rupees) (Absolute)	4.41	12.15

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

27. The break up of expenses shown under Capital Work in Progress (Pending Allocation) as on 31st March, 2014 (Including BOPP Project) is as under :	2013-14	2012-13
Particulars	Rs. in Lakhs	Rs. in Lakhs
Balance as on 01-04-2013	3,908.55	574.98
Capital Work in progress	3668.95	2814.00
Pre-operative Expenditure Incurred during the year		
Raw Material Consumed	3,233.37	330.61
Power and Fuel	374.34	36.14
Stores, Spares and Packing Material Consumed	55.80	15.24
Freight and Forwarding	48.67	0.00
Employee Benefits	237.75	212.06
Travelling and Conveyance	42.50	41.32
Legal and Professional Charges	52.45	31.82
Others	71.31	77.38
Finance Charges	651.70	295.45
Total Expenditure	12345.39	4429.00
Less : Sales	2,408.96	58.76
(Net of Excise Duty Rs. 278.41 Lakhs Previous Year Rs. 7.26 Lakhs)		
Less : Stock of Finished / Semi Finished Goods out of Trial Run Production	894.10	0.00
TOTAL	9042.33	4370.24
Capitalised during the year	422.95	461.69
Balance as on 31-03-2014	8619.38	3908.55
28. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"		
A. Funded retirement benefit - Gratuity		
	2013-14	2012-13
	Rs. in Lakhs	Rs. in Lakhs
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	1,702.64	2,063.44
Service Cost	132.24	117.48
Interest Cost	131.08	157.88
Actuarial Loss / (Gain)	(49.12)	(221.20)
Benefits Paid	(148.52)	(414.96)
Defined Benefit Obligations at end of the year (a)	1,768.32	1,702.64
Change in Plan Assets		
Fair Value of Plan Assets as at beginning of the year	1,560.11	1,656.08
Expected return on Plan Assets	139.27	144.53
Contributions by Employer	175.92	177.99
Actuarial Gain / (Loss)	(2.29)	(3.53)
Benefits Paid	(148.52)	(414.96)
Fair Value of Plan Assets at end of the year (b)	1,724.49	1,560.11
Present Value of funded obligations (a-b)	43.83	142.53
The net amount recognized in the statement of profit and loss for the year ended 31st March, 2014 is as follows:		
Current Service Cost	132.24	117.48
Interest Cost	131.08	157.88
Expected return on Plan Assets	(139.27)	(144.53)
Net Actuarial Loss / (Gain) Recognized	(46.83)	(217.67)
Net amount recognized	77.22	(86.84)
<u>The Principal Actuarial assumptions used as at 31st March, 2014 are as follows:</u>		
Discount Rate	9.15%	8.05%
Expected Rate of Return on Plan Assets		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	5%	5%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Other Disclosure

Rs. in Lakhs

	31.03.2014	31.03.2013	31.03.2012	31.03.2011	30.09.2010
Present value of Defined Benefit obligation	1,768.32	1,702.64	2,063.44	1,688.41	1,509.87
Fair value of Plan Assets	1,724.49	1,560.11	1,656.08	1,430.98	1,301.16
(Deficit) / Surplus of the plan	43.83	142.53	407.36	257.43	208.71
Experience Adjustment on Plan Liabilities Loss / (Gain)	---	---	*	*	*
Experience Adjustment on Fair Value of Plan Assets	2.29	3.53	0.01	*	*

* Not available in the valuation report hence not furnished.

B. Un-funded retirement benefit - Leave Encashment

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	1,128.57	1,001.91
Service Cost	78.76	62.69
Interest Cost	89.76	84.04
Actuarial Loss / (Gain)	(17.85)	6.29
Benefits Paid	(27.14)	(26.36)
Defined Benefit Obligations at end of the year (a)	1,252.10	1,128.57
Change in Plan Assets		
Contributions by Employer	27.14	26.36
Benefits Paid	(27.14)	(26.36)
Fair Value of Plan Assets at end of the year (b)	0.00	0.00
Present Value of un funded obligations (a-b)	1,252.10	1,128.57
The net amount recognized in the statement of profit and loss for the year ended 31st March, 2014 is as follows:		
Current Service Cost	78.76	62.69
Interest Cost	89.76	84.04
Net Actuarial Loss / (Gain) Recognized	(17.85)	6.29
Net amount recognized	150.67	153.02
The Principal Actuarial Assumptions used as at 31st March, 2014 are as follows:		
Discount Rate	9.15%	8.05%
Expected Rate of Return on Plan Assets		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	5%	5%

- 29 The company has revalued its Aurangabad and Nashik land in Previous Year at Rs. 21,803.73 Lakhs on the basis of certified valuers (M/s VGK Truman Consultancy Pvt. Ltd.) report dated 25/04/2013. This has resulted in land being further revalued by Rs. 18,755.94 Lakhs. The consequent appreciation in value has been credited to Revaluation Reserve.

Further in accordance with Accounting Standard (AS-28) issued by the Institute of Chartered Accountants of India, dealing with "Impairment of Assets", the company has been advised that there was impairment of certain Cash Generating Unit (CGU) by considering the market value and its potential capacity to generate cash flows. On the basis of the report given by a professional consultancy firm of valuers such impairment in value of CGU works out to Rs. 13,235.03 Lakhs. This has been adjusted against the balance in Revaluation Reserve in the Previous Year as provided in the scheme of Arrangement between Garware Chemicals Ltd., and the company under Section 391 to 394 of the Companies Act, 1956 as sanctioned by the Hon'ble High Court of Judicature at Bombay by its order dated 21st October, 2011.

30. The remuneration of Rs. 237.82 Lakhs paid to the Managing Director, Joint Managing Directors and Director are subject to the sanction of the Central Government in respect of which applications have been made and are pending with Government. (Previous Year Rs. 767.68 Lakhs which was subject to sanction of Central Government has been duly approved.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014
31. LEASES :

The company has entered into finance and operating lease agreements. As required under the Accounting Standard 19 on 'Leases', the future minimum lease payments on account of each type of lease are as follows:

A. Hire Purchase / Finance Leases (Vehicle)

(Rs. in Lakhs)

Particulars	Future Lease payments		Present Value of Future Minimum Lease Payments		Finance Charges	
	2014	2013	2014	2013	2014	2013
As at 31st March						
Not later than one year	144.69	155.21	128.03	124.82	16.66	30.39
Later than one year and not later than five years	90.91	233.12	85.46	211.00	5.45	22.12
Later than five years	0.00	0.00	0.00	0.00	0.00	0.00

B. Operating Leases

The company has taken various residential / commercial premises and vehicles on operating leases. These operating lease are in the nature of "cancellable lease" therefore disclosure as per Accounting Standard 19 is not required.

32. Legal and Professional Charges include Rs. 5.75 Lakhs (Previous Year Rs. 5.50 Lakhs) paid to some of the Partners of the Auditors for other services and Rs. 4.67 Lakhs paid to firm in which one of director is proprietor. (Previous Year Rs. 3.57 Lakhs)
33. The Company has expensed out / Written off Sales Tax receivable of Rs. 1684.36 Lakhs in prior years pursuant to amendment of MVAT Act by the Government of Maharashtra with retrospective effect. However, as per legal opinion obtained by the company, this amendment was not applicable to CST. Accordingly, balance amount of Rs 622.16 Lakhs out of Rs 1178.30 Lakhs relating to CST which has been expensed out earlier, is now written back by the company (Previous Year of Rs. 556.14 Lakhs has been written back).

34. SEGMENT REPORTING :

- a) The company is only in one line of business namely - Polyester Film
- b) The Segment Revenue in the Geographical Segment considered for disclosure are as follows:
- Revenue within India includes sales to customers located within India.
 - Revenue outside India includes sales to customers located outside India including Export Benefits / Incentives.

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
Sales		
Within India	39,276.30	31,390.03
China (Including Export Incentives)	10,563.83	9,859.04
Rest of World (Including Export Incentives)	38,844.62	40,056.62
TOTAL	88,684.75	81,305.69

35. RELATED PARTY DISCLOSURES

- a) List of Related Parties

Key Management Personnel	Shri. S. B. Garware Mrs. S. S. Garware Mrs. Monika Garware Modi Mrs. Sarita Garware Ramsay Ms. Sonia S. Garware
Enterprises over which Key Managerial Person are able to exercise significant influence	S. B. Garware Family Trust Garware Charitable Trust Garware Industries Ltd. Great View Real Estate Pvt. Ltd.

(Associate Company Garware Chemicals Ltd. has been merged with Garware Industries Ltd. with effect from 1/4/2013)

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
b) Transaction with Related Parties		
1) Sales of Goods		
i) Associate Companies	0.00	2,511.60
ii) Enterprise over which Key Managerial Person are able to exercise significant influence	8,887.31	4,327.58
2) Purchase of Materials		
i) Enterprise over which Key Managerial Person are able to exercise significant influence	12,495.14	4,444.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 Rs. in Lakhs	2012-13 Rs. in Lakhs
b) Transaction with Related Parties		
3) Service Received / Processing Charges / Reimb. of Expenses		
i) Associate Companies	0.00	24.58
ii) Enterprise over which Key Managerial Person are able to exercise significant influence	125.44	1,986.40
4) Service Rendered		
i) Enterprise over which Key Managerial Person are able to exercise significant influence	334.09	1.35
5) Rent Paid to Director	65.00	60.00
6) Rent Deposit Paid to Director	6.00	0.00
7) Rent Deposit Paid to Enterprises over which Key Managerial Person are able to exercise significant influence	36.00	0.00
8) Key Management Personnel & Relative Managerial Remuneration (Including Employee Benefits)	874.46	728.58
9) Donation to Garware Charitable Trust	40.00	60.00
10) Director Sitting Fees	0.30	0.40
11) Balances [Dr / (Cr)]		
i) Associate Company	0.00	(13.51)
ii) Enterprise over which Key Managerial Person are able to exercise significant influence	530.72	26.36
iii) Receivable from Director (Rent Deposit)	36.00	30.00
Figures are on gross basis (Including Taxes and Duties)		

36. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1,053.31 Lakhs (Previous Year Rs. 3,520.61 Lakhs) against which an advance of Rs. 99.01 Lakhs (Previous Year Rs. 1,640.05 Lakhs) has been paid.

37. CONTINGENT LIABILITIES -

	As at 31st March 2014 Rs. in Lakhs	As at 31st March 2013 Rs. in Lakhs
a) Contingent Liabilities not provided for -		
Disputed matters in appeal / contested in respect of:		
Income Tax	1,487.64	209.31
Excise Duty	477.16	208.48
Sales Tax	900.96	17.13
Local Body Tax	383.06	302.62
Maharashtra State Electricity Board (MSEB)	27.72	27.72
TOTAL	3,276.54	765.26
b) The Company has given counter-guarantees for Rs. 5,182.57 Lakhs (Previous Year Rs. 3,436.91 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for purchase of equipment, supply of goods, clearance of goods from Customs, Excise Bonds, etc.		
c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to Rs. 25,904.60 Lakhs (Previous Year Rs. 17,078.95 Lakhs).		
d) Bills of Exchange discounted under Bill Marketing Scheme amount to Rs. 2,653.07 Lakhs (Previous Year Rs. 3,189.27 Lakhs).		

38. The Previous Year's figure have been re-grouped / reclassified to conform to this year's classification.

**STATEMENT PURSUANT TO GENERAL EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT 1956
 RELATING TO SUBSIDIARY COMPANIES**

Rs. in Lakhs

Sr. No.	Particulars	Garware Polyester International Limited (GPIL) (100% wholly owned by the Company)	Global Pet Films, INC. (100% wholly owned by GPIL)
		2014	2014
1	Share Capital	249.43	59.92
2	Reserves	220.64	12.79
3	Total Assets	507.79	565.12
4	Total Liabilities	507.79	565.12
5	Details of Investment (Except investment in the subsidiaries)	0.00	0.00
6	Turnover & Other Income	300.45	5053.30
7	Profit / (Loss) Before Taxation	108.01	15.54
8	Provision for Taxation	28.75	1.20
9	Profit / (Loss) after Taxation	79.26	14.35
10	Proposed Dividend	199.54	0.00

Notes

1. The final Audited accounts of Garware Polyester International Limited are in Great Britain Pounds (GBP) and translated at closing rate as on 31.03.2014 (Rs. 99.77 = 1 GBP)
2. The final Audited accounts of Global Pet Films Inc. are in U S Dollars (USD) and translated at closing rate as on 31.03.2014 (Rs. 59.92 = 1 USD)



GARWARE POLYESTER LIMITED

CIN: L10889MH1957PLC010889

Regd. Office : Naigaon, Post Waluj, Aurangabad – 431 133

ATTENDANCE SLIP (To be presented at the entrance)

Name of the Shareholder or Proxy _____

DP ID _____ Folio No. / Client ID _____

I / We hereby record my / our presence at the **57th ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad – 431 133 on Thursday, September 25, 2014 at 11.30 a.m.

Signature of the Member/Proxy



PROXY FORM

[Pursuant to Section 105(6) of the Companies Act,2013 read with Rule 19(3) of the Companies (Management and Administration) Rules , 2014]

GARWARE POLYESTER LIMITED

CIN: L10889MH1957PLC010889

Regd. Office : Naigaon, Post Waluj, Aurangabad – 431 133

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No. / Client ID No. :

I / We, being the member(s) of Shares of GARWARE POLYESTER LIMITED, hereby appoint

1. Name : E-mail Id :

Address : Signature :

or failing him/her

2. Name : E-mail Id :

Address : Signature :

or failing him/her

3. Name : E-mail Id :

Address : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 57th Annual General Meeting of the Company, to be held on Thursday, September 25, 2014 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad – 431 133 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements for the year ended 31 st March, 2014.		
2.	Declaration of Dividend on Preference Shares.		
3.	Re-appointment of Mrs. Monika Garware Modi, who retires by rotation.		
4.	Re-appointment of Ms. Sonia Garware, who retires by rotation.		
5.	Appointment of M/s. Manubhai & Shah, Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration.		
Special Business			
6.	Re-appointment of Shri S. B. Garware as a Chairman & Managing Director of the Company and approval of his terms of re-appointment.		
7.	Variation in terms of remuneration of Mrs. Monika Garware Modi as a Vice Chairperson & Jt. Managing Director.		
8.	Variation in terms of remuneration of Mrs. Sarita Garware Ramsay as a Jt. Managing Director.		
9.	Variation in terms of remuneration of Ms. Sonia Garware as a Jt. Managing Director.		
10.	Appointment of Mr. T. M. Parikh as an Independent Director.		
11.	Appointment of Mr. N. P. Chapalgaonkar as an Independent Director.		
12.	Appointment of Mr. Ramesh P. Makhija as an Independent Director.		
13.	Appointment of Mr. B. Moradian as an Independent Director.		
14.	Appointment of Dr. M. C. Agarwal as an Independent Director		
15.	Appointment of Branch Auditors		

Signed thisday of2014

Signature of shareholder

Signature of Proxy holder(s).....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 57th Annual General Meeting.
3. *It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of members(s) in above box before submission.

Affix Revenue Stamp



