



# Garware Polyester Limited

## ANNUAL REPORT

### 2016-17





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

S. B. Garware – Chairman & Managing Director

S. S. Garware (Mrs.)  
(Resigned w.e.f. 10<sup>th</sup> August, 2017)

Monika Garware Modi (Mrs.)- Vice Chairperson & Jt. Managing Director

Sarita Garware Ramsay (Mrs.) – Jt. Managing Director

Sonia Garware (Ms.)

N. P. Chapalgaonkar

B. Moradian

M. S. Adsul – Director (Technical)

M. C. Agarwal (Dr.)

Ramesh P. Makhija

T. M. Parikh

Nilesh R. Doshi

### COMPANY SECRETARY & VICE PRESIDENT (LEGAL)

Nimesh S. Shah

### CHIEF FINANCIAL OFFICER

Sunil Dalmia

#### AUDIT COMMITTEE

T. M. Parikh – Chairman  
B. Moradian  
M. S. Adsul  
M. C. Agarwal  
Nilesh R. Doshi

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

M. C. Agarwal – Chairman  
Sarita Garware Ramsay  
B. Moradian

#### NOMINATION & REMUNERATION COMMITTEE

M. C. Agarwal – Chairman  
B. Moradian  
T. M. Parikh

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sarita Garware Ramsay – Chairperson  
B. Moradian  
M. C. Agarwal

#### BANKERS

Indian Overseas Bank  
Dena Bank  
Bank of India  
The Federal Bank Limited.

#### AUDITORS

M/s. Manubhai & Shah, LLP  
Chartered Accountants  
Mumbai

M/s. Kirtane & Pandit, LLP  
Chartered Accountants  
Mumbai

#### SOLICITORS & ADVOCATES

Crawford Bayley & Co.  
Mumbai

#### REGISTERED OFFICE

Naigaon, Post Waluj,  
Aurangabad – 431 133.

#### CORPORATE OFFICE

Garware House,  
50-A, Swami Nityanand Marg,  
Vile Parle (East), Mumbai - 400 057.

#### WORKS

- 1) L-5 & L-6, Chikalthana Industrial Area,  
Dr. Abasaheb Garware Marg,  
Aurangabad – 431 210.
- 2) Naigaon, Post Waluj, Aurangabad – 431 133.
- 3) A-1 & A-2, MIDC, Ambad, Nasik – 422 010.

#### OFFICES

- 1) 204, 2<sup>nd</sup> Floor, DLF Tower B, Near Apollo Hospital  
Jasola, New Delhi – 110 025.
- 2) 37/1B, Hazra Road, Kolkata – 700 029.
- 3) Old No. 37, New No. 55,  
Ambercrest, 4<sup>th</sup> Floor, Pantheon Road Lane  
Egmore, Chennai – 600 008.

#### OVERSEAS OFFICE

- 1) Unit 2-17, The Plaza,  
535, Kings Road, London – SW10 OSZ.
- 2) 101, Lake Forest Blvd.  
Street No. 403, Gaithersburg  
MD, 20887, U.S.A.

#### REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited, Mumbai

#### WEBSITE

[www.garwarepoly.com](http://www.garwarepoly.com)

<b>CONTENTS</b>	<b>PAGE NO.</b>
NOTICE	03
Directors' Report and Annexures	18
Management Discussion and Analysis	31
Corporate Governance Report	33
Secretarial Audit Report and Annexure	43
Auditors' Report and Annexure	45
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50
Notes to the Financial Statements	53
Form AOC- 1	69
Auditors Report on Consolidated Financial Statements	71
Consolidated Balance Sheet	74
Consolidated Statement of Profit and Loss	75
Consolidated Cash Flow Statement	76
Notes to the Consolidated Financial Statements	81
Route Map for AGM	96
Proxy Form and Attendance Slip	99

**NOTICE****GARWARE POLYESTER LIMITED**

CIN: L10889MH1957PLC010889

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

Website: www.garwarepoly.com

Email: nimeshshah@garwarepoly.com

Tel. No.: 022 6698 8000.

NOTICE IS HEREBY GIVEN THAT the 60<sup>th</sup> Annual General Meeting of the members of GARWARE POLYESTER LIMITED will be held at the Registered Office of the Company on Wednesday, 27<sup>th</sup> September, 2017 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad – 431 133 to transact the following businesses:

**Ordinary Business:**

1. To consider and adopt:
  - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2017, with the reports of the Board of Directors and Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mrs. Monika Garware Modi (DIN: 00143400), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. M. S. Adsul (DIN: 00146752), who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider the following resolution as an Ordinary Resolution:-
 

**“RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee and approval by the Board of Directors, the appointment of M/s. Manubhai & Shah, LLP, Chartered Accountants (Firm Registration Number: 106041WW/100136) be and are hereby ratified as the Statutory Auditors of the Company, to hold office from the conclusion of the 60<sup>th</sup> Annual General Meeting till the conclusion of the 62<sup>nd</sup> Annual General Meeting of the Company, subject to ratification at every subsequent Annual General Meeting at such remuneration plus applicable tax, as may be mutually agreed upon between the Board of Directors of the Company and auditors, plus out of pocket expenses if, any payable to the auditors in connection with the audit work.”

**Special Business:**

6. To consider the following resolution as an Ordinary Resolution:-
 

**“RESOLVED THAT** M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration Number:105215WW/100057) be and are hereby appointed as the Joint Auditors of the Company together with M/s. Manubhai & Shah, Chartered Accountants from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration plus applicable taxes as may be mutually agreed upon between the Board of Directors of the Company and the said M/s. Kirtane & Pandit LLP, plus out of pocket expenses if any, payable to the Auditors in connection with the audit work.”

7. To consider the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus out-of-pocket expenses if any, payable to M/s. M. R. Pandit & Co., Cost Accountants (Firm’s Registration No. 00268) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31<sup>st</sup> March, 2018.”

8. To consider the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 197 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 of the Companies Act, 2013 and subject to the requisite approval of the Central Government, and in terms of recommendation of the ‘Nomination and Remuneration Committee’ and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded for the payment of remuneration to Shri S. B. Garware (holding DIN: 00943822), as Managing Director of the Company for the period from 01<sup>st</sup> November, 2017 to 31<sup>st</sup> October, 2019 on such terms and conditions as set out in the Explanatory Statement annexed to this notice.

**RESOLVED FURTHER THAT** if in any financial year and 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 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 to do all such acts, deeds, matters and things as may be necessary, for the purpose of giving effect to this resolution.”

9. To consider the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Sections 197 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 of the Companies Act, 2013 and subject to the requisite approval of the Central Government, and in terms of recommendation of the Nomination & Remuneration Committee and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded for the payment of remuneration to Mrs. Monika Garware Modi (holding DIN: 00143400), as a Joint Managing Director of the Company for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> October, 2018 on such terms and conditions as set out in the Explanatory Statement annexed to this notice.

**RESOLVED FURTHER THAT** if in any financial year and 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 to do all such acts, deeds, matters and things as may be necessary, for the purpose of giving effect to this resolution.”

10. To consider the following resolution as a Special Resolution:-

“**RESOLVED THAT** pursuant to the provisions of Section 197 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 of the Companies Act, 2013 and subject to the requisite approval of the Central Government, and in terms of recommendation of the Nomination & Remuneration Committee and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded for the payment of remuneration to Mrs. Sarita Garware Ramsay (holding DIN: 00136048), as a Joint Managing Director of the Company for the period from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> October, 2018 on such terms and conditions as set out in the Explanatory Statement annexed to this notice.

**RESOLVED FURTHER THAT** if in any financial year and 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 to do all such acts, deeds, matters and things as may be necessary, for the purpose of giving effect to this resolution”.

By Order of the Board of Directors

For **Garware Polyester Limited**

Place: Mumbai  
Date: 10<sup>th</sup> August, 2017

**Nimesh S. Shah**  
Company Secretary &  
Vice President (Legal)

**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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.

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 forty eight hours before the commencement of the meeting i.e. by 11.30 a.m. on 25<sup>th</sup> September, 2017.

A Proxy Form is attached 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 10 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 15 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 Monday, 18<sup>th</sup> September, 2017 to Friday, 22<sup>nd</sup> September, 2017 (both days inclusive).
5. If dividend on Equity Shares, as recommended by the Board, is declared at the AGM, it will be paid on Thursday, 5<sup>th</sup> October, 2017 as under:
  - (i) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as on the beginning of Saturday, 16<sup>th</sup> September, 2017.
  - (ii) To all the Members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Saturday, 16<sup>th</sup> September, 2017.
6. **Payment of dividend through electronic means:**
  - (i) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents, Link Intime India Pvt. Ltd. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
  - (ii) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
7. 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.
8. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified about 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 to 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 2009-10, 2010-11 & 2011-12, as on the 59th Annual General Meeting (AGM) held on 21<sup>st</sup> September, 2016 on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

Unclaimed dividend for the Financial Years 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, M/s. Link Intime India Private Limited at the address provided in Point No. 15 - XIV 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. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of PAN card to the Company for registration of transfer of securities.
11. Information required under Regulation 36(3) of the Listing Regulations (relating to Corporate Governance) and Secretarial Standard-2 on the General Meeting with respect to 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.
12. A route map showing directions to reach the venue of the 60<sup>th</sup> AGM is given along with this Annual Report as per the requirement of "Secretarial Standard-2" on General Meeting.
13. Electronic copy of the Annual Report for 2016-17 and Notice of the 60<sup>th</sup> Annual General Meeting of the Company *inter-alia* indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 60<sup>th</sup> 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.
14. Members may also note that the Notice of the 60<sup>th</sup> Annual General Meeting, Attendance Slip, Proxy Form, Ballot Paper, Route Map and the Annual Report for the year 2017 will also be available on the Company's website [www.garwarepoly.com](http://www.garwarepoly.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Aurangabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

For any communication, the shareholders may also send requests to the Company's investor email id: [cs@garwarepoly.com](mailto:cs@garwarepoly.com)

#### 15. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulations the Company is pleased to provide members

facility to exercise their right to vote at the 60<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from place other than venue of the AGM ("remote-e-voting") will be provided by **National Securities Depository Limited (NSDL)**.

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Saturday, 23<sup>rd</sup> September, 2017 (9:00 am) and ends on Tuesday, 26<sup>th</sup> September, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 20<sup>th</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, 20<sup>th</sup> September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- VI. 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 Participants(s)]:
    - (i) Open e-mail and open PDF file viz; "remote e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - (iii) Click on Shareholder – Login.
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. If you desire, then change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. **Please preserve your new password.** It is strongly recommended not to share your password with any other person and to 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 remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.



- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify / change your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG 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](mailto:nilesh@ngshah.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B) Members upon receiving physical copy of an Annual Report are requested to note down the following from attached e-voting form:
- (i) Initial password is provided in the attached e-voting form.
- (a) **EVEN** (Remote E-Voting Event Number)
- (b) **USER ID**
- (c) **PASSWORD/ PIN**
- (ii) Please follow all steps from Sl. No. 15 (VI)(A)(I) to (XII) above, to cast your vote.
- VII 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.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990.
- VIII 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.
- NOTE: Shareholders who forgot the User Details/Password can use "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).
- In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).
- IX 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).
- X 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 Wednesday, 20<sup>th</sup> September, 2017.
- XI Mr. Nilesh G. 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.
- XII The Scrutinizer shall after the conclusion of voting at an AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours of the conclusion of an AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or in his absence to a person authorised by him in writing, who shall counter sign the Scrutinizer's Report and shall declare the result forthwith.
- XIII The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.garwarepoly.com](http://www.garwarepoly.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in this behalf. The results shall also be uploaded on the BSE Listing Portal.
- XIV 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, C 101, 247 Park, L. B. S . Marg,  
Vikhroli West, Mumbai - 400 083.  
Tel. No. 022- 491 86000 Fax : 022-49186060.
16. **Updation of Members' Details:**
- The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Share Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this annual report. Members holding shares in physical form are requested to submit the filled in form to the Company or Link Intime India Pvt. Ltd. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.
- By Order of the Board of Directors  
For **Garware Polyester Limited**
- Place: Mumbai  
Date: 10<sup>th</sup> August, 2017
- Nimesh S. Shah**  
Company Secretary &  
Vice President (Legal)
- Registered Office:**  
Naigaon, Post Waluj,  
Aurangabad – 431 133.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**
**Item No. 6:**

In view of the substantial increase in activities of the Company, the Board of Directors consider that it is necessary to recommend re-appointment of M/s. Kirtane & Pandit, LLP, Chartered Accountants as Joint Auditor to hold the office along with the existing Statutory Auditors of the Company. M/s. Kirtane & Pandit, LLP, Chartered Accountants were appointed as Joint Auditor at the 59<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> September, 2016.

The Company has received a special notice under Section 115 of the Companies Act, 2013 from the members proposing the name of M/s. Kirtane & Pandit, LLP, Chartered Accountants as Joint Auditors of the Company, who have conveyed their eligibility and willingness for such re-appointment.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way concerned or interested, in the said resolution as set out at the Item No. 6 of the Notice for approval by the members.

The Board recommends the Ordinary Resolution set out in Item No. 6 of the accompanying notice for approval by the shareholders.

**Item No. 7:**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. M. R. Pandit & Co., Cost Accountants, to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2018.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2018, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company or their relatives is / are in anyway concerned or interested, in the said resolution as set out at the Item No. 7 of the Notice for approval by the members.

The Board recommends this Ordinary Resolution as set out at Item No. 7 of the accompanying Notice for approval by the members.

**Item No. 8:**

Shri S. B. Garware was re-appointed as Chairman & Managing Director of the Company by the members at their 57<sup>th</sup> Annual General Meeting (AGM) held on 25<sup>th</sup> September, 2014 for a period of five years with effect from 1st November, 2014 and the terms of his remuneration were also approved by the members at the said Annual General Meeting.

The Central Government vide their letter dated 04<sup>th</sup> August, 2015 has approved his re-appointment for a period of five years with effect from 01<sup>st</sup> November, 2014 to 31<sup>st</sup> October, 2019 and payment of remuneration

was approved only for the period of three years with effect from 1<sup>st</sup> November, 2014 to 31<sup>st</sup> October, 2017.

Hence, this enabling resolution is being passed for approval of payment of remuneration to him for remaining period of his office i.e. the period from 1<sup>st</sup> November, 2017 to 31<sup>st</sup> October, 2019. The resolution which is being proposed for shareholder's approval is only for compliance and is for the same amount of payment of remuneration which was earlier approved by shareholders at 57<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2014.

The Board of Directors at their meeting held on, 10<sup>th</sup> August, 2017 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 10<sup>th</sup> August, 2017, approved the payment of remuneration to Shri S. B. Garware, in accordance with the provisions of Section 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 Shri S. B. Garware in compliance with Schedule V of the Companies Act, 2013 are provided below:

<b>Name of the Director</b>	:	Shri S. B. Garware
<b>Director Identification Number</b>	:	00943822
<b>Date of Birth and Age</b>	:	05.11.1934 - 83 years
<b>Date of joining the Board</b>	:	06.06.1957

**Profile of the Director**

He 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. Under his able guidance, with his discerning and dynamic leadership skills, the Company is poised for rapid and voluminous growth.

With the experience of more than 63 years in the industry, 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. Focusing on relevant technology to meet specific needs of customers, the Company has produced highly innovative products. His major achievements in Polyester Film includes 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.

He has been able to develop a strong management team 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.

He is also engaged in philanthropy work, and social service through the Garware Charitable Trust as its Chairman and is actively associated with various social causes.

Under his stewardship, the Company has received National Gold Shield for import substitution in 1981 for development & production of Polyester Film; and Top Export Awards for last 23 years from Plexcouncil.

No. of Shares held in the Company : 11,63,001  
 Directorships and Committee memberships in other companies\* : 1. Garware Industries Ltd.  
 2. B. D. Garware Research Centre

\*Directorships and Committee memberships in Garware Polyester Limited and its Committees are not included in the aforesaid disclosure. Also, directorship in Private Limited Companies.

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

- a) **Basic Salary:** ₹ 25.29 Lakhs per month (With an annual increase of 10% per annum with effect from 01.11.2018 till the expiry of the term of five years i.e. upto 31<sup>st</sup> October, 2019.)
- b) **Special allowances:** ₹ 3.50 Lakhs per month.
- c) **Perquisites and allowances:**
  - I) He will be entitled received 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) **Commission:** He 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.
- e) He 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) He will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.
- g) He 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.

He 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 him as Managing Director has been approved by the Nomination & Remuneration Committee of the Board of Directors at its meeting held on 10<sup>th</sup> August, 2017.

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 his employment, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to him, would be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act, 2013, therefore 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 him as minimum remuneration.

He 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.

Remuneration paid / payable to Shri S. B. Garware, Chairman & Managing Director of the Company for FY 2016-17 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by him.

The remuneration paid to him for Financial Year 2016-17 was ₹ 385.90 Lakhs excluding leave encashment.

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. 8 for approval of the members.

Shri S. B. Garware is concerned or interested in the resolution under Item No. 8, of the accompanying notice. 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 as 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.

**'Annexure – A'**

**Statement as per item (iv) of third provision of Section II of Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item Nos. 8 of the Notice for the 60<sup>th</sup> Annual General Meeting of Garware Polyester Limited.**

**I. General Information:**

- 1 Nature of Industry : Manufacturer of Polyester Film
- 2 Date or expected date of commencement of commercial production : Existing Company which is in operation since 06.06.1957
- 3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: : Not Applicable

**4. Financial performance based on given indicators:**

₹ in Lakhs

Sr. No.	Particulars	2016-17	2015-16	2014-15
i)	Turnover (Gross)	<b>90,433.32</b>	88,762.33	93,437.86
ii)	Profit before tax	<b>2,890.56</b>	2,533.43	2,650.71
iii)	Net Profit	<b>1,972.56</b>	1,738.68	1,733.51
iv)	Paid-up Share Capital	<b>2,323.24</b>	2,325.31	2,325.31
v)	Reserves & Surplus	<b>58,091.44</b>	56,116.81	54,378.13
vi)	Dividend Pay-out	<b>279.62</b>	NIL	NIL

- 5 Export performance and net foreign exchange collaborations: The Company had foreign exchange earning of ₹ 456.95 Crores during the financial year 2016-17 as compared to ₹ 425.81 Crores during financial year 2015-16.
- 6 Foreign investments or collaborators, if any: nil.

**II. (a) Information about Shri S. B. Garware**

1. **Background Details:** Shri S. B. Garware has been associated with the Company 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 ever growing demands of the industry. With the experience of more than 63 years in the industry, Shri S. B. Garware has acquired an excellent reputation in the sophisticated market of Western Europe and USA in competition with multinational companies.

**2. Past Remuneration:**

Period	Amount (₹ in Lakhs)	Remarks
01.11.2014 to 31.10.2015	362.92	Approved by Central vide letter No. SRN C36972636/2014-CL.VII dated 04.08.2015
01.11.2015 to 31.10.2016	395.01	Approved by Central vide letter No. SRN C36972636/2014-CL.VII dated 04.08.2015
01.11.2016 to 31.10.2017	430.31	Approved by Central vide letter No. SRN C36972636/2014-CL.VII dated 04.08.2015

(The above remuneration excludes retirement benefits like gratuity, which is payable as per the Company's Policy applicable to its employees).

3. **Recognition or Awards:** Under his stewardship, the Company has received National Gold Shield for import substitution in 1981 for development & production of Polyester Film and Top Export Awards for last 23 years from Plexcouncil.

4. **Job Profile and his Suitability:** Shri S. B. Garware Chairman & Managing Director has been associated with the Company for more than 63 years. 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 work, he has been able to remain in touch with the management team on a day to day basis.

**5. Remuneration Proposed:**

- a) **Basic Salary:** ₹ 25.29 Lakhs per month (With an annual increase of 10% per annum with effect from 01.11.2018 till the expiry of the term of five years i.e. upto 31<sup>st</sup> October, 2019.)

- b) **Special Allowances:** ₹ 3.50 Lakhs per month.

**c) Perquisites:**

- l) He 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.

- ll) Encashment of leave at the end of his tenure.

- d) **Commission:** He 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.

- e) He 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) He will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.

- g) He 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.

In anticipation that during the term of his employment, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to him, 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.

- 1) Total Remuneration payable for 2017-18 is ₹ 469.16 Lakhs including Leave Encashment if any.
- 2) Total Remuneration payable for 2018-19 i.e. upto 31<sup>st</sup> October, 2019 is ₹ 511.72 Lakhs including Leave Encashment if any.



**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Revised remuneration as proposed to Shri S. B. Garware is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Shri S. B. Garware is a promoter-director, holding 11,63,001 equity shares of ₹ 10/- each representing 5% of the total paid-up of the Company. His daughter Ms. Sonia Garware is a Non-Executive & Non-Independent Director of the Company and his other daughters Mrs. Monika Garware Modi and Mrs. Sarita Garware Ramsay are Executive and Non-Independent Director of the Company.

- The Company is trying to explore for new market of specialty and Sun Control films in Europe.
- Focusing on the biggest market for automobile i.e. China (18 million cars were sold during the year 2010-11) & USA.
- Introduction of newly anticipated products will boost the higher contribution.

**3. Expected increase in productivity and profits in measurable terms:**

(₹ in Lakhs)

Particulars	Year ending 31/03/2017	Year ending 31/03/2018	Year ending 31/03/2019
	(Audited)	(Projected)	
Turn over (Net)	<b>85,997.96</b>	87,596.05	90,889.81
PBT	<b>2,890.56</b>	3,357.55	4,089.36
PAT	<b>1,972.56</b>	2,350.29	2,862.55

**III. Other information:**

**1. Reasons of loss or inadequate profits:** During the financial year 2015-16 & 2016-17, the turnover and profitability of the Company has declined, mainly due to:-

- a) Supreme Court's Judgments;
  - i) Imposing ban on the usage of polyester film for 'Gutka / Pan Masala' packaging thereby reducing the domestic market size by around 1,00,000 MT per annum and drop in annual turnover to the extent of ₹ 150 Crores.
  - ii) Prohibiting usage of Solar Control Polyester Films of any visual light transmission for automotive application has drastically affected the top and bottom-lines of the Company and impacting a drop in annual turnover of ₹ 130 Crores approximately.
- (b) Sharp reduction in sale price of the film in domestic and international market.
- (c) Tough competition in domestic and international market.
- (d) Recession in Europe and USA hit the air-conditioning and compressor industry in South East Asia which is a major manufacturing center for the business.
- (e) Recession in automobile industry, internationally affected the sales in China and USA which are the major market players for automobiles.

**2. Steps taken or proposed to be taken for improvement:**

- The Company will continue to focus on cost control and cost effective measures and give dedicated and specified thrust to exports.
- The Company launched multiple brands, new products and with aggressive and innovative marketing strategies the major 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 the Company's consistent high-class quality and better customer orientation are highly valued in the market.
- Expected growth of the retail sector, increasing preference towards packaged items, liberalization and growing middleclass is expected to fuel growth of Polyester Film in the domestic market.
- The Company expects that there will be improvements in the top-line and bottom-line, as the commercial production of BOPP Film has already commenced.

**Item No. 9**

Mrs. Monika Garware Modi was re-appointed as Vice Chairperson and Joint Managing Director of the Company by the members at their 56<sup>th</sup> 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 Central Government vide their letter dated 30th July, 2014 has approved her re-appointment for a period of five years with effect from 1st November, 2013 to 31st October, 2018 and payment of remuneration was approved for the period from 1<sup>st</sup> November, 2013 to 31st March, 2014.

Her remuneration for the period from 1st April, 2014 to 31st October, 2018 was approved by the members at their 57<sup>th</sup> Annual General Meeting held on 25th September, 2014 and which was submitted to the Central Government for their approval. However, Central Government vide their letter 08th June, 2015 has approved the remuneration only for the period from 1st April, 2014 to 31st March, 2017.

On account of the overall increase in the volume of business of the Company, the duties and responsibilities of her as Joint Managing Director of the Company, has substantially increased. She is assisting Shri S. B. Garware, Chairman and Managing Director, in discharging his duties more effectively.

The Board of Directors at their meeting held on 10th April, 2017 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 10th April, 2017, considered and approved the payment of remuneration to Mrs. Monika Garware Modi, in accordance with the provisions of Section 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.

A brief profile along with other details of Mrs. Monika Garware Modi and in compliance with Schedule V of the Companies Act, 2013 is provided below:

<b>Name of the Director</b>	:	Mrs. Monika Garware Modi
<b>Director Identification Number</b>	:	00143400
<b>Date of Birth and Age</b>	:	04.06.1963 - 54 years
<b>Date of joining the Board</b>	:	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 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 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. Karnavati Engineering Ltd.
5. IRM Ltd.
6. Apollo Hospitals International Ltd.
7. Green Channel Logi-Solutions Ltd.
8. B. D. Garware Research Centre
9. Breach Candy Hospital Trust.

\* 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) **Basic Salary:** ₹ 15,30,000/- per month. (With an annual increase of 10% per annum with effect from 1st April, 2018 till the expiry of the term).
- b) **Perquisites & Allowances:** She will be entitled to receive 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 the Basic 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 of basic salary for each completed year of service.

III. Encashment of leave at the end of her tenure.

- c) **Commission:** She 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.
- d) She 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) She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) She 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) She 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 remuneration payable to her as Joint Managing Director has been approved by the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 10<sup>th</sup> April, 2017.

The draft agreement and Resolution of the Annual General Meeting referred to in the Resolution under Item No. 9 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.

Remuneration paid / payable to Mrs. Monika Garware Modi, Jt. Managing Director of the Company for FY 2016-17 is commensurate with industry standards and Board Level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by her.

The remuneration paid to her for Financial Year 2016-17 was ₹ 212.38 Lakhs excluding retirement benefits.

The Board of Directors are of the opinion that the payment of remuneration as contained in this resolution to 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. 9 of this notice for approval of the members.

Mrs. Monika Garware Modi is concerned or interested in the resolution under Item No.9 of the accompanying notice. Shri S. B. 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. 9 of this 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.

Your Directors recommend this resolution a set out at Item No. 9 of the accompanying Notice for approval by the members.

#### ‘Annexure – A’

**Statement as per item (iv) of third provision of Section II of Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item Nos. 9 of the Notice for the 60<sup>th</sup> Annual General Meeting of Garware Polyester Limited.**

#### I. General Information:

1	Nature of Industry	:	Manufacturer of Polyester Films
2	Date or expected date of commencement of commercial production	:	Existing Company which is in operation since 06.06.1957
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	:	Not Applicable

#### 4. Financial performance based on given indicators:

₹ in Lakhs

Sr. No.	Particulars	2016-17	2015-16	2014-15
i)	Turnover (Gross)	<b>90,433.32</b>	88,762.33	93,437.86
ii)	Profit before tax	<b>2,890.56</b>	2,533.43	2,650.71
iii)	Net Profit	<b>1,972.56</b>	1,738.68	1,733.51
iv)	Paid-up Share Capital	<b>2,323.24</b>	2,325.31	2,325.31
v)	Reserves & Surplus	<b>58,091.44</b>	56,116.81	54,378.13
vi)	Dividend Pay-out	<b>279.62</b>	NIL	NIL

5 Export performance and net foreign exchange collaborations: The Company had foreign exchange earning of ₹ 456.95 Crores during the financial year 2016-17 as compared to ₹ 425.81 Crores during financial year 2015-16.

6 Foreign investments or collaborators, if any: NIL.

#### II. Information about Mrs. Monika Garware Modi

##### 1. Background Details:

She graduated from Vasaar College, in U.S.A. and then did her M.B.A. degree from Lubin Business School, Pace University, New

York, U.S.A. With her immense subject knowledge and experience, she has been able to manage the functions of corporate affairs professionally.

She has been associated with the Company as a Whole-time Director since April 1989 and later-on appointed as the Vice-Chairperson in the year 2002. The Board of Director elevated her to the position of Joint Managing Director w.e.f. 1<sup>st</sup> July, 2003. Since 1<sup>st</sup> July, 2003 till the date of present application, Mrs. Monika Garware Modi has been effectively and efficiently discharging her duties and responsibilities to the Company.

#### 2. Past Remuneration:

Financial Years	Amount (in ₹)	Remarks
2014-15	2,11,53,000/-	Approved by Central vide letter No. SRN C36972115/2014-CL.VII dated 08 <sup>th</sup> June, 2015
2015-16	2,32,59,000/	Approved by Central vide letter No. SRN C36972115/2014-CL.VII dated 08 <sup>th</sup> June, 2015
2016-17	2,55,74,000/-	Approved by Central vide letter No. SRN C36972115/2014-CL.VII dated 08 <sup>th</sup> June, 2015

3. Recognition or awards: NIL.

#### 4. Job profile and her suitability:

She has been associated with the Company as a Whole Time Director since last 25 years effectively from April 1989 and later on appointed as the Vice-Chairperson in the year 2002. 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.

#### 5. Remuneration proposed:

##### a) Basic Salary:

₹ 15,30,000/- per month. (With an annual increase of 10% per annum with effect from 1st April, 2018 till the expiry of the term).

##### b) Perquisites & Allowances:

(i) She 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 the Basic 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:-

II 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.

III Gratuity payable at the rate not exceeding half a month’s of basic salary for each completed year of service.



IV. Encashment of leave at the end of her tenure.

c) **Commission:**

She 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.

d) She 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) She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.

f) She 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) She 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.

In anticipation that during the term of employment of her, 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 as minimum remuneration.

1) Total Remuneration payable for 2017-18 is ₹ 281.28 Lakhs including all Retirement Benefits.

2) Total Remuneration payable for first seven months of the year 2018-19 is ₹ 180.48 Lakhs including all Retirement Benefits.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Revised remuneration as proposed of Mrs. Monika Garware Modi is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Mrs. Monika Garware Modi is a promoter-director, holding 2,67,504 equity shares of ₹ 10/- each representing 1.15 % of the total paid-up of the Company. Shri. S. B. Garware, Chairman & Managing Director is father of Mrs. Monika Garware Modi. Mrs. Sarita Garware Ramsay and Ms. Sonia Garware are sisters of Mrs. Monika Garware Modi.

III. **Other information:**

1. **Reasons of loss or inadequate profits:** During the financial year 2015-16 & 2016-17, the turnover and profitability of the Company has declined, mainly due to:-

a) Supreme Court's Judgments;

i) Imposing ban on the usage of polyester film for 'Gutka / Pan Masala' packaging thereby reducing

the domestic market size by around 1,00,000 MT per annum and drop in annual turnover to the extent of ₹ 150 Crores.

ii) Prohibiting usage of solar control polyester films of any visual light transmission for automotive application has drastically affected the top and bottom-lines of the Company and impacting a drop in annual turnover of ₹ 130 Crores approximately.

(b) Sharp reduction in sale price of the film in domestic and international market,

(c) Tough competition in domestic and international market.

(d) Recession in Europe and USA hit the air-conditioning and compressor industry in South East Asia which is a major manufacturing center for the business.

(e) Recession in automobile industry, internationally affected the sales in China and USA which are the major market players for automobiles.

2. **Steps taken or proposed to be taken for improvement:**

➤ The Company will continue to focus on cost control and cost effective measures and give dedicated and specified thrust to exports.

➤ The Company launched multiple brands, new products and with aggressive and innovative marketing strategies the major 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 the Company's consistent high-class quality and better customer orientation are highly valued in the market.

➤ Expected growth of the retail sector, increasing preference towards packaged items, liberalization and growing middleclass is expected to fuel growth of Polyester Film in the domestic market.

➤ The Company expects that there will be improvements in the top-line and bottom-line, as the commercial production of BOPP film has already commenced.

➤ The Company is trying to explore for new market of specialty and Sun Control films in Europe.

➤ Focusing on the biggest market for automobile i.e. China (18 million cars were sold during the year 2010-11)& USA.

➤ Introduction of new anticipated products will boost the higher contribution.

3. **Expected increase in productivity and profits in measurable terms:**

Particulars	Year ending	Year ending	Year ending
	31/03/2017	31/03/2018	31/03/2019
	(Audited)	(Projected)	
Turn over (Net)	85,997.96	87,596.05	90,889.81
PBT	2,890.56	3,357.55	4,089.36
PAT	1,972.56	2,350.29	2,862.55

Item No. 10

Mrs. Sarita Garware Ramsay was re-appointed as Joint Managing Director of the Company by the members at their 56<sup>th</sup> Annual General Meeting (AGM) held on 26<sup>th</sup> September, 2013 for a period of five years with effect from 1<sup>st</sup> November, 2013 and the terms of her remuneration were approved by the members at the said Annual General Meeting held on 26<sup>th</sup> September, 2013. Central Government vide their letter dated 30<sup>th</sup> July, 2014 has approved the re-appointment of Mrs. Sarita Garware Ramsay for a period of five years with effect from 1<sup>st</sup> November, 2013 to 31<sup>st</sup> October, 2018 and payment of remuneration was approved for the period from 1<sup>st</sup> November, 2013 to 31<sup>st</sup> March, 2014.

Her remuneration for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> October, 2018 was approved by the members at their 57<sup>th</sup> Annual General Meeting

held on 25<sup>th</sup> September, 2014 and which was submitted to the Central Government for their approval. However, Central Government vide their letter 15<sup>th</sup> May, 2015 has approved the remuneration only for the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2017.

On account of overall increase in the volume of business of the Company, the duties and responsibilities of her as Joint Managing Director of the Company, have accordingly increased. Further she is assisting Mrs. Monika Garware Modi, Joint Managing Director in discharging her duties more effectively.

The Board of Directors at their meeting held on 10<sup>th</sup> April, 2017 based on the recommendations of the Nomination and Remuneration Committee at their meeting held on 10<sup>th</sup> April, 2017, considered and approved the increase in payment of 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.

A brief profile along with other details of Mrs. Sarita Garware Ramsay in compliance with Schedule V of the Companies Act, 2013 is provided below:

<b>Name of the Director</b>	:	Mrs. Sarita Garware Ramsay
<b>Director Identification Number</b>	:	00136048
<b>Date of Birth and Age</b>	:	25.10.1967 – 50 Years
<b>Date of joining the Board</b>	:	24.12.1993

#### Profile of the Director

She 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.

She joined the Company as Director in December 1993 and was appointed as a Whole-time Director from April 1994 to March 1997. The Board of Directors elevated Mrs. Sarita Garware Ramsay as Joint Managing Director for a term of five years with effect from 1<sup>st</sup> July, 2002. Since then Mrs. Sarita Garware Ramsay is on the Board of the Company designated as Joint Managing Director. She is looking after the legal, secretarial, human resource and the property related matters of the Company. 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** : 2,67,810

**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:

- Basic Salary:** ₹ 13,97,000/- per month. (With an annual increase of 10% per annum with effect from 01.04.2018 till the expiry of the term.)
- Perquisites & Allowances :**  
She 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 the basic 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:

- 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.
  - Gratuity payable at the rate not exceeding half a month's of basic salary for each completed year of service.
  - Encashment of leave at the end of her tenure.
- Commission:** She 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.
  - She 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.
  - She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
  - She 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.
  - She 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 remuneration payable to her as Joint Managing Director has been approved by the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 10<sup>th</sup> April, 2017.

The agreement and Resolution of the Annual General Meeting referred to in the Resolution under Item No. 10 of the accompanying notice will be open for the 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 her employment, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to her, 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 her as minimum remuneration.

She 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.

Remuneration paid/payable to her as, Jt. Managing Director of the Company for Financial year 2016-17 is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by her.

The remuneration paid to her for the Financial year 2016-17 was ₹ 193.66 Lakhs excluding all Retirement Benefits.

The Board of Directors are of the opinion that the payment of remuneration as contained in this resolution to her as the Joint Managing Director is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 10 of this notice for approval of the members.

Mrs. Sarita Garware Ramsay is concerned or interested in the resolution under Item No.10 of the accompanying notice. Shri S. B. Garware, Mrs. Monika Garware Modi, and Ms. Sonia Garware Directors of the Company, being related to her, 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. 10 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.

Your Directors recommend this resolution a set out at Item No. 10 of the accompanying Notice for approval by the members.

#### 'Annexure – A'

**Statement as per item (iv) of third provision of Section II of Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item Nos. 10 of the Notice for the 60<sup>th</sup> Annual General Meeting of Garware Polyester Limited.**

#### I. General Information:

1	Nature of Industry	:	Manufacturer of Polyester Film
2	Date or expected date of commencement of commercial production	:	Existing Company which is in operation since 06.06.1957
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	:	Not Applicable

#### 4. Financial performance based on given indicators:

₹ in Lakhs

Sr. No.	Particulars	2016-17	2015-16	2014-15
i)	Turnover (Gross)	<b>90,433.32</b>	88,762.33	93,437.86
ii)	Profit before tax	<b>2,890.56</b>	2,533.43	2,650.71
iii)	Net Profit	<b>1,972.56</b>	1,738.68	1,733.51
iv)	Paid-up Share Capital	<b>2,323.24</b>	2,325.31	2,325.31
v)	Reserves & Surplus	<b>58,091.44</b>	56,116.81	54,378.13
vi)	Dividend Pay-out	<b>279.62</b>	NIL	NIL

5. Export performance and net foreign exchange collaborations: The Company had foreign exchange earning of ₹ 456.95 crores during the financial year 2016-17 as compared to ₹ 425.81 crores during financial year 2015-16.

6. *Foreign investments or collaborators, if any:* NIL.

## II Information about Mrs. Sarita Garware Ramsay

### 1. Background Details:

She has been associated with the Company as Director since 1993. She is an M.B.A. from European University in Switzerland with specialization in marketing. She has requisite knowledge and experience to manage the corporate affairs.

### 2. Past Remuneration:

Financial Years	Amount (in ₹)	Remarks
2014-15	1,89,00,000/-	Approved by Central vide letter No. SRN C36973212/2014-CL.VII dated 15 <sup>th</sup> May, 2015.
2015-16	2,12,45,000/-	Approved by Central vide letter No. SRN C36973212/2014-CL.VII dated 15 <sup>th</sup> May, 2015.
2016-17	2,33,59,000/-	Approved by Central vide letter No. SRN C36973212/2014-CL.VII dated 15 <sup>th</sup> May, 2015.

### 3. Recognition or Awards: Nil.

4. **Job Profile and her Suitability:** She joined the Company as Director in December 1993 and was appointed a Whole-time Director from April 1994 to March 1997. The Board of Directors elevated Mrs. Sarita Garware Ramsay as Joint Managing Director for a term of five years with effect from 1<sup>st</sup> July 2002. Since then Mrs. Sarita Garware Ramsay is on the Board of the Company designated as Joint Managing Director. She is looking after the legal, secretarial, human resource and the property 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.

### 5. Remuneration Proposed:

#### a) Basic Salary:

₹ 13,97,000/- per month. (With an annual increase of 10% per annum with effect from 01.04.2018 till the expiry of the term).

#### b) Perquisites & Allowances:

I She 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 the basic 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:

II 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.

III Gratuity payable at the rate not exceeding half a month's of basic salary for each completed year of service.

IV Encashment of leave at the end of her tenure

#### c) Commission:

She 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.

- d) She 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) She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) She 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) She 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.

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 as minimum remuneration.

- 1) Total Remuneration payable for 2017-18 is ₹ 256.76 Lakhs , including all Retirement Benefits.
- 2) Total Remuneration payable for first seven months of the year 2018-19 is ₹ 164.75 Lakhs, including all Retirement Benefits.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):**

Revised remuneration as proposed of Mrs. Sarita Garware Ramsay is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Mrs. Sarita Garware Ramsay is a promoter-director, holding 2,67,653 equity shares of ₹ 10/- each, representing 1.15% of the total paid-up capital of the Company.

Shri S. B. Garware, Chairman & Managing Director is father of Mrs. Sarita Garware Ramsay. Mrs. Monika Garware Modi, and Ms. Sonia Garware are sisters of Mrs. Sarita Garware Ramsay.

III. **Other information:**

1. **Reasons of loss or inadequate profits:** During the financial year 2015-16 & 2016-17, the turnover and profitability of the Company has declined, mainly due to:-

- a) Supreme Court's Judgments;
  - I) Imposing ban on the usage of polyester film for 'Gutka / Pan Masala' packaging thereby reducing the domestic market size by around 1,00,000 MT per annum and drop in annual turnover to the extent of ₹ 150 Crores.
  - II) Prohibiting usage of solar control polyester films of any visual light transmission for automotive application has drastically affected the top and bottom-lines of the Company and impacting a drop in annual turnover of ₹ 130 Crores approximately.

- b) Sharp reduction in sale price of the film in domestic and international market,
- c) Tough competition in domestic and international market.
- d) Recession in Europe and USA hit the air-conditioning and compressor industry in South East Asia which is a major manufacturing center for the business.
- e) Recession in automobile industry, internationally affected the sales in China and USA which are the major market players for automobiles.

2. **Steps taken or proposed to be taken for improvement:**

- The Company will continue to focus on cost control and cost effective measures and give dedicated and specified thrust to exports.
- The Company launched multiple brands, new products and with aggressive and innovative marketing strategies the major 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 the Company's consistent high-class quality and better customer orientation are highly valued in the market.
- Expected growth of the retail sector, increasing preference towards packaged items, liberalization and growing middleclass is expected to fuel growth of Polyester Film in the domestic market.
- The Company expects that there will be improvements in the top-line and bottom-line, as the commercial production of BOPP film has already commenced.
- The Company is trying to explore for new market of specialty and Sun Control films in Europe.
- Focusing on the biggest market for automobile i.e. China (18 million cars were sold during the year 2010-11)& USA.
- Introduction of new anticipated products will boost the higher contribution.

3. **Expected increase in productivity and profits in measurable terms:**

₹ in Lakhs

Particulars	Year ending 31/03/2017	Year ending 31/03/2018	Year ending 31/03/2019
	(Audited)	(Projected)	
Turn over (Net)	85,997.96	87,596.05	90,889.81
PBT	2,890.56	3,357.55	4,089.36
PAT	1,972.56	2,350.29	2,862.55

By Order of the Board of Directors  
For Garware Polyester Limited

Place : Mumbai,  
Date : 10<sup>th</sup> August, 2017

**Nimesh S. Shah**  
Company Secretary &  
Vice President (Legal)

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



Details of Director(s), seeking appointment/re-appointment, as required under Regulation 36(3) of SEBI Listing Regulations.

Name of the Director	Mrs. Monika Garware Modi	Mr. M. S. Adsul
Date of Birth & Age	04.06.1963 - 54 years	01.06.1955 (62 years)
Date of Appointment on the Board	31.03.1989	31.07.2007
Qualifications	M. B. A. from U.S.A.	B. Sc (Tech.) in Plastics & DBM
Expertise in specific functional areas	Business Finance, Fund Raising and Fund Management, Audit, Taxation, Capex	Product Development and Production
Directorship(s) held in other public companies	<ol style="list-style-type: none"> <li>1. Garware Industries Ltd.</li> <li>2. Cadila Pharmaceuticals Ltd.</li> <li>3. Casil Health Products Ltd.</li> <li>4. Karnavati Engineering Ltd.</li> <li>5. IRM Ltd.</li> <li>6. Apollo Hospitals International Ltd.</li> <li>7. Green Channel Logi-Solutions Ltd.</li> <li>8. B. D. Garware Research Centre</li> <li>9. Breach Candy Hospital Trust</li> </ol>	-
Chairmanships / Memberships of Committees across public companies	NIL	1. Garware Polyester Ltd.
Shareholding in the Company as on 31.03.2017	2,67,504	87

**DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2017****TO THE MEMBERS,**

Your Directors present the 60<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

**1. Financial Results**

₹ in Crores

	2016 – 2017		2015 – 2016	
Operating Profit before interest & Depreciation		<b>77.97</b>		85.11
Less : Finance Cost	<b>31.70</b>		42.93	
Depreciation	<b>17.37</b>	<b>49.07</b>	16.84	59.77
Profit for the year before Exceptional Item		<b>28.90</b>		25.34
Provision for Income Tax		<b>9.18</b>		7.95
Profit After Tax		<b>19.72</b>		17.39
Add : Balance brought forward from previous year		<b>286.24</b>		268.85
<b>Balance available for Appropriation</b>		<b>305.96</b>		286.24

**2. Dividend**

Your Directors recommend 10% dividend (i.e. ₹1.00/- per equity share) for consideration at the ensuing Annual General Meeting, for the financial year ended 31<sup>st</sup> March, 2017 on 2,32,32,394 equity shares of ₹ 10/- each.

The total sum of the dividend if approved, including Corporate Dividend Tax, will be ₹ 2.80 Crores.

**3. Company's Performance****On Consolidated Basis:**

Revenue from operations for the financial year 2016-17 was at ₹ 925.25 Crores higher by 1.78 % over the last year (₹ 908.99 Crores in 2015-16).

The Earnings before interest, tax, depreciation and amortization (EBITDA) was at ₹ 80.34 Crores against EBITDA of ₹ 87.13 Crores in 2015-16.

The Profit after tax (PAT) for the year was ₹ 19.92 Crores against the PAT of ₹ 16.50 Crores in 2015-16.

**On Standalone Basis:**

Revenue from operations for the financial year 2016-17 was at ₹ 911.13 Crores, is higher by 1.95 % over the last year (₹ 893.69 Crores in 2015-16) due to increase in volume of Plain & Sun control Film.

The Earnings before interest, tax, depreciation and amortization (EBITDA) was ₹ 77.97 Crores against EBITDA of ₹ 85.11 Crores in 2015-16.

The Profit after tax (PAT) for the year was ₹ 19.72 Crores against the PAT of ₹ 17.39 Crores in 2015-16.

**4. Forfeiture of Shares**

During the year Company has forfeited and cancelled 82,756 partly paid equity shares of ₹ 10/- each.

**5. Operations**

The Profit before tax was increase by 14% on account of reduction in Finance cost due to repayment of term loans, However the reduction in EBITDA by 8.39% in spite of increase in Revenue due to pressure in selling prices of Thin Film & BOPP Film.

Pursuant to the order of the Hon'ble Supreme Court of India to put ban on use of Sun Control Film on motor car windows in India since 2012, your Company is making efforts to divert the spare capacity of Consumer Products Division (CPD Division) for exports.

**6. Future Outlook**

The overcapacity situation persists in the Polyester film Industry in Indian as well as in International Market. The prices are likely to remain under pressure due to oversupply situation. Your Company has shifted its focus to the Speciality Films and has developed

new products for the international market such as digital printable Films, Films for solar PV application, films for Lidding application, coated films for label, Medium & High shrink films for Label and films with high Infrared heat rejection for Automobiles etc. These films will mainly cater to the export markets.

**7. Research & Development**

Your company is a leader in development of new products and new applications for Polyester Film, BOPP Film, various coated products based on Polyester and BOPP and Solar Control Window Film. Your Company's R&D Department is focusing on cost reduction measures by introducing cost effective alternative raw materials and processes and manufacturing methods.

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

**8. Functioning of R & D Department**

R&D activities are carried out on continuous basis as an independent important activity.

In this center various pilot plants are installed for development of Polymers Film extrusion and different types of coatings.

In recent years, your company has developed , complete laboratory facility for testing and dispersion of Nano based coatings.

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.

Several types of weathering tests are carried out in R&D centers for the products used for outdoor applications.

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

**9. Information Technology (IT)**

- The Company has upgraded its SAP ERP from EHP4 to EHP7 including AIX operating system and DB2 database.
- The Company has implemented Office365 cloud platform for business Email communication.
- The Company has implemented SAP HR Payroll to integrate HR process to the existing SAP ERP system.
- The Company has enhanced its network security by implementing Fortigate firewalls.

## 10. Awards and Recognitions

During this year, your Company has been recipient of Six Safety Awards at State Level by Maharashtra State Chapter of National Safety Council (NSC – MC).

Out of these six awards, three awards were won by the Company's employees for their contribution in State Level Safety Slogan Competition.

## 11. Human Resource Development

Your Company's Human Resources team successfully ran its talent acquisition, retention and development agenda during the year.

Company's senior management team was strengthened through hiring of leaders in various domains. The Company's HR policies and processes are aligned to effectively drive its business and other emerging opportunities.

The focus on employee development through training modules that were created in-house continued. More than 120 training programs were conducted during the year, over 85% of them through in-house trainers and business leaders. The programs added up to over 9,264 man-hours / 1,158 man-days of training. 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.

HR has been working to provide an enabling working environment where innovation and performance thrive. Employees are empowered and we believe that it is, they who ultimately deliver the results.

## 12. 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.

In order to keep the plants in excellent running condition the company has upgraded the manufacturing plants with various new equipment to produce quality products.

The Company has established best manufacturing practices and in the process of implementing LEAN and SIX SIGMA in some of the operations, where it is giving good results and improvements.

## 13. Consolidated Financial Statement

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms a part of this Annual Report.

## 14. Subsidiary Companies

Garware Polyester International Limited –UK and Global Pet Films Inc.- USA, continue to be the subsidiaries of your Company.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries (in Form AOC-1) is attached to the financial statements.

## 15. Safety, Health & Environmental Protection

Being a Responsible Corporate Citizen, your Company has regularly undertaken various initiatives for the continual improvement in Health, Safety and Environment (HSE) at the works and surrounding areas.

Some of the prominent activities include – Safety audits of Thermic

Fluid system and Electrical System by external expertise (M/s Jacobs Engineering), Internal Safety survey of Plants, Field Safety rounds after monthly Safety review meetings, EMS review, training and Field rounds, periodical HSE inspections and trainings, schemes on the efficient usage of energy and the conservation of natural resources, activities for the enhancement of employee participation in HSE, emergency mock drills 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 level (National Safety Council - India and Industry, Energy & Labour Dept., the Government of Maharashtra), as stated above during the year. Security system has been upgraded, like awareness training, evacuation drills to meet the new challenges.

## 16. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- they 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 as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively and
- they have advised proper systems to ensure compliance with provisions of applicable laws and that such systems were adequate and operating effectively.

## 17. Inter-se Transfer of Equity Shares Among Promoter Share Holders:

During the year, there was Inter-se transfer among promoter shareholders. S. B. Garware Family Trust one of the promoter shareholders has Inter-se transferred 6,10,000 equity shares among other promoters shareholders as under :

- 1,75,000 equity shares to B. D. Garware Research Centre,
- 2,00,000 equity shares to Great View Real Estate Private Limited and
- 2,35,000 equity shares to Garware Industries Limited.

## 18. Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Monika Garware Modi, and Mr. M. S. Adsul Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

The Board of Director has accepted the resignation of Mrs. S. S. Garware, Non-Executive and non-independent Director of the Company with effect from 10<sup>th</sup> August, 2017. The Board appreciated her valuable advise and guidance to the Company from time to time.



The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, hereinafter referred to as 'Listing Regulations'.

#### Key Managerial Personnel

Shri S. B. Garware - Chairman & Managing Director, Mrs. Monika Garware Modi – Vice Chairperson & Jt. Managing Director, Mrs. Sarita Garware Ramsay – Jt. Managing Director, Mr. M. S. Adsul - Director (Technical), Mr. Sunil Dalmia – Chief Financial Officer and Mr. Nimesh S. Shah - Company Secretary, are the Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

Mr. Gokul Naik - Chief Financial Officer (CFO) has resigned from the Company w.e.f. 24<sup>th</sup> March, 2017.

Mr. Sunil Dalmia was appointed as Chief Financial Officer (CFO) w. e. f. 25<sup>th</sup> May, 2017.

#### 19. Number of Meetings of the Board

Six meetings of the Board were held during the year. For details of meetings of the Board, please refer to the corporate governance report, which forms part of this report.

#### 20. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The Board has carried out and completed the performance evaluation of all the Independent Directors. The performance evaluation of the Chairman and the Non-Independent Directors was also carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

#### 21. Policy on Directors' Appointment and Remuneration and Other Details

The Company's policy on Directors' appointment and remuneration and other matters as provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the Directors' Report.

#### 22. Internal Financial Control Systems And Their Adequacy

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year.

#### 23. Audit Committee

The details pertaining to the composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

#### 24. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. Manubhai & Shah, LLP, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 57<sup>th</sup> annual general meeting (AGM) of the Company held on September 25, 2014 till the conclusion of the 62<sup>nd</sup> AGM to be held in the year 2019, subject to ratification of their appointment at ensuing AGM. Members are requested to ratify their appointment in ensuing 60<sup>th</sup> AGM. M/s. Manubhai & Shah, LLP, Chartered Accountants have conveyed their eligibility to act as auditors of the Company, subject to the

ratification of their appointment as auditors of the Company at the ensuing 60<sup>th</sup> Annual General Meeting.

Further, the Company has received a special notice under Section 115 of the Company's Act, 2013 proposing the name of M/s. Kirtane & Pandit, LLP, Chartered Accountants as Joint Auditors, subject to member's approval at the ensuing 60<sup>th</sup> Annual General Meeting.

M/s. Kirtane & Pandit – LLP, Chartered Accountants have conveyed their eligibility and willingness to act as joint auditors of the Company, if appointed at the ensuing 60<sup>th</sup> Annual General Meeting. Board recommends the appointment of Joint Auditors.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments, Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### Cost Auditor

As per the requirement of central government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company has been carrying out the audit of cost records.

The Board of Directors, on the recommendations of audit committee, has re-appointed M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad as cost auditors to audit the cost accounts of the company for financial year 2017-18. As required under the Companies Act, 2013 a resolution seeking member's approval for ratification of remuneration payable to the Cost Auditor forms a part of the notice convening the 60<sup>th</sup> Annual General Meeting.

#### Secretarial Auditor:

The secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Report of the secretarial auditor is given as an Annexure V which forms part of this report.

Your Company has received consent from M/s. Nilesh Shah & Associates, Company Secretaries, Mumbai to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31<sup>st</sup> March, 2018.

The Board of Directors of your Company at its meeting held on 10<sup>th</sup> August, 2017 has appointed them as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2017-18.

#### 25. Risk Management

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

#### 26. Particulars of Loans, Guarantees and Investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### 27. Transactions with Related Parties

All the transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Audit Committee had given omnibus approval for the transactions (which are repetitive in nature) and the same were reviewed by the Board.

There were no material significant transactions with related parties during the financial year 2016-17 which were in conflict with the interest of the Company. The Directors would like to draw attention of the members to Note No. 33 to the financial statement which sets out related party disclosure.

Pursuant to the provision of Section 134(3)(h) of the Companies Act, 2013, Form AOC-2 is not applicable to the Company.

## 28. Corporate Social Responsibility

The CSR expenditure incurred by your Company during the financial year 2016-17 was ₹ 45.00 Lakhs (around 2.71 % of the average net profits of last three financial years) on CSR activities which does not include the expenses made on the activities carried out by the Garware Community Center and Garware Bal Bhawan.

The CSR initiatives of your Company were under the thrust areas of health & hygiene, education, Old age home for disabled people and Rehabilitation of Distress/Depressed people.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2017, is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure [ I ]**.

## 29. Extract of Annual Return

Pursuant to Section 92(3) of the Act, the extract of Annual Return of the Company is annexed herewith as **Annexure [II]** in the prescribed Form MGT-9, which forms part of this report.

## 30. Particulars of Employees and Related Disclosures

Two Whole-time Directors/Employee employed throughout the year were in receipt of remuneration of ₹ 60.00 Lakhs per annum or more amounting to ₹ 4.46 Crore were relative(s) of Shri S. B. Garware Chairman & Managing Director of the Company. During FY 2016-17 the Company had 1093 permanent employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2017 is given in a separate **Annexure [III]** to the Report.

## 31. Other Laws

Pursuant to the provisions of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013, during the year under review, there were no cases filed.

## 32. Corporate Governance

Your Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements as set out by the SEBI Board.

Your Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing regulations forms an integral part of this Report.

The Certificate on Corporate Governance from the Practicing Company Secretary, confirming compliance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is attached.

## 33. Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy is available on the Company's website at the [www.garwarepoly.com](http://www.garwarepoly.com).

## 34. Deposits from Public

The Company has not accepted any deposits from public and as

such, no amount) on account of principal or interest on deposits from public) was outstanding as on the date of the balance sheet.

## 35. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo data, as required to be disclosed under the Act, are provided in **Annexure [IV]** to this Report.

## 36. Details on Internal Financial Controls related to Financial Statements

Your Company has in place adequate internal financial controls and system with reference to the financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The accounts of the subsidiary companies are audited and certified by their respective Statutory Auditors for consolidation.

Your Company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

Your Company in preparing its financial statements makes judgments and estimates based on sound policies and uses external agencies to verify/ validate them as and when required.

## 37. Indian Accounting Standards (IND AS) - IFRS Converged Standards

Pursuant to the notification, issued by the ministry of Corporate Affairs dated February 16<sup>th</sup>, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company will adopt "IND AS" with effect from 1<sup>st</sup> April, 2017 with the comparatives for the periods ending 31<sup>st</sup> March, 2017.

The implementation of IND AS is major change process for which the Company had established a project team and had dedicated considerable resources. The impact of the change on adoption of IND AS has been assessed and the Company is ready to adopt IND AS.

## 38. 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.

## 39. 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

Place : Mumbai  
Date : August 10, 2017

**S. B. GARWARE**  
Chairman & Managing Director

## ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Corporate social responsibility of the Company is aligned with 'Garware' tradition of creating wealth in the community with focus on Art, Culture, Sports, health, education and safety.

The management believes in the famous sayings that, 'If you want to walk fast, walk alone. But if you want to walk far, walk together'.

The Company had proposed to undertake activities relating to Art, Culture, Sports, health, education and safety. In addition to above, Company has actively implemented projects and initiatives for the betterment of society, Communities and environment through ensuring environmental sustainability and ecological balance, protecting national heritage, art and culture and rural development projects etc. for the Financial Year 2016-17.

The activities and funding are mentioned internally by the Company.

2. **The Composition of the CSR Committee** : The Company has a CSR committee of directors comprising of Mrs. Sarita Garware Ramsay, Chairperson of the committee, Mr. B. Moradian and Dr. M. C. Agarwal as committee members.
3. Average net profit of the Company for last three Financial Years is ₹ 2,217.26 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): The Company is required to spend ₹ 44.35 Lakhs towards CSR for the Financial Year 2016-17.
5. Details of CSR spent during the Financial year.
- Total amount to be spent for the Financial Year ₹ 44.35 Lakhs
  - Amount spent for the Financial Year : ₹ 45.00 Lakhs
  - Amount unspent, if any: NIL
  - Manner in which the amount spent : Through Garware Charitable Trust during the Financial Year 2016-17 is detailed below:

₹ in Lakhs

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Place, where the project is undertaken	Amount outlay	Amount Spent on the project	Cumulative expenditure up-to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting Education to women, Street Children and Others .	Education Enhancement project	Mumbai, Pune and Sangali (Maharashtra)	12.00	12.00	12.00	Through Garware Charitable Trust.
2	Promoting Health Care Measures for poor people.	Health Care project	Mumbai (Maharashtra)	9.00	9.00	9.00	Through Garware Charitable Trust.
3	Providing basic needs of elderly & deprived section of society.	Elderly & differently abled and livelihood enhancement project	Mumbai & Thane (Maharashtra)	3.00	3.00	3.00	Through Garware Charitable Trust.
4	Old age home for disabled people.	Donation paid for running old age home.	Mumbai (Maharashtra)	18.00	18.00	18.00	Through Garware Charitable Trust.
5	Rehabilitation of Distress/Depressed people	Distress/ Depressed people care centre.	Mumbai (Maharashtra)	3.00	3.00	3.00	Through Garware Charitable Trust.
<b>TOTAL</b>				<b>45.00</b>	<b>45.00</b>	<b>45.00</b>	

6. In case the Company has failed to spend the two percent, of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. : **Not applicable.**
7. The Chairperson of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.
8. The CSR Policy has been uploaded on the Company's website [www.garwarepoly.com](http://www.garwarepoly.com).

Mrs. Sarita Garware Ramsay  
Chairperson of CSR Committee

Shri S. B. Garware  
Chairman and Managing Director

Place : Mumbai

Date : August 10, 2017

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

As on Financial year ended on 31.03.2017

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management &amp; Administration) Rules, 2014)

## I. REGISTRATION &amp; OTHER DETAILS

1.	CIN	L10889MH1957PLC010889
2.	Registration Date	06.06.1957
3.	Name of the Company	Garware Polyester Limited
4.	Category/Sub- Category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered Office & Contact details	Naigaon, Post Waluj, Aurangabad - 431 133. Maharashtra Tel: 0240 2567400 Fax : 0240 2554672
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400 083. Tel. No. 022- 491 86000 Fax : 022-49186060.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contribution 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main Products/services	NIC Code of the products/services	% to total turnover of the Company
1.	Polyester Film	3131	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

## Foreign Subsidiaries

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associates	% of shares Held	Applicable Section
1	Garware Polyester International Limited Unit 2-17, The Plaza 535 Kings Road London – SW10 OSZ	-	Subsidiary Company	100%	Section 2(87)
2	Global Pet Films , INC 101 Lake Forest blvd Suit-403, Gaithersburg MD 20877 United States	-	Step down Subsidiary	NIL	Section 2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## I. Category-wise Share Holding

Category of Shareholders	No. of Shares held of the beginning of the year (As on April 1, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1) Indian</b>									
a) individual/HUF	1873623	-	1873623	8.04	1873780	-	1873780	8.06	0.02
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1336391	-	1336391	5.73	1946391	-	1946391	8.38	2.65
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other(Trust)	10595401	-	10595401	45.44	9985401	-	9985401	42.98	-2.46
<b>Subtotal (A)(1):</b>	<b>13805415</b>		<b>13805415</b>	<b>59.21</b>	<b>13805572</b>		<b>13805572</b>	<b>59.42</b>	<b>0.21</b>

Category of Shareholders	No. of Shares held of the beginning of the year (As on April 1, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	268595	-	268595	1.15	268595	-	268595	1.16	0.01
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Subtotal (A)(2):</b>	<b>268595</b>	<b>-</b>	<b>268595</b>	<b>1.15</b>	<b>268595</b>	<b>-</b>	<b>268595</b>	<b>1.16</b>	<b>0.01</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2):</b>	<b>14074010</b>	<b>-</b>	<b>14074010</b>	<b>60.36</b>	<b>14074167</b>	<b>-</b>	<b>14074167</b>	<b>60.58</b>	<b>0.22</b>
<b>B. Public Shareholding</b>									
1) Institutions									
a) Mutual Funds/UTI	376	14700	15076	0.06	376	5850	6226	0.03	- 0.03
b) Banks/FI	2326	979	3305	0.01	2526	599	3125	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	853756	200	853956	3.66	853756	200	853956	3.66	-
g) FIs	-	2355	2355	0.01	-	2355	2355	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Trust)	9011	-	9011	0.04	-	8850	8850	0.04	-
<b>Sub-total (B)(1):-</b>	<b>865469</b>	<b>18234</b>	<b>883703</b>	<b>3.78</b>	<b>856658</b>	<b>17854</b>	<b>874512</b>	<b>3.75</b>	<b>- 0.03</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	870466	182808	1053274	4.51	1951359	182423	2133782	9.18	4.67
ii) Overseas	-	-	-	-	-	-	-	-	-
a) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2287195	1064540	3351735	14.39	2146595	963358	3109953	13.40	- 0.99
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	3557546	-	3557546	15.28	2517025	0	2517025	10.84	- 4.44
c) Others (specify)									
Clearing Members	17514	-	17514	0.07	18072	0	18072	0.08	0.01
Hindu Undivided Family	215126	-	215126	0.92	235627	0	235627	1.01	0.09
Foreign Nationals	-	-	-	-	130	337	467	0.00	-
Non Resident Indians (REPAT)	159613	2629	162242	0.69	257838	1940	259778	1.12	0.43
Non Resident Indians (NON REPAT)	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	9011	0	9011	0.04	0.04
<b>Sub-total (B)(2):-</b>	<b>7107460</b>	<b>1249977</b>	<b>8357437</b>	<b>35.86</b>	<b>7135657</b>	<b>1148058</b>	<b>8283715</b>	<b>35.67</b>	<b>- 0.19</b>
<b>Total Public shareholding (B)=(B)(1)+(B)(2):</b>	<b>7972929</b>	<b>1268211</b>	<b>9241140</b>	<b>39.64</b>	<b>7992315</b>	<b>1165912</b>	<b>9158227</b>	<b>39.42</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>22046939</b>	<b>1268211</b>	<b>23315150</b>	<b>100.00</b>	<b>22066482</b>	<b>1165912</b>	<b>23232394</b>	<b>100.00</b>	<b>-</b>



## ii Shareholding of Promoters:-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of The company	% of Shares Pledged/ Encumbered to total shares	
1	Shri S. B. Garware	1163001	4.99	-	1163001	5.00	0.00	0.01
2	Mrs. S. S. Garware	175465	0.75	-	175465	0.76	0.00	-
3	Mrs. Monika Garware Modi	267504	1.15	-	267504	1.15	0.00	-
4	Mrs. Sarita Garware Ramsay	267653	1.15	-	267810	1.15	0.00	-
5	Ms. Sonia Garware	268595	1.15	-	268595	1.16	0.00	-
6	S. B. Garware Family Trust	10592401	45.43	-	9982401	42.97	0.00	- 2.46
7	B. D. Garware Research Centre	1067216	4.58	-	1242216	5.35	0.00	0.77
8	Great View Real Estates Pvt. Ltd.	269175	1.15	-	469175	2.02	0.00	0.87
9	Monika Garware Modi Benefit Trust	1000	0.00	-	1000	0.00	0.00	-
10	Sarita Garware Benefit Trust	1000	0.00	-	1000	0.00	0.00	-
11	Sonia Garware Benefit Trust	1000	0.00	-	1000	0.00	0.00	-
12	Garware Industries Ltd.	0	0	-	235000	1.01	0.00	-

## iii Change in Promoters' Shareholding ( please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2016)		Cumulative Shareholding during the year (April 1, 2016 to March 31, 2017)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Mrs. Sarita Garware Ramsay	267653	1.15	267810	1.15
2	S. B. Garware Family Trust	10592401	45.43	9982401	42.97
3	B. D. Garware Research Centre	1067216	4.58	1242216	5.35
4	Great View Real Estates Pvt. Ltd.	269175	1.15	469175	2.02
5	Garware Industries Ltd.	0	-	235000	1.01

## iv Shareholding Pattern of top ten shareholders as on March 31, 2017

(Other than Directors and Promoters).

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Hridaynath Consultancy Pvt. Ltd.	0	0.00	1334612	5.74
2.	Life Insurance Corporation of India	853956	3.66	853956	3.66
3.	Hardik Bharat Patel	643406	2.76	669456	2.88
4.	Minal Bharat Patel	1164167	4.99	490735	2.11
5.	Dalal & Broacha Stock Broking Pvt. Ltd.	271836	1.16	332100	1.42
6.	Nedhi Goel	153083	0.66	154443	0.66
7.	Garware Wall Ropes Ltd.	146350	0.63	146350	0.63
8.	Ramesh Bhalchandra Garware	100200	0.43	100200	0.43
9.	Nilima Upendra Mehta	98576	0.42	98576	0.42
10.	Ruchit Bharat Patel	307178	1.31	21138	0.09

\* The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

## V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>Shri S. B. Garware</b>				
	At the beginning of the year	1163001	4.99	1163001	4.99
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1163001	4.99	1163001	4.99
2.	<b>Mrs. S. S. Garware</b>				
	At the beginning of the year	175465	0.75	175465	0.75
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	175465	0.75	175465	0.75
3.	<b>Mrs. Monika Garware Modi</b>				
	At the beginning of the year	267504	1.15	267504	1.15
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	267504	1.15	267504	1.15
4.	<b>Mrs. Sarita Garware Ramsay</b>				
	At the beginning of the year	267653	1.15	267810	1.15
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	267653	1.15	267810	1.15
5.	<b>Ms. Sonia Garware</b>				
	At the beginning of the year	268595	1.15	268595	1.15
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	268595	1.15	268595	1.15
6.	<b>Mr. M. S. Adsul</b>				
	At the beginning of the year	87	0.00	87	0.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer/bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	87	0.00	87	0.00

## V INDEBTNESS

Indebtness of the Company including interest outstanding / accrued but not due for payment.

₹ in Lakhs

Particulars	Secured Loans Executing Deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	14,577.81	1,203.46	-	15,781.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	14,577.81	1,203.46	-	15,781.27
<b>Change in indebtiness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	(5,490.09)	(144.54)	-	(5,634.63)
• Net Change	(5,490.09)	(144.54)	-	(5,634.63)
<b>Indebtness at the end of the financial year</b>				
i) Principal Amount	9,087.72	1,058.92	-	10,146.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	9,087.72	1,058.92	-	10,146.64



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration paid to Managing Director, Whole-time Director and / or Manager

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		CMD	WTD			
		Shri S. B. Garware	Mrs. M. Garware Modi	Mrs. Sarita Garware Ramsay	Mr. M. S. Adsul	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax, 1961 (c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961	385.50	211.98	193.26	36.00	<b>826.74</b>
		0.40	0.40	0.40	0.40	<b>1.60</b>
		-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify (Retirement Benefits)	-	21.03	19.29	-	<b>40.32</b>
	<b>Total (A)</b>	<b>385.90</b>	<b>233.41</b>	<b>212.95</b>	<b>36.40</b>	<b>868.66</b>

## B. Remuneration to other Directors (Sitting Fees only)

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		N. P. Chapalaonkar	B. Moradian	R. P. Makhija	M. C. Agarwal	T. M. Parikh	N. R. Doshi	
1	<b>Independent Directors</b>							
	Fees for attending board / committee meetings	0.20	0.82	0.60	1.28	0.78	0.68	<b>4.36</b>
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.20</b>	<b>0.82</b>	<b>0.60</b>	<b>1.28</b>	<b>0.78</b>	<b>0.68</b>	<b>4.36</b>
2	<b>Other Non-Executive Directors</b>							
	Fees for attending board / committee meetings	0.30	0.10					<b>0.40</b>
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0.30</b>	<b>0.10</b>					<b>0.40</b>
	<b>Total Managerial Remuneration Total (B)=(1+2)</b>							<b>4.76</b>

## C. Remuneration Paid to Key Managerial Personnel other than MD / Manager / WTD

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961. (c) Profits in lieu of Salary u/s 17(3) of the Income Tax Act, 1961.	33.94	27.17	61.11
		0.32	0.90	1.22
		-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Other, specify	-	-	-
5	Others, please specify (Retirement Benefits)	<b>1.81</b>	<b>1.69</b>	<b>3.50</b>
	<b>Total</b>	<b>36.07</b>	<b>*29.76</b>	<b>65.83</b>

\* CFO resigned w.e.f. 24.03.2017

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES.

There were no penalties / punishment / compounding of offences for breach of any Section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**PART A**

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your company for the Financial Year 2016-17 are as follow:

Name of Director(s)	Designation	Total Remuneration ₹ in Lakhs (p.a.)	Ratio of remuneration of director to the Median remuneration
Shri. S. B. Garware	Chairman and Managing Director	385.90	106.02
Mrs. S. S. Garware	Non-Executive & Non-Independent	0.30	0.08
Mrs. Monika Garware Modi	Vice Chairperson & Jt. Managing Director	233.41	64.12
Mrs. Sarita Garware Ramsay	Jt. Managing Director	212.95	58.50
Ms. Sonia Garware	Non-Executive & Non-Independent	0.10	0.03
Mr. M. S. Adsul	Director-Technical	36.40	10.00
Mr. N. P. Chapalgaonkar	Non Executive & Independent Director	0.20	NA
Mr. B. Moradian	Non Executive & Independent Director	0.82	NA
Mr. Ramesh P. Makhija	Non Executive & Independent Director	0.60	NA
Dr. M. C. Agarwal	Non Executive & Independent Director	1.28	NA
Mr. T. M. Parikah	Non Executive & Independent Director	0.78	NA
Mr. Nilesh R. Doshi	Non Executive & Independent Director	0.68	NA

Notes:

- The information provided above is on standalone basis.
- The remuneration of Non-Executive Directors includes sitting fees paid to them for the Financial Year 2016-17.
- Median remuneration of the Company for all its employees is ₹ 3.64 Lakhs p.a. for the Financial Year 2016-17.

B. Details of percentage increase in the remuneration of Executive Directors, Chief Financial Officer and Company Secretary in the financial year 2016-17 are as follows:

Name	Designation	Remuneration (₹ in Lakhs)		Increase / (Decrease) (in%)
		2016-17	2015-16	
Shri. S. B. Garware	Chairman and Managing Director	385.90	449.19	(14.09)
Mrs. S. S. Garware	Non-Executive & Non-Independent	0.30	0.20	50.00
Mrs. Monika Garware Modi	Vice Chairperson & Jt. Managing Director	233.41	230.23	1.38
Mrs. Sarita Garware Ramsay	Jt. Managing Director	212.95	198.89	7.07
Ms. Sonia Garware	Non-Executive & Non-Independent	0.10	0.20	(50.00)
Mr. M. S. Adsul	Director-Technical	36.40	36.40	0.00
Mr. N. P. Chapalgaonkar	Non Executive & Independent Director	0.20	0.10	100
Mr. B. Moradian	Non Executive & Independent Director	0.82	0.58	41.38
Mr. Ramesh P. Makhija	Non Executive & Independent Director	0.60	0.50	20.00
Dr. M. C. Agarwal	Non Executive & Independent Director	1.28	1.04	23.08
Mr. T. M. Parikah	Non Executive & Independent Director	0.78	0.34	129.41
Mr. Nilesh R. Doshi	Non Executive & Independent Director	0.68	0.57	21.43
Mr. Nimesh S. Shah	Company Secretary	36.07	*33.57	7.45
Mr. Gokul D. Naik	Chief Financial Officer	**29.76	34.47	(13.66)

\* CS was appointed w.e.f. 30-04-2015

\*\* CFO resigned w.e.f. 24-03-2017

Notes:

- The remuneration to Directors is within the overall limits approved by the shareholders of your Company and approved by the Central Government.

C. Percentage increase in the median remuneration of all employees in the Financial Year 2016-17:

₹ in Lakhs

	2016-17	2015-16	Increase (in%)
Median remuneration of all employees per annum	3.64	3.60	1.11

**D. The number of permanent employees on the rolls of the Company:** 1093

**E. The explanation on the relationship between average increase in remuneration and Company's performance:**

Garware's reward principles are influenced by individual performance as well as various factors such as competitive market practices, cost considerations and of course, the business results achieved. The final salary increases that are made depend on the Company's market competitiveness within this comparator group, while at the same time taking into account the performance of the Company as well that of the concerned individual. The Company is committed to pay for performance culture which endeavors to differentiate pay levels on an individual performance basis. The salary increases that were made during the year were in line with both the Company's performance as well as the Company's market competitiveness.

**F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

<b>Total Remuneration to Key Managerial Personnel (KMP) for the year 2016-17 (₹ in Lakhs)</b>	
Income from Operations (₹ in Lakhs)	91,113.28
Total Remuneration of KMP as % to Revenue	1.02%
Profit Before Tax (PBT) (₹ in Lakhs)	2,890.56
Total Remuneration of KMP as % of PBT	32.22%

Remuneration for the Key Managerial Personnel is also guided by Garware's reward principles, which factor in individual performance as well as various factors such as competitive market practices, cost considerations and of course, the business results achieved.

**G a) Variations in the market capitalisation of the company:**

The market capitalisation of the company as at the closing date of the current financial year and previous financial year has increased by 31.00 %.

**b) Price Earnings Ratio of the Company:**

₹ 8.49 per Share on 31<sup>st</sup> March, 2017 and ₹ 7.46 per Share as at 31<sup>st</sup> March, 2016.

**c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

The closing share price of the Company at BSE Limited on 31<sup>st</sup> March, 2017 being ₹ 123.40 per equity share of face value of ₹ 10 each has gone down by 30% since the last Right issue by the Company, which was made in the year December 1995.

**H Comparison of average percentage increase in salary of employees other than key managerial personnel and the percentage increase in the key managerial remuneration:**

	<b>2016-17</b> (₹ in Lakhs)	2015-16 (₹ in Lakhs)	<b>Increase/ (Decrease)</b> (%)
Average salary of all employees (other than Key Managerial Personnel)	<b>5,909.84</b>	6,214.31	<b>(4.55)</b>
Key Managerial Personnel			
- Salary of MD & Jt. MD	<b>868.66</b>	888.43	<b>(2.23)</b>
- Salary of CFO & CS	<b>65.83</b>	68.04	<b>(3.25)</b>

The increase in remuneration of employees other than the managerial personnel is not in line with the increase in remuneration of managerial personnel.

**I Key parameters for the variable component of remuneration paid to the Directors:**

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

**J There are no employees of the Company who receive remuneration in excess of the highest paid Director of your Company.**

**K Affirmation that the remuneration is as per the Nomination and Remuneration Policy of your Company:** It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of your Company.

## PART B

The statement containing names and other particulars of employees as per Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. The Annual Report is being sent to all the Members of the Company excluding the aforesaid statement. Any Member interested in obtaining a copy of the same may write to the Company Secretary and same will be provided free of cost to the Member.

**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 is 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-

**Waluj Complex:**

- 1) Uses of energy efficient lighting for energy saving.
- 2) Old heater secondary pump impeller trimmed.
- 3) Optimization of furnace oil consumption at Thermic Fluid heater.
- 4) Optimization of electrical power consumption in compressed air system.
- 5) Measures taken to reduce raw water consumption.

**Chikalathana Complex:**

- 1) Feeding blower replaced with high efficiency blower.
- 2) Measures taken to reduce raw water consumption.

**(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 and development of new products, improvement of manufacturing processes and debottlenecking activities.

Your Company's thrust on R&D activities has paid rich dividends.

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

- a. Medium Shrink Film with UV ink printable properties.
- b. Lidding Films: Universal sealable-peelable.
- c. Direct Holographic Embossable Bi-axially Oriented Polypropylene (BOPP) Film.
- d. Coloured Feather Feel Film. : Black, White and Other colours.
- e. Exterior protection film for automotive front shield application.
- f. Development of Nano IR film for lighter VLT.

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

Value added products developed and production costs reduced.

**3. Expenditure on R & D / Product Development**

	(₹ in Lakhs)
a. Capital (Excl. CWIP)	0.76
b. Recurring	152.88
Total	153.64

Total R & D expenditure as a percentage to total turnover.0.17 %

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

- a) Development of process of crystallization of co-polyester.
- b) Primer less coating for feather feel coating.
- c) Installed indigenously developed facility for making Nano dispersion.

**2. Benefits derived as a result of above efforts:**

Eco-friendly, Cost effective, value added products developed and established.

**3. Technology imported during the last five years: No****(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. New 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 .

**II. Total Foreign Exchange used and earned**

	(₹ in Crores)
Used: -	70.50
Earned (FOB Basis):-	456.95

For and on behalf of the Board of Directors

## REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

### Company Overview & Economic Environment

Garware Polyester Limited (GPL) is the pioneer and the largest exporters of polyester films in India. GPL is the only manufacturer of sun control window films in India and a trend-setter in Sun Control Film industry with a history of more than 3 decades of technological development. GPL is among the only two companies in the world having backward integration into manufacturing of Sun Control Films.

The Company manufactures Bi-axially Oriented Polyethylene Terephthalate (BOPET) / Polyester Films, Sun Control Films, BOPP Films, Thermal Lamination Films and Speciality 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 center.

The Company is already backward integrated through the establishment of a Batch Process Polyester Chips plant which ensures a steady stream of supply of chips for the Film Lines. The BOPP line set up by the Company is part of the Company's efforts to ensure forward integration too.

Thus Company's strength is its integrated manufacturing facilities, R&D Center and development of speciality products for various applications.

#### 1. Industry Structure and Developments

Polyester films have wide applications in a host of industries engaged in the manufacture of flexible packaging, shrink labels, electrical motor and cable insulation, sequin, 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 situated in USA and UK. This ensures a cohesive global organization that can weave its operations in the above countries. 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 industry continues to be not favorable as the capacities are exceeding demand. The external environment is not conducive and supportive enough to meet the increased supply coming out of the developing and developed countries. This scenario is likely to continue 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. Furthermore, due to the commoditized nature of BOPET films, the Industry remains highly competitive with pressure on margins.

Polyester Film Business is continuously becoming more competitive with new capacities/ capabilities coming up both in commodity and speciality range.

All the manufacturers are making all efforts to cut down costs to meet the challenge of excessive capacities that have come up in India.

China and other Far East markets remain sluggish which has led to imports of speciality products like Shrink into India at very low prices, in that range of USD 2.30/kg and middle layer pet film for backsheet at USD 1.75/kg.

Opportunities exist in specialities like lidding films, Shrink and coated products provided quality is at par with other brands existing in the market and competitive pricing.

For the Company, the strategy is to focus on the speciality films, launch new products, strengthen network and Services 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. With demand outlook for High Shrink Films remaining robust, the Company has plans to shift to the speciality PET Shrink Films, where it sees a tremendous opportunity. In Thermal Film, GPL has developed Gold & Feather Feel Films. The Company therefore hopes to rapidly grow its market share in various film segments. With foray into BOPP, GPL has now become the only company in the segment which will be manufacturing BOPET, Sun Control Films, Thermal Lamination and BOPP.

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 since the ban imposed by the Judgment of the Hon Supreme Court of India on use of film on Car windows and hence diverted its capacity for international market to a large extent and developed some value added products for domestic building window glass for exterior as well as for interior application.

#### 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:

Your Company is one of the premier Window Film manufacturers and have been a trend-setter in Sun Control / Window Film Industry with a history of more than 30 years of technological development. We are the only Window Film manufacturer in the world that manufactures not only the base Polyester Film but also the resin used to make the base film. This offers us a distinct competitive advantage in terms of supreme control over product quality, material availability and also production costs. We manufacture Window Films for all applications (e.g. Automotive, Architectural, Safety, Anti-Graffiti etc.).

Garware Polyester Limited has revenues exceeding 1000 crore annually and is listed on the Bombay Stock Exchange (BSE). The Company has state of the art manufacturing facilities in India and has branches / subsidiaries in Maryland, USA and London, UK. Apart from India, the company has been catering to customers across North America, South America, Russia, Europe, China, Far East, Middle East and Africa.. We are the marketer of the brand 'GLOBAL WINDOW FILMS' which is registered in the US and is one of the most popular brands there. We have recently introduced a fresh new logo and expanded our product line for the brand "GLOBAL". Our share in matured markets like USA have grown exponentially. In addition to this, we also market our film in "Garware Sun Control" brand. In the domestic market in India, we are market leaders and have a strong brand recall. Our main products in the



domestic market is safety films and high heat rejection films for the building segment. We also sell laminated material under neutral/customized packaging, dyed film and release liner, thus offering marketing opportunities to distributors world-wide.

The Global Solar control film market is growing due to increasing awareness of advantages of solar control films, reduction of energy costs & carbon footprint, reduction of ultra-violet (UV) rays and infrared (IR) emissivity. The surge in both, automobile sales in export markets and in real estate development globally is also helping in the growth of solar control films and we see good potential for our growth in this segment.

The Company through its Step Down Subsidiary Global Pet Films Inc. (GPF) USA has been catering to customers across AMERICAS. GPF is the marketer of the brand 'GLOBAL WINDOW FILMS' which is registered in the US and is one of the most popular brands. The subsidiary is catering to Russia, Europe, Asia-Pacific and Africa market film under the brand "Garware Sun Control".

#### Thermal Film:

With variety and high quality product offerings in thermal lamination films, the Company is growing its share in the export market. GPL has developed Gold & Feather feel films at this division and focusing on increasing exports volume for these speciality products. With setting up of the BOPP plant, the Input films for thermal Lamination are now available in house which is an added advantage.

#### 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, 2013 and the applicable accounting standards.

₹ in Lakhs

Particulars	2016-17	2015-16	% change
Revenue from Operations (Gross)	<b>90,433.32</b>	88,762.33	<b>0.94%</b>
Other Income	<b>679.96</b>	606.68	<b>12.08%</b>
Profit before Interest, Depreciation and Exceptional Items	<b>7,797.29</b>	8,511.06	<b>-8.39%</b>
Interest & Financial Charges	<b>3,169.49</b>	4,293.34	<b>-26.18%</b>
Depreciation	<b>1,737.24</b>	1,684.29	<b>3.14%</b>
Profit before Tax	<b>2,890.56</b>	2,533.43	<b>14.10%</b>
Provision for Tax	<b>918.00</b>	794.75	<b>15.51%</b>
Profit after Tax	<b>1,972.56</b>	1,738.68	<b>13.45%</b>
Earnings per share (Basic and Diluted)	<b>8.49</b>	7.46	<b>13.81%</b>
Market Capitalization	<b>28,668.77</b>	21,811.32	<b>31.44%</b>

#### 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, 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.

## CORPORATE GOVERNANCE REPORT

The Director Present the Company's Report on Corporate Governance for the Financial Year 31st March, 2017.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is a prerequisite for attaining sustainable growth in this competitive world. The Company's Management acknowledges that corporate governance is a set of laws, regulations and good practices that enable 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 shareholders value. In recent times, governance has been further strengthened within the organization by introduction of incremental changes to various policies and processes.

The Company's focus is on sustainable development, its customer centric approach to creating value for the customers by ensuring product quality and innovative service offerings coupled with its outreach to the communities it impacts through CSR activities and programmes has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and other stakeholders.

A report on compliance with the principles of Corporate Governance as prescribed in The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI" Regulations") is given below:

### GOVERNANCE STRUCTURE

The Corporate Governance Structure of Garware Polyester Limited is as follows:

- Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- Committees of the Board:** The Board has constituted the following Committees viz. (1) Audit Committee (2) Remuneration and Nomination Committee (3) Stakeholders Relationship Committee (4) Corporate Social Responsibility (CSR) Committee and (5) Risk Management Committee. Each of the said Committee has been mandated to operate with a given framework.

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

- Board of Directors – Composition & Meetings
- Committees of the Board
- Remuneration of Directors
- Disclosures
- Means of Communication
- General Shareholder Information

#### I. BOARD OF DIRECTORS:

##### a) COMPOSITION OF THE BOARD OF DIRECTORS:

The Company has a broad based Board of Directors, constituted in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act') and in accordance with the best practices for 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.

The Board of Directors, as on 31st March, 2017, comprised 12 Directors, of which 4 were Executive & Non-Independent, 6 were Non-Executive & Independent and 2 were Non-Executive & Non-Independent. The Company has a four women Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, legal and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

Currently, the Board comprises of the following:

Category	Name of the Director	No. of Shares held as on 31 <sup>st</sup> March, 2017	No. of Board meetings attended during FY 2016-17	No. of Directorship(s) in Public Limited Companies as on 31 <sup>st</sup> March 2017*	No. of Board Committee Membership held in Public Companies as on 31 <sup>st</sup> March 2017 #		Attendance at previous AGM held on 21 <sup>st</sup> September, 2016.	
					Chairman	Member		
Executive & Non – Independent	1. Shri S. B. Garware (P)	11,63,001	5	2	-	-	NO	
	2. Mrs. Monika Garware Modi (P)	2,67,504	2	8	-	-	NO	
	3. Mrs. Sarita Garware Ramsay (P)	2,67,810	1	3	1	1	NO	
	4. Mr. M. S. Adsul	87	3	1	-	1	YES	
Non Executive & Independent	1. Mr. B. Moradian	-	4	3	2	3	NO	
	2. Mr. N. P. Chapalgaonkar	-	2	1	-	-	YES	
	3. Dr. M. C. Agarwal	-	6	1	1	1	NO	
	4. Mr. Ramesh P. Makhija	-	5	2	-	-	NO	
	5. Mr. T. M. Parikh	-	6	3	3	1	2	YES
	6. Mr. Nilesh R. Doshi	-	5	5	2	-	2	NO



Category	Name of the Director	No. of Shares held as on 31 <sup>st</sup> March, 2017	No. of Board meetings attended during FY 2016-17	No. of Directorship(s) in Public Limited Companies as on 31 <sup>st</sup> March 2017*	No. of Board Committee Membership held in Public Companies as on 31 <sup>st</sup> March 2017 #		Attendance at previous AGM held on 21 <sup>st</sup> September, 2016.
					Chairman	Member	
Non-Executive & Non-Independent	1. Mrs. S. S. Garware (P) 2. Ms. Sonia Garware (P)	1,75,465 2,68,595	3 1	2 2	- -	- -	NO NO
*	This excludes directorship held in Private Companies, Foreign Companies, and directorship held as an alternate director but includes directorship in Garware Polyester Limited.						
#	For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Committee of Directors includes membership in Audit Committee, Stakeholders Relationship Committee. This includes membership in Committee of Directors of Garware Polyester Limited.						
P	Indicates Promoter or Promoter Group.						

#### Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Listing Regulations. The terms and conditions stating the appointment of Independent Directors as provided in Companies Act, 2013 and the Listing Regulation has been issued and disclosed on the website of the Company viz. [www.garwarepoly.com](http://www.garwarepoly.com)

#### (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 7 days in advance to all the Directors. The Company places before the Board all the relevant and necessary data / information at its 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 (d) Nomination and Remuneration Committee Meeting and such other relevant information is regularly made available to the Board 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. April 1, 2016, six Board Meetings were held. The gap between any two Board Meetings did not exceed 120 days. The details of Board meetings held during financial year 2016-17 are given below:

Sr. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1	25.05.2016	12	7
2	10.08.2016	12	8
3	28.09.2016	12	4
4	10.11.2016	12	9
5	04.01.2017	12	8
6	08.02.2017	12	7

#### Post Meeting Mechanism

The important decisions taken at the Board / Board Committee meetings are communicated to the concerned departments/divisions.

The draft minutes of the Board and its Committees are sent to the members within 15 days from the date of Board Meeting for their comments thereon and then the minutes are entered in the minutes book within 30 days from the date of the meeting.

#### Board Support

The Company Secretary attends the Board / Board Committee meetings and advises on compliances with applicable laws and governance.

#### FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliances required from him under the Companies Act, 2013, Listing Regulations 2015 and other relevant provisions and affirmation taken with respect to the same.

The Chairman and Managing Director also have one to one discussion with the newly appointed Director to familiarise him with the Company's operations. Further the Company has put in place a system to familiarise the independent Directors about the Company, its products, business and the on-going events relating to the Company.

## II COMMITTEES OF THE BOARD

The Board has constituted Committees of the 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
- (E) Risk Management Committee

**(A) AUDIT COMMITTEE:****(i) Composition:**

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

Name of Director	Designation	Category
Mr. T. M. Parikh	Chairman	Independent Non-Executive Director
Mr. B. Moradian	Member	Independent Non-Executive Director
Dr. M. C. Agarwal	Member	Independent Non-Executive Director
Mr. Nilesh R. Doshi	Member	Independent Non-Executive Director
Mr. M. S. Adsul	Member	Non Independent-Executive Director

Mr. Nimesh S. Shah acts as the Secretary to the Committee.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the CFO, Statutory Auditor(s) and Internal Auditors to attend the meetings of the Committee.

The Audit Committee, during the financial year 2016-17, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

**(ii) Terms of Reference:**

The powers and terms of reference of the Audit committee are as mentioned in Regulation 18 of the Listing Regulations 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.
- Recommending appointment, remuneration and terms of appointment of Auditors.
- Reviewing timely functioning of Vigil Mechanism

and Whistle Blower Mechanism.

- Interacting effectively with the Statutory Auditors, Secretarial Auditor and Cost Auditor from time to time and to discuss about finalisation of annual financial statements, secretarial and cost audit reports.
- Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
- Considering any other matter, which may be referred to them by the Board of Directors of the Company.
- The Minutes of the Audit Committee Meetings are placed at the Meeting of the Board of Directors and subsequently noted and taken on records.
- Mandatorily Reviews 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;
  - The appointment, removal and terms of remuneration of the Chief internal Auditor; and
  - The appointment of Statutory Auditors for services other than Statutory Audit.

**(iii) Meetings and attendance during the year:**

The Audit Committee met four times during the year as per details given below. The gap between any two meetings did not exceed 120 days.

Sr. No.	Date	Strength	No. of Members Present
1	25.05.2016	5	4
2	10.08.2016	5	4
3	10.11.2016	5	5
4	08.02.2017	5	4

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

Name of Members	Audit Committee Meetings Attended
Mr. T. M. Parikh	4
Mr. B. Moradian	3
Mr. M. S. Adsul	2
Dr. M. C. Agarwal	4
Mr. Nilesh R. Doshi	4

**(B) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The Board has constituted a Stakeholders Relationship

Committee comprising of the following Directors:

(i) **Composition:**

Name of Director	Designation	Category
Dr. M. C. Agarwal	Chairman	Independent Non-Executive Director
Mrs. Sarita Garware Ramsay	Member	Non Independent and Executive Director
Mr. B. Moradian	Member	Independent Non-Executive Director

Mr. Nimesh S. Shah is the compliance officer for complying with the requirements of Securities Law and acts as Secretary to the Committee.

(ii) **Terms of Reference:**

Brief descriptions of terms of reference are:

- To consider and approve transfer, name deletion and transmission 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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.**

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 16 complaints from shareholders, which were resolved. The details are as under:

Nature of Complaint	No. of Complaints	No. of Complaints Resolved as on 31.03.2017	No. of Complaints Pending as on 31.03.2017
Transfer of Shares	Nil	Nil	Nil
Dividend	10	10	Nil
Others	6	6	Nil
<b>Total</b>	<b>16</b>	<b>16</b>	<b>Nil</b>

(iv) **Meetings and attendance during the year:**

During the year, the Committee met 24 times. As on 31<sup>st</sup> March, 2017, 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
Dr. M. C. Agarwal	24
Mrs. Sarita Garware Ramsay	24
Mr. B. Moradian	12

(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:**

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

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

(i) **Composition:**

Name of Director	Designation	Category
Dr. M. C. Agarwal	Chairman	Independent Non- Executive
Mr. B. Moradian	Member	Independent Non- Executive
Mr. T. M. Parikh	Member	Independent Non- Executive

Mr. Nimesh S. Shah acts as a Company Secretary to the Committee.

(ii) **Terms of Reference:**

Brief descriptions of terms of reference are:

- Recommend to the Board the set up and composition of the Board and its committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board for appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director's performance and support the Board and independent directors in evaluation of the performance of the Board, its committees and individual directors.
- This shall include "formulation of criteria for evaluation of independent directors and the Board".
- Recommend to the Board the remuneration policy for directors, executive team or key managerial personnel.
- To review the overall compensation policy and remuneration payable to Managing / Whole time Directors and Key Managerial Personnel.
- To make recommendations to the Board on the increments in the remuneration of the Directors and Key Managerial Personnel.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

(iii) **Meeting and Attendance during the year:**

During the year no meeting of Nomination and

Remuneration Committee was held.

- (iv) **The Company does not have any employee stock option scheme.**

**(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**(i) Composition:**

Mrs. Sarita Garware Ramsay is the Chairperson and Mr. B. Moradian and Dr. M. C. Agarwal are the other two members of the Committee and defined the role of the Committee.

Mr. Nimesh S. Shah acts as a Secretary to the Committee.

The Company formulated CSR Policy, which is uploaded on the website of the Company [www.garwarepoly.com](http://www.garwarepoly.com)

**(ii) Terms of Reference**

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.

**(iii) Meeting and Attendance during the year:**

During the year Corporate Social Responsibility Committee met once on 08<sup>th</sup> February, 2017. The necessary quorum was present at the meeting. Mr. B. Moradian and Dr. M. C. Agarwal, Members of the Committee were present at the Meeting.

**(E) RISK MANAGEMENT COMMITTEE**

As per the requirements of Regulation 21 of the Listing Regulations, your Company has constituted a Risk Management Committee to oversee the risk management efforts in your Company.

Risk Management Committee reviews the process of risk management in your Company.

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

**(F) INDEPENDENT DIRECTORS' MEETING**

During the year under review, the Independent Directors met on 08<sup>th</sup> February, 2017, *inter-alia*, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. T. M. Parikh, Mr. B. Moradian, Mr. Ramesh P. Makhija, Dr. M. C. Agarwal, and Mr. Nilesh R. Doshi, Independent Directors were present for this meeting.

**III POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

**(A) Remuneration to Non - Executive Directors**

The Non-Executive Directors are paid remuneration

by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2016-17 was ₹ 3,20,000/-. The Non Executive Independent Directors do not have any material pecuniary relationship of transactions with the Company.

**(B) Remuneration to Executive Directors**

The appointment and remuneration of Executive Directors including Chairman and Managing Director and Whole time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package of Chairman and Managing Director and Whole-time Director comprises of salary, perquisites, allowances and contributions to Provident fund and other Retirement Benefits Funds as approved by the shareholders at the General Meetings.

The remuneration of the Board members is also 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.

**(C) DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2017.**

**(i) For Non-Executive Directors:**

Details of sitting fees paid to Non-Executive Directors during Financial Year 2016-17:

Amount in ₹

Names	Board Meeting	Audit Committee Meeting	Share Transaction Cum Investor Grievance Committee Meeting	Corporate Social Responsibility Committee Meeting	Independent Directors Committee Meeting
Mrs. S. S. Garware	30,000	-	-	-	-
Ms. Sonia Garware	10,000	-	-	-	-
Mr. B. Moradian	40,000	6,000	24,000	2,000	10,000
Dr. M. C. Agarwal	60,000	8,000	48,000	2,000	10,000
Mr. N. P. Chapalgaonkar	20,000	-	-	-	-
Mr. Ramesh P. Makhija	50,000	-	-	-	10,000
Mr. T. M. Parikh	60,000	8,000	-	-	10,000
Mr. Nilesh R. Doshi	50,000	8,000	-	-	10,000
<b>TOTAL</b>	<b>3,20,000</b>	<b>30,000</b>	<b>72,000</b>	<b>4,000</b>	<b>50,000</b>

Except as above, the non-executive directors have not other

pecuniary interest in the Company, as disclosed to us.

**(ii) For Executive Directors:**

**The aggregate remuneration paid to Executive Directors for the year ended 31<sup>st</sup> March, 2017 is as under:**

(₹ in Lakhs)

Names	Salary	Perquisites & Allowances	Retirement Benefits	Performance linked Bonus	Stock Option
Shri. S. B. Garware	261.25	124.65	0.00	NIL	NIL
Mrs. Monika Garware Modi	166.98	45.40	21.03	NIL	NIL
Mrs. Sarita Garware Ramsay	152.46	41.20	19.29	NIL	NIL
Mr. M. S. Adsul	36.00	0.40	0.00	NIL	NIL

Certain Executive Directors (whole time directors) are covered under the Company's gratuity and leave encashment schemes along with other employees / directors of the Company. These liabilities are determined for all employees/directors by an independent actuarial valuation.

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

**(D) PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulation, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

**IV DISCLOSURES**

**(A) Compliances with Governance Framework**

- (i) The Company is in compliance with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR).
- (ii) All the transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under the Note No. 33 of significant accounting policies and notes forming part of the financial statements in accordance with 'Accounting Standard 18'. A statement in summary form of transactions with related parties in the ordinary course of business and at an arm's length basis is periodically placed before the Audit Committee for the review and recommendation to the Board for their approval.

The Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company [www.garwarepoly.com](http://www.garwarepoly.com)

- (iii) None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business

and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.

- (iv) 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.
- (v) In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to Financial Statements.
- (vi) The 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.
- (vii) Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

**(B) Code of Conduct**

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2017. A Declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Company Secretary is responsible for implementation of the Code.

All Board of Directors and the designated employees have confirmed compliance with the code.

Company has adopted new "Code of Fair Disclosure Conduct" and 'Code for prevention of Insider Trading' for regulating, monitoring and reporting of trading by Insider as stated under SEBI (Prohibition of Insider Trading) Regulation 2015. Pursuant to provision of Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("Insider Regulations"), a code of Practices and Procedures for fair disclosure of unpublished price sensitive information of the Company (The Code) has been formulated.

**(C) Vigil Mechanism**

In accordance with Listing Regulation 22 and pursuant to Section 177(9) read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013, the Company has adopted a whistle blower policy, the employees are free to report violations of law, rules, regulations or un-ethical conduct to their immediate superior and that they have not been denied direct access to the Audit Committee. The confidentiality of those reporting / violations is maintained and they are not subjected to any discriminatory practice.



Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on: Email: rpm@garwarepoly.com

Telephone No: 0240-2567400.

**(D) Subsidiary Companies**

Your Company does not have any material unlisted Indian subsidiary company in terms of Regulation 16 of the Listing Regulations. However, the Audit Committee reviews the financial statements of the unlisted subsidiaries of your Company.

**V. MEANS OF COMMUNICATION**

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- In Compliance with Listing Regulations and other rules and regulations issued by SEBI, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE Limited is filed electronically on BSE's online portal. The Company has complied with filing submissions through BSE's Online Portal (Listing Centre).
- 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](http://www.garwarepoly.com)
- Report on Management Discussion and Analysis forms part of this Annual Report.

**VI. GENERAL SHAREHOLDER INFORMATION**

- (i) Annual General Meeting Date, time and venue:** Wednesday, 27th September, 2017 at 11.30 a.m. at Registered Office of the Company – Naigaon, Post Waluj, Aurangabad – 431 133.

- (ii) Financial Year:** 1<sup>st</sup> April to 31<sup>st</sup> March.

- (iii) Financial Calendar (tentative)**

Financial Year	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
Unaudited Financial Results for the Quarter ending:	Within 45/60 days from the end of reporting quarter.
1. 30 <sup>th</sup> June 2017; 2. 30 <sup>th</sup> September 2017; 3. 31 <sup>st</sup> December 2017 and 4. 31 <sup>st</sup> March 2018.	
Annual General Meeting for year ending - 31 <sup>st</sup> March 2018.	Before the end of September 2018.
Date of Book Closure for the current financial year	18 <sup>th</sup> September, 2017 to 22 <sup>nd</sup> September, 2017. (Both days inclusive)
Email address for Investor Complaints	nimeshshah@garwarepoly.com and pranav@garwarepoly.com

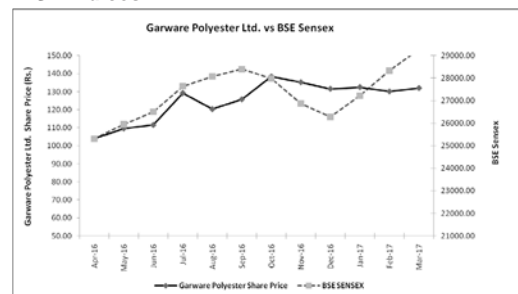
- (iv) Listing on Stock Exchange**

- Shares of the Company are listed on the Bombay Stock Exchange (BSE Ltd.), Mumbai, under Stock Code No.500655.
- ISIN No. for dematerialised shares is INE 291A01017.
- The Company has paid Annual Listing Fees for the year 2017- 18 to the above Stock Exchange.
- The Company has paid custodial charges to National Securities Depository Limited and Central Depository Services (India) Limited.

- (v) Share price Data on The Stock Exchange, Mumbai**

Month	Share Price Data		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April 2016	112.85	95.00	26100.54	24523.20
May 2016	120.00	99.15	26837.20	25057.93
June 2016	131.00	92.05	27105.41	25911.33
July 2016	142.90	115.55	28240.20	27034.14
August 2016	129.00	111.65	28532.25	27627.97
September 2016	138.80	112.65	29077.28	27716.78
October 2016	149.65	127.20	28477.65	27488.30
November 2016	158.45	112.00	28029.80	25717.93
December 2016	145.50	117.60	26803.76	25753.74
January 2017	145.00	120.00	27980.39	26447.06
February 2017	140.25	120.00	29065.31	27590.10
March 2017	145.00	119.00	29824.62	28716.21

- (vi) Performance of Share Price in comparison to the BSE Indices**



(vii) **Registrars and Share Transfer Agents**

Link Intime India Private Limited,  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.  
Tel. No.: 022 - 49186000 Fax No.: 022 - 49186060  
e-mail : rnt.helpdesk@linkintime.co.in  
Contact Person: Mr. Mahesh Masurkar

(viii) **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 Stake-holders Relationship Committee. Since the Company's shares are compulsorily traded in Demat segment on the Stock Exchange, Mumbai, and bulk of the transfers' takes place in electronic form.

(ix) **Categories of shareholding as on 31<sup>st</sup> March, 2017.**

Sr. No.	Category	No. of shares held	% shareholding
1	Promoters (Shri S. B. Garware, family and Associates)	1,40,74,167	60.58
2	Mutual Funds and UTI	15,076	0.06
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Govt. Institutions)	8,57,081	3.69
4	Private Corporate Bodies	38,00,494	16.36
5	Foreign Institutional Investors	2,355	0.01
6	NRIs	2,60,245	1.12
7	Indian Public	42,22,976	18.18
	<b>Grand Total</b>	<b>2,32,32,394</b>	<b>100.00</b>

(x) **Distribution of Shareholdings as on 31<sup>st</sup> March, 2017**

No. of Shares held	No. of Share-holders	% of Share-holders	No. of Shares	% of Share-holding
1 to 500	26892	96.97	2226589	9.58
501 to 1000	418	1.51	322994	1.39
1001 to 2000	208	0.75	320754	1.38
2001 to 3000	52	0.19	129041	0.55
3001 to 4000	25	0.09	89774	0.39
4001 to 5000	26	0.09	124562	0.54
5001 to 10000	38	0.14	280792	1.21
10001 and above	71	0.26	19737888	84.96
<b>Total</b>	<b>27730</b>	<b>100.00</b>	<b>23232394</b>	<b>100.00</b>

(xi) **Dematerialisation of Shares and Liquidity**

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 94.64% of the equity shares of the Company have been dematerialised by investors and bulk of transfers take place in the Demat form.

**RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Bombay Stock Exchange Limited where the Company's shares are listed. The audit confirms that total Listed and Paid-up Capital is in the agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**Top 10 Shareholders as on March 31, 2017 other than Promoter/ Promoter Group.**

Sr. No.	Name of the Shareholder	No. of Shares held	% of Holding
1.	Hridaynath Consultancy Pvt. Ltd.	1334612	5.74
2.	Life Insurance Corporation of India Ltd.	853956	3.67
3.	Hardik Bharat Patel	669456	2.88
4.	Minal B. Patel	490735	2.11
5.	Dalal & Broacha Stock Broking Pvt. Ltd.	332100	1.43
6.	Nedhi Goel	154443	0.66
7.	Garware Wall Ropes Ltd.	146350	0.63
8.	Ramesh Bhalchandra Garware	100200	0.43
9.	Nilima Upendra Mehta	98576	0.42
10.	Ricky Ishwardas Kirpalani	75319	0.32

(xii) **Outstanding GDRs / ADRs / Warrants or any convertible: Not Applicable instruments and conversion date and likely impact on equity**(xii) **Plants Locations** : Waluj, Chikalthana and Nasik.(xiv) **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: nimeshshah@garwarepoly.com

(xv) **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.

(xvi) **CMD/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 as required under Regulation 17 of the Listing Regulations. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Listing Regulation.

**(xvii) 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
57 <sup>th</sup> AGM	25.09.2014	at Registered Office: Naigaon, Post Waluj, Aurangabad-431133	11.30 a.m.
58 <sup>th</sup> AGM	29.09.2015		11.30 a.m.
59 <sup>th</sup> AGM	21.09.2016		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
September 21 <sup>st</sup> , 2016	No Special Resolution was passed.
September 29 <sup>th</sup> , 2015	1) Adoption of new set of Articles of Association 2) Loan and Investment by the Company
September 25 <sup>th</sup> , 2014	1) Re-appointment and payment of remuneration to Shri S. B. Garware – Chairman and Managing Director of the Company. 2) Variation in payment of remuneration to Mrs. Monika Garware Modi – Vice Chair Person and Jt. Managing Director of the Company. 3) Variation in payment of remuneration to Mrs. Sarita Garware Ramsay – Jt. Managing Director of the Company. 4) Variation in payment of remuneration to Ms. Sonia Garware – Jt. Managing Director of the Company.

**Postal Ballot**

During the year under review, no resolution has been passed through the exercise of Postal Ballot.

**Secretarial Audit:**

- **M/s. Nilesh Shah & Associates**, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year 2016-17. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

### Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2017.

Place: Mumbai

Date: 10<sup>th</sup> August, 2017

**S. B. Garware**  
(Chairman & Managing Director)

**Chairman and Managing Director (CMD) &  
Chief Financial Officer (CFO)**
**Certification**

To,  
The Board of Directors,  
Garware Polyester Limited

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief:

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

**S. B. Garware**  
Chairman & Managing Director

**Sunil Dalmia**  
Chief Financial Officer

Place: Mumbai  
Date: 10<sup>th</sup> August, 2017

**PRACTICING COMPANY SECRETARY'S  
CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
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, 2017 as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

**Management's Responsibility:**

The Company's management also takes full responsibility of the Compliance of the conditions of Corporate Governance stipulated in the Regulations.

**Auditor's Responsibility:**

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

I conducted my engagement in accordance with the "Guidance Note on Corporate Governance Certificate" issued by the Institute of Company Secretaries of India. My responsibility is to certify based on the work done.

**Conclusion:**

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the aforementioned regulations.

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

**Restrictions on use:**

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**ABBAS LAKDAWALLA**

Place: Mumbai  
Dated: 15<sup>th</sup> July, 2017

Practicing Company Secretary  
FCS 2988  
CP 4052

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**Garware Polyester Limited**  
Naigaon, Post Waluj,  
Aurangabad-431133

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by “**Garware Polyester Limited**” (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management including Key Managerial Personnel’s (KMP) and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31<sup>st</sup> March, 2017, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (to the extent applicable to the Company);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under restricted to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

- (vi) As we have been given to understand that considering activities, there is no specific regulator subject to whose approval company can carry on / continue business operation. We have also in-principally verified systems and mechanism which is in place and followed by the Company to ensure Compliance of other applicable Laws (in addition to the above mentioned Laws (i to v) as applicable to the Company) and we have also relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of the following:

- (1) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- (2) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015).

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations/ Guidelines as covered under MR-3

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards etc. mentioned above and we have no material observation of instances of non-compliance in respect of the same.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

We also report that adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



Majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken any major event / action having a material bearing on the Company's statutory compliance and affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Note : This Report is to be read along with attached Letter provided as "Annexure - A"

Date:- July 20, 2017  
Place:- Mumbai

Signature:- Sd/-  
Name:- Nilesh Shah  
For:- **Nilesh Shah & Associates**  
**FCS : 4554 C.P. : 2631**

**'ANNEXURE A'**

To  
The Members,  
Garware Polyester Limited  
Naigaon, Post Waluj,  
Aurangabad-431133  
Dear Sir / Madam,

**Sub : Our Report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

Date:- July 20, 2017  
Place:- Mumbai  
Signature:- Sd/-  
Name:- Nilesh Shah  
For:- **Nilesh Shah & Associates**  
**FCS : 4554 C.P. : 2631**

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Garware Polyester Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Garware Polyester Limited**. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at London (United Kingdom).

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March 2017, and its profit and its cash flows for the year ended on that date.

#### Other Matter

We did not audit the financial statements of one branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ NIL as at 31<sup>st</sup> March, 2017 and total revenues of ₹ NIL for the year ended on that date, as considered in the standalone financial statements. The financial statements of this branch has been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our Opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branch not visited by us;
  - c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt with by us in preparing this report;
  - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branch not visited by us;
  - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - f) On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note No. 35 to the Standalone Financial Statements).
    - (ii) The company has made provision, as required under the applicable law or accounting standards, for the material foreseeable losses, if any, on long-term contracts including derivative contracts (Refer Note No. 37 to the Standalone Financial Statements).
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note No. 28 to the standalone financial statements.

For **Manubhai & Shah LLP**  
**Chartered Accountants**  
FRN: 106041W/ W100136

**P. N. Shah**  
**Partner**  
Membership No. 001738

Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

For **Kirtane & Pandit LLP**  
**Chartered Accountants**  
FRN: 105215W/ W100057

**Suhrod Lele**  
**Partner**  
Membership No. 121162

Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

### Annexure - A to the Independent Auditor's Report

(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 fixed assets are physically verified by the management according to a phased programme designed to cover all the items 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, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of the inventories at reasonable intervals. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted any loans secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Cess as at 31<sup>st</sup> March, 2017 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Financial Year for which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.57	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	7.03	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1,621.40*	2011-12 to 2013-14	Commissioner of Income Tax (Appeals)
Central Excise Act, 1944	Excise Duty	31.40	2001-02	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.92	2006-07	High Court
Central Excise Act, 1944	Service Tax	5.08	2015-16	Dy. Commissioner (Audit), Central Excise, Customs & Service Tax

\*Adjusted against MAT credit entitlement.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or government as at the balance sheet date.
- (ix) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013. (Refer Note No. 29 of the financial statements).
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliances with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Manubhai & Shah LLP**  
Chartered Accountants  
FRN: 106041W/ W100136

**For Kirtane & Pandit LLP**  
Chartered Accountants  
FRN: 105215W/ W100057

**P. N. Shah**  
Partner  
Membership No. 001738  
Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

**Suhrud Lele**  
Partner  
Membership No. 121162  
Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

## Annexure - B to the Independent Auditor's Report

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Garware Polyester Limited** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Manubhai & Shah LLP**  
**Chartered Accountants**  
FRN: 106041W/ W100136

For **Kirtane & Pandit LLP**  
**Chartered Accountants**  
FRN: 105215W/ W100057

**P. N. Shah**  
**Partner**  
Membership No. 001738

**Suhrud Lele**  
**Partner**  
Membership No. 121162

Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

Place: Mumbai  
Date : 25<sup>th</sup> May, 2017



## BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	2,323.24	2,325.31
Reserves and Surplus	3	58,091.44	56,116.81
		<b>60,414.68</b>	58,442.12
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4	1,990.30	3,470.66
Deferred Tax liabilities (Net)	5	4,906.78	4,043.70
Long Term Provisions	9	542.69	500.13
		<b>7,439.77</b>	8,014.49
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	6	25,498.35	24,607.48
Trade Payables	7		
a. Total outstanding dues of micro enterprises and small enterprises		236.00	292.60
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,606.72	4,096.69
Other Current Liabilities	8	3,959.66	4,077.65
Short Term Provisions	9	1,058.96	1,329.41
		<b>35,359.69</b>	34,403.83
<b>TOTAL</b>		<b>103,214.14</b>	100,860.44
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets:			
Tangible Assets	10	64,165.38	64,690.53
Intangible Assets	10	58.65	40.93
Capital Work-in-Progress	10	781.30	469.51
Intangible Assets Under Development	10	34.58	48.96
		<b>65,039.91</b>	65,249.93
Non-Current Investments	11	198.62	206.13
Long Term Loans and Advances	12	9,846.39	9,068.07
<b>CURRENT ASSETS</b>			
Inventories	13	10,610.77	13,143.11
Trade Receivables	14	5,719.42	4,156.95
Cash and Bank Balances	15	7,572.25	4,995.90
Short Term Loans and Advances	12	3,817.53	3,655.09
Other Current Assets	16	409.25	385.26
		<b>28,129.22</b>	26,336.31
<b>TOTAL</b>		<b>103,214.14</b>	100,860.44
Notes forming part of the financial statements	1 to 43		

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For Manubhai &amp; Shah LLP

Chartered Accountants

(Firm's Registration No.: 106041W/ W100136)

For Kirtane &amp; Pandit LLP

Chartered Accountants

(Firm's Registration No.: 105215W/ W100057)

S. B. GARWARE

Chairman &  
Managing Director

M. S. ADSUL

Director (Technical)

P. N. SHAH

Partner

M.No.: 001738

SUHRUD LELE

Partner

M.No.: 121162

T. M. PARIKH

Director

SUNIL DALMIA

Chief Financial Officer

NIMESH S. SHAH

Company Secretary &  
Vice-President (Legal)

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>INCOME:</b>			
Revenue from Operations (Gross including Excise Duty)	17	90,433.32	88,762.33
Other Income	18	679.96	606.68
<b>Total Revenue</b>		<b>91,113.28</b>	<b>89,369.01</b>
<b>EXPENDITURE:</b>			
Cost of Raw Materials Consumed	19	43,563.74	45,208.24
Changes in Inventories of Finished goods and Work-in-Progress	20	2,263.58	(536.15)
Excise Duty		4,435.36	4,546.33
Employee Benefits Expense	21	6,840.83	7,167.13
Other Expenses	22	26,212.48	24,472.40
<b>Total Expenses</b>		<b>83,315.99</b>	<b>80,857.95</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</b>		<b>7,797.29</b>	<b>8,511.06</b>
Depreciation & Amortization Expenses	10	1,737.24	1,684.29
Finance Cost	24	3,169.49	4,293.34
<b>Profit Before Tax</b>		<b>2,890.56</b>	<b>2,533.43</b>
<b>Tax Expenses</b>			
Current Tax		598.21	521.00
(Excess) / Short Provision of Tax of earlier years		0.00	(31.71)
Less: Mat Credit Entitlement includes ₹ 0.29 Lakhs of Previous year (Previous Year: ₹ 54.43 Lakhs)		(543.29)	(575.43)
Deferred Tax	5	863.08	880.89
<b>Total Tax Expenses</b>		<b>918.00</b>	<b>794.75</b>
<b>Profit for the year</b>		<b>1,972.56</b>	<b>1,738.68</b>
<b>Earnings Per Share - Basic &amp; Diluted (Rupees)</b> (Face Value of ₹ 10/- each) Refer Note No. 25		<b>8.49</b>	<b>7.46</b>
Notes forming part of the financial statements	1 to 43		

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**  
Chartered Accountants  
(Firm's Registration No.: 106041W/ W100136)

For **Kirtane & Pandit LLP**  
Chartered Accountants  
(Firm's Registration No.: 105215W/ W100057)

**S. B. GARWARE**  
Chairman &  
Managing Director

**M. S. ADSUL**  
Director (Technical)

**P. N. SHAH**  
Partner  
M.No.: 001738

**SUHRUD LELE**  
Partner  
M.No.: 121162

**T. M. PARIKH**  
Director

**NIMESH S. SHAH**  
Company Secretary &  
Vice-President (Legal)

**SUNIL DALMIA**  
Chief Financial Officer

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31.03.2017 ₹ in Lakhs	Year ended 31.03.2016 ₹ in Lakhs
<b>A. Cash Flow from Operating Activities:</b>		
<b>Net Profit before tax as per Statement of Profit and Loss</b>	<b>2,890.56</b>	2,533.43
<b>Adjustments to Reconcile Profit Before Tax to Cash Provided by Operating Activities</b>		
Add: Depreciation	1,737.24	1,684.29
Finance Cost	3,169.49	4,293.34
Provision for Leave & Gratuity Provision	115.57	459.48
Sub Total	<u>5,022.30</u>	<u>6,437.11</u>
Total	<u>7,912.86</u>	<u>8,970.54</u>
Less: Interest Income	459.13	422.98
Gain on Exchange Rate Fluctuations	120.94	10.89
Profit on Sale of Fixed Assets	19.21	14.75
Profit on Sale of Investment	0.01	67.15
Dividend received / Income from Investment	13.86	12.86
Sundry balances written back (Net)	7.24	79.14
Sub Total	<u>620.39</u>	<u>607.77</u>
<b>Operating Profit Before Working Capital Changes</b>	<b>7,292.47</b>	<b>8,362.77</b>
Adjustments for:		
Trade Receivables	(1,529.19)	651.69
Inventories	2,532.34	227.85
Trade and Other Payables	653.37	(137.74)
Loans and Advances	(279.46)	996.07
<b>Cash Generated from Operations</b>	<b>8,669.53</b>	<b>10,100.64</b>
Direct Taxes Refund / (Paid) (Net)	(654.66)	(418.81)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>8,014.87</b>	<b>9,681.83</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(1,651.15)	(964.46)
Proceeds from Sale of Fixed Assets	143.14	14.75
Interest Received	373.58	405.47
Proceeds from Sale of Investments	7.52	67.15
Dividend Received / Income from Investment	13.86	12.86
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(1,113.05)</b>	<b>(464.23)</b>
<b>C. Cash flow from Financing Activities:</b>		
Interest / Financial Charges	(3,169.49)	(4,293.34)
Proceeds from Long Term Borrowings	474.68	9.03
(Repayments) of Long Term Borrowings	(2,599.17)	(3,079.17)
Proceeds (Repayment) from Short Term Borrowings (Net)	973.64	(2,101.90)
Dividend / Unclaimed Dividend Paid / Deposited Including Dividend Distribution Tax	(5.13)	(0.25)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(4,325.47)</b>	<b>(9,465.63)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2,576.35</b>	<b>(248.03)</b>
<b>Cash and Cash Equivalents as at Opening</b>		
Cash and Bank Balances	4,995.90	5,243.93
<b>Cash and Cash Equivalents as at Closing</b>		
Cash and Bank Balances	<u>7,572.25</u>	<u>4,995.90</u>
	<u>2,576.35</u>	<u>(248.03)</u>

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For Manubhai &amp; Shah LLP

Chartered Accountants

(Firm's Registration No.: 106041W/ W100136)

For Kirtane &amp; Pandit LLP

Chartered Accountants

(Firm's Registration No.: 105215W/ W100057)

S. B. GARWARE

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SUHRUD LELE

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M.No.: 121162

T. M. PARIKH

Director

SUNIL DALMIA

Chief Financial Officer

NIMESH S. SHAH

Company Secretary &amp;

Vice-President (Legal)

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017

## 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 in accordance with the prescribed Accounting Standards under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

### B. Use of 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### 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:

Depreciation on Tangible Assets is provided as per useful life specified in Part-C of Schedule II of the Companies Act, 2013.

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

##### ii) Intangible Assets:

Intangible assets are stated at cost of acquisition or construction less accumulated amortization and impairment losses if any. Intangible assets are amortized over their estimated useful economic life. Computer softwares are depreciated over the period of 5 years on straight line basis.

### 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.

After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

### 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. On disposal of an investment, the difference between the carrying value and the net disposal proceeds is recognised in the statement of profit and loss.

### 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) Purchases of finished goods are valued at the lower of cost and net realizable value.

### G. Cash and Cash Equivalents

Cash and cash Equivalents for the purpose of cash flows statement comprise cash in hand, cash at bank, demand deposits with banks and other short term highly liquid investments/ deposits with an original maturity of three months or less.

### H. 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.

#### I. 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.

#### J. 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 the 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.

#### K. Lease Rentals

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

#### L. 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.

#### M. Dividend

Final dividend on Equity Shares will be accounted on the date of approval by Shareholders

#### N. 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 and 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 Draw Back Scheme / Other Schemes 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.

#### O. Taxation

- i) 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.
- ii) 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.

#### 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 the statement of Profit and Loss account.

#### Q. Measurement of EBITDA

The company has elected to present the 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.

#### R. 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.

#### S. Earnings 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, 2017

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>2. SHARE CAPITAL</b>		
<b>Authorised:</b>		
40,000,000 (Previous Year 40,000,000) Equity Shares of ₹ 10/- each	4,000.00	4,000.00
6,000,000 (Previous Year 6,000,000) Preference Shares of ₹ 100/- each	6,000.00	6,000.00
	<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, Subscribed and Fully Paid-up:</b>		
23,315,150 (Previous Year 23,315,150) Equity Shares of ₹ 10/- each	2,331.52	2,331.52
Less: i) Unpaid Allotment / Call Money (from Others) written-off on cancellation of 82,756 shares	6.21	6.21
82,756 ii) Amount paid upon cancellation of 82,756 Shares transferred to Capital Reserve	2.07	0.00
<b>23,232,394</b>	<b>2,323.24</b>	<b>2,325.31</b>
<b>TOTAL</b>	<b>2,323.24</b>	<b>2,325.31</b>

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

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to One Vote per share. The company declares and pays dividends in Indian Rupees.

Final Dividend of ₹ 1.00 per equity share for the financial year ended 31st March, 2017 proposed by the board of directors in its meeting held on 25th May, 2017 is subject to the approval of shareholders in the ensuing Annual General Meeting and if approved, would result in Cash Outflow of ₹ 279.62 Lakhs including dividend distribution tax of ₹ 47.30 Lakhs

As per the Companies Act, 2013 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.

**a. Reconciliation of the number of Shares Outstanding at the beginning and at the end of the year**

Equity Shares	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ 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
Less: Forfeited during the year	82,756	8.28	0	0.00
Outstanding at the end of the year	<b>23,232,394</b>	<b>2,323.24</b>	23,315,150	2,331.52

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

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. B. Garware Family Trust	9,982,401	42.97	10,592,401	45.43
B. D. Garware Research Centre	1,242,216	5.35	0	0.00
Shri S. B. Garware	1,163,001	5.01	0	0.00
Hridaynath Consultancy Pvt. Ltd.	1,334,612	5.74	0	0.00



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

3. RESERVES AND SURPLUS	As at 31.03.2017		As at 31.03.2016	
	₹ in Lakhs		₹ in Lakhs	
<b>Capital Reserve:</b>				
Balance as per last Balance Sheet	4,439.48		4,439.48	
Add: Amount paid out on Cancellation of 82,756 Shares	2.07		0.00	
		4,441.55		4,439.48
<b>Capital Redemption Reserve:</b>				
Balance as per last Balance Sheet	5446.00		5,446.00	
<b>Securities Premium Reserve:</b>				
Balance as per last Balance Sheet	592.14		592.14	
<b>Revaluation Reserve:</b>				
Balance as per last Balance Sheet	10,105.40		10,105.40	
<b>General Reserve:</b>				
Balance as per last Balance Sheet	6,909.91		6,909.91	
<b>Surplus in the Statement of Profit and Loss:</b>				
Balance as per last Balance Sheet	28,623.88		26,885.20	
Add: Profit for the year	1,972.56		1,738.68	
		30,596.44		28,623.88
<b>TOTAL</b>		<b>58,091.44</b>		<b>56,116.81</b>

4. LONG TERM BORROWINGS	Non-Current		Current	
	As at	As at	As at	As at
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Secured Loans</b>				
<b>Term Loans:</b>				
Indian Rupee Loan from banks	677.80	2,266.41	1,619.04	2,398.80
Long Term Maturities of Finance Lease Obligations	485.60	145.33	106.08	57.93
<b>Unsecured Loans</b>				
Interest Free Sales Tax / VAT Deferral Loan from SICOM	826.90	1,058.92	232.02	144.54
<b>TOTAL</b>	<b>1,990.30</b>	<b>3,470.66</b>	<b>1,957.14</b>	<b>2,601.27</b>

- 1) Term Loan of ₹ 2,296.84 Lakhs (Previous Year ₹ 4,665.21 Lakhs) are secured by the 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.
- 2) Long Term Maturities of Finance Lease obligations of ₹ 591.68 Lakhs (Previous Year ₹ 203.26 Lakhs) are secured by the hypothecation of specific assets. The loans are repayable in 84 monthly / 20 quarterly installments. The installments are payable from November 2014 till January 2024 covering all loans taken at various dates.
- 3) Deferral Loan from SICOM is payable from April 2016 to April 2026.
- 4) The rate of interest on Rupee Loan @ 12.50% to 13.50% p.a. and on Long Term Maturities of Finance Lease Obligations @ 9% to 11.80% p.a.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## 5. DEFERRED TAX LIABILITY (NET)

Major components of deferred tax (liabilities) / assets arising on account of timing differences as at 31<sup>st</sup> March, 2017 are as follows:

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Deferred Tax Assets		
Disallowance U/S 43B of the Income Tax Act, 1961	312.28	295.15
Unabsorbed Business Losses & Depreciation	0.00	531.13
Others	289.39	296.15
	(i) <b>601.67</b>	1,122.43
Less: Deferred Tax Liability		
Excess of Net Block over WDV as per the Income Tax Act, 1961	(ii) <b>5,508.45</b>	5,166.13
Deferred Tax Asset / (Liability) (Net)	(i-ii) <b>(4906.78)</b>	(4,043.70)
Deferred Tax Asset / (Liability) as per Balance Sheet of Previous Year	<b>(4,043.70)</b>	(3,162.81)
Deferred Tax Expense / (Income) recognised in statement of Profit & Loss	<b>863.08</b>	880.89

## 6. SHORT TERM BORROWINGS

Cash / Packing Credit from Banks:

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Indian Rupees (Secured)	215.16	980.88
Foreign Currency (Secured)	5,984.04	8,728.46
Working Capital Loans	19,299.15	14,898.14
<b>TOTAL</b>	<b>25,498.35</b>	<b>24,607.48</b>

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 10.45% to 16.70% p.a. and Foreign Currency Loans Libor + 2.5% to Libor + 3.50% p.a.

## 7. TRADE PAYABLES

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Due to Micro, Small & Medium Enterprises (Refer Note No. 36)	236.00	292.60
Others	4,606.72	4,096.69
<b>TOTAL</b>	<b>4,842.72</b>	<b>4,389.29</b>

## 8. OTHER CURRENT LIABILITIES

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Current maturities of Long Term Borrowing (Refer Note No. 4)	1,957.14	2,601.27
Unclaimed Dividend #	61.33	66.46
Deposit & Advances from Customers & Vendors	811.31	763.60
Creditors for Capital Expenditure	218.36	153.81
Payable to Employees	506.03	126.24
Statutory Liabilities	233.47	239.07
Provision For Expenses	172.02	127.20
<b>TOTAL</b>	<b>3,959.66</b>	<b>4,077.65</b>

# These Figures do not include any amount due and outstanding to be credited to The Investor Education and Protection Fund.

## 9. PROVISIONS

	Long Term		Short Term	
	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>Provisions for Employee Benefits:</b> (Refer Note No. 27)				
Provision for Gratuity	0.00	0.00	28.81	264.87
Provision for Leave Encashment	542.69	500.13	1,030.15	1,064.54
<b>TOTAL</b>	<b>542.69</b>	<b>500.13</b>	<b>1,058.96</b>	<b>1,329.41</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## 10. FIXED ASSETS:

Description	Gross Block			Depreciation / Amortisation			Impairment		Net Block As at 31.03.2017
	As at 01.04.2016	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2017	Up to 01.04.2016	Net Charge for the year	Disposal during the year	As at 01.04.2016	
<b>TANGIBLE ASSETS:</b>									
Land (Freehold)	25,476.92			25,476.92	0.00				25,476.92
Land (Leasehold)	6,740.94			6,740.94	0.00				6,740.94
Buildings	11,397.71	90.89		11,488.60	6,327.87	220.17		101.25	4,839.31
Plant & Machinery	84,068.75	557.50		84,626.25	48,713.06	1,213.92		8,722.52	25,976.75
Electrical Installations	2,926.60	26.30		2,952.90	2,901.76	18.87			32.27
Moulds	287.54			287.54	287.54				0.00
Laboratory Equipments	639.88	16.28		656.16	401.72	29.88		10.90	213.66
Furniture & Fixtures	755.97	30.44	147.87	638.54	564.61	23.96	34.24		84.21
Office Equipments	691.53	72.65	6.78	757.40	623.36	32.74	3.65		104.95
Vehicles	258.65		24.15	234.50	239.14	5.19	24.15		14.32
Vehicles on Finance Lease	667.25	490.18	164.36	993.07	532.67	73.71	157.19		543.88
Capital Expenditure On Research & Development	234.58	0.76		235.34	219.98	1.76			13.60
Data Processing Equipments	1,332.11	30.94		1,363.05	1,276.70	29.10			57.25
Data Processing Equipments on Finance Lease	218.03			218.03	82.85	67.86			67.32
<b>TOTAL (A)</b>	<b>135,696.46</b>	<b>1,315.94</b>	<b>343.16</b>	<b>136,669.24</b>	<b>62,171.26</b>	<b>1,717.16</b>	<b>219.23</b>	<b>8,834.67</b>	<b>64,165.38</b>
<b>INTANGIBLE ASSETS:</b>									
Software	274.56	37.80		312.36	233.63	20.08			58.65
Copyrights	157.46			157.46	157.46				0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76				0.00
Goodwill	4,400.36			4,400.36	0.00			4400.36	0.00
<b>TOTAL (B)</b>	<b>6,263.14</b>	<b>37.80</b>	<b>0.00</b>	<b>6,300.94</b>	<b>1,821.85</b>	<b>20.08</b>	<b>0.00</b>	<b>4,400.36</b>	<b>58.65</b>
<b>TOTAL (A + B)</b>	<b>141,959.60</b>	<b>1,353.74</b>	<b>343.16</b>	<b>142,970.18</b>	<b>63,993.11</b>	<b>1,737.24</b>	<b>219.23</b>	<b>13,235.03</b>	<b>64,224.03</b>
Previous Year (Refer Note No. 10A)	140,639.76	1,540.03	220.19	141,959.60	62,529.01	1,684.29	220.19	13,235.03	64,731.46
<b>Capital Work-in-Progress</b> (Refer Note No. 26)									<b>815.88</b>

## NOTES :

- Freehold Land and Leasehold Land is revalued on 31<sup>st</sup> March, 2013 with reference to the then current market prices, amount added on revaluation is ₹ 13,900.30 Lakhs and ₹ 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31<sup>st</sup> March, 2013 is ₹ 25,476.92 Lakhs and ₹ 6,719.00 Lakhs respectively.
- 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. 29<sup>th</sup> December, 2011; the company has capitalised ₹ Nil to Plant and Machinery (Previous Year ₹ 23.01 Lakhs) on account of exchange rate difference on Foreign Currency Loans.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 10A. FIXED ASSETS:

₹ in Lakhs

Description	Gross Block			Depreciation / Amortisation				Impairment		Net Block		
	As at 01.04.2015	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2016	Up to 01.04.2015	Charge for the year (a)	Transferred to Retained earning whose balance use ful life is Nil (b)	Net Charge for the year (a-b)	Disposal during the year	Up to 31.03.2016	As at 01.04.2015	As at 31.03.2016
<b>TANGIBLE ASSETS:</b>												
Land (Freehold)	25,476.92			25,476.92	0.00					0.00		25,476.92
Land (Leasehold)	6,740.94			6,740.94	0.00					0.00		6,740.94
Buildings	11,037.06	360.65		11,397.71	6,122.59	205.28		205.28	6,327.87	101.25	101.25	4,968.59
Plant & Machinery	83,015.23	1,063.52		84,068.75	47,532.18	1,180.88		1,180.88	48,713.06	8,722.52	8,722.52	26,633.17
Electrical Installations	3,019.04	4.07		2,926.60	2,975.18	23.09		23.09	2,901.76			24.84
Moulds	287.54			287.54	287.54				287.54			0.00
Laboratory Equipments	582.07	57.81		639.88	359.06	42.66		42.66	401.72	10.90	10.90	227.26
Furniture & Fixtures	742.47	13.50		755.97	538.94	25.67		25.67	584.61			191.36
Office Equipments	678.37	13.16		691.53	590.20	33.16		33.16	623.36			88.17
Vehicles	258.65			258.65	233.90	5.24		5.24	239.14			19.51
Vehicles on Finance Lease	667.25			667.25	481.82	50.85		50.85	532.67			134.58
Capital Expenditure On Research & Development	220.93	13.65		234.58	218.56	1.42		1.42	219.98			14.60
Data Processing Equipments	1,435.55	20.24		1,332.11	1,374.75	25.63		25.63	1,276.70			55.41
Data Processing Equipments on Finance Lease	216.64	1.39		218.03	15.00	67.85		67.85	82.85			135.18
<b>TOTAL (A)</b>	<b>134,378.66</b>	<b>1,537.99</b>	<b>220.19</b>	<b>135,696.46</b>	<b>60,729.72</b>	<b>1,661.73</b>	<b>0.00</b>	<b>1,661.73</b>	<b>220.19</b>	<b>62,171.26</b>	<b>8,834.67</b>	<b>64,690.53</b>
<b>INTANGIBLE ASSETS:</b>												
Software	272.52	2.04		274.56	211.07	22.56		22.56	233.63			40.93
Copyrights	157.46			157.46	157.46				157.46			0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76				1,430.76			0.00
Goodwill	4,400.36			4,400.36	0.00				0.00	4,400.36	4,400.36	0.00
<b>TOTAL (B)</b>	<b>6,261.10</b>	<b>2.04</b>	<b>0.00</b>	<b>6,263.14</b>	<b>1,799.29</b>	<b>22.56</b>	<b>0.00</b>	<b>22.56</b>	<b>0.00</b>	<b>1,821.85</b>	<b>4,400.36</b>	<b>40.93</b>
<b>TOTAL (A + B)</b>	<b>140,639.76</b>	<b>1,540.03</b>	<b>220.19</b>	<b>141,959.60</b>	<b>62,529.01</b>	<b>1,684.29</b>	<b>0.00</b>	<b>1,684.29</b>	<b>220.19</b>	<b>63,993.11</b>	<b>13,235.03</b>	<b>64,731.46</b>
Previous Year	130,199.35	10,592.97	152.56	140,639.76	60,807.76	1,853.80	345.65	1,508.15	132.55	62,529.01	13,235.03	64,875.72
<b>Capital Work-in-Progress (Refer Note No. 26)</b>												<b>518.47</b>

## NOTES :

- Freehold Land and Leasehold Land is revalued on 31<sup>st</sup> March, 2013 with reference to the then current market prices, amount added on revaluation is ₹ 13,900.30 Lakhs and ₹ 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31<sup>st</sup> March, 2013 is ₹ 25,476.92 Lakhs and ₹ 6,719.00 Lakhs respectively.
- 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. 29<sup>th</sup> December, 2011; the company has capitalised ₹ 23.01 Lakhs to Plant and Machinery (Previous Year ₹ 45.52 Lakhs) on account of exchange rate difference on Foreign Currency Loans.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

11. NON-CURRENT INVESTMENTS	As at 31.03.2017 ₹ in Lakhs		As at 31.03.2016 ₹ in Lakhs	
<b>Non Trade Investments in Shares:</b>				
<b>Quoted Equity Instruments</b>				
Nil (Previous Year 50) Equity Shares of M. M. Rubber Ltd., of the face value of ₹ 2/- each, fully paid-up	0.00		0.01	
4,00,300 (Previous Year 4,00,300) Equity Shares of Garware Wall Ropes Limited, of the face value of ₹ 10/- each, fully paid-up	56.98		56.98	
	<b>56.98</b>		<b>56.99</b>	
<b>Unquoted Equity Instruments</b>				
<u>In Subsidiary Companies:</u>				
2,50,000 (Previous Year 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 other than Subsidiary Companies:</u>				
Nil (Previous Year 2,500) Equity Shares of The New India Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up	0.00		0.25	
Nil (Previous Year 2,500) Equity Shares of The North Kanara Goud Saraswat Brahmin Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up	0.00		0.25	
500 (Previous Year 500) Equity shares of The Co-Operative Stores Ltd., New Delhi, of the face value of ₹ 10/- each, fully paid-up	0.05		0.05	
10,000 (Previous Year 10,000) Equity Shares of S I C O M Ltd., of the face value of ₹ 10/- each fully paid-up	8.00		8.00	
Nil (Previous Year 20,000) Equity Shares of Deogiri Nagari Sahakari Bank Ltd., of the face value of ₹ 25/- each fully paid-up	0.00		5.00	
Nil (Previous Year 4,000) Equity Shares of Vaidyanath Urban Co-Operative Bank Ltd., of the face value of ₹ 25/- each fully paid-up	0.00		1.00	
Nil (Previous Year 1,000) Equity Shares of Poornawadi Co-Operative Bank Ltd., of the face value of ₹ 100/- each fully paid-up	0.00		1.00	
100 (Previous Year 100) Equity Shares of Cosmos Co-Operative Bank Ltd., of the face value of ₹ 10/- each fully paid-up	0.02		0.02	
	<b>8.07</b>		<b>15.57</b>	
<b>TOTAL</b>	<b>198.62</b>		<b>206.13</b>	
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
<b>Aggregate amount of Company's Investment</b>				
<b>Quoted</b>	56.99	2,848.53	56.98	1,348.22
<b>Unquoted</b>	141.64		149.14	
<b>TOTAL</b>	<b>198.62</b>	<b>2,848.53</b>	<b>206.13</b>	<b>1,348.22</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

12. LOANS & ADVANCES	Non-Current		Current	
	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>Capital Advances</b>				
Secured, considered good	20.00	16.26	0.00	0.00
Unsecured, considered good	0.00	10.83	0.00	0.00
(A)	20.00	27.09	0.00	0.00
<b>Security Deposit</b>				
Unsecured, considered good	190.73	239.26	0.00	0.00
₹ 64.50 Lakhs due from Directors (Previous Year ₹ 64.50 Lakhs) (Rent Deposit)				
₹ 43.50 Lakhs due from company in which directors are Director / Member (Previous Year ₹ 43.50 Lakhs) (Rent Deposit)				
(B)	190.73	239.26	0.00	0.00
<b>Advances Recoverable in Cash or Kind</b>				
Unsecured, considered good (Including ₹ 300.00 Lakhs due from entities in which some directors are interested. Previous Year ₹ 300.00 Lakhs)	0.00	0.00	893.88	591.54
(C)	0.00	0.00	893.88	591.54
<b>Other Loans &amp; Advances (Unsecured and considered good)</b>				
Advance Income Tax (Net of Provision for Taxation)	200.90	144.45	0.00	0.00
MAT Credit Entitlement	7,743.98	7,200.69	0.00	0.00
Prepaid Expenses	0.00	0.00	553.88	553.17
Loan and Advances to Employees	0.00	0.00	22.16	26.67
Balances with Statutory / Government Authorities	1,690.78	1,456.58	2,347.61	2,483.71
(D)	9,635.66	8,801.72	2,923.65	3,063.55
<b>TOTAL (A+B+C+D)</b>	<b>9,846.39</b>	<b>9,068.07</b>	<b>3,817.53</b>	<b>3,655.09</b>
<b>13. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)</b>			As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
a) Stores, Spares & Packing Materials			2,377.12	2,226.97
b) Raw Materials			1,562.84	1,981.75
c) Finished Goods			339.01	514.66
d) Semi-Finished Goods			6,331.80	8,419.73
<b>TOTAL</b>			<b>10,610.77</b>	<b>13,143.11</b>
<b>14. TRADE RECEIVABLES</b>			As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Unsecured, considered good unless otherwise stated excluding bills receivable discounted [Refer Note No. 35(d)]				
<b>A) Debts outstanding for a period exceeding six months from the date they are due for payment.</b>				
i) Unsecured, considered good			0.00	0.00
ii) Doubtful			251.83	258.85
			251.83	258.85
Less: Provision for doubtful receivables			251.83	258.85
(A)			0.00	0.00
<b>B) Other Receivables</b>				
Unsecured, considered good			5,719.42	4,156.95
(B)			5,719.42	4,156.95
<b>TOTAL (A+B)</b>			<b>5,719.42</b>	<b>4,156.95</b>
Other Receivables Include:				
Due from company in which the Directors are Director / Member			7.66	139.59
Due from subsidiary companies			1,177.00	830.94
			<b>1,184.66</b>	<b>970.53</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

15. CASH & BANK BALANCES	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>Cash &amp; Cash Equivalents</b>		
a) Balances with Bank:		
in Current Accounts	138.82	201.70
in Fixed Deposits *	7,269.32	4,669.72
b) Cash on hand	6.62	33.07
<b>Other Bank Balances:</b>		
in Unclaimed Dividend Accounts	61.33	66.46
Margin Money Deposit	96.16	24.95
<b>TOTAL</b>	<b>7,572.25</b>	<b>4,995.90</b>
* (Fixed Deposits with Bank includes ₹ 77.92 Lakhs (Previous Year ₹ 48.58 Lakhs) with maturity of more than 12 months)		
16. OTHER CURRENT ASSETS	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Interest accrued on Fixed Deposit & Others	151.35	65.80
Other Receivables	257.90	319.46
<b>TOTAL</b>	<b>409.25</b>	<b>385.26</b>
17. REVENUE FROM OPERATIONS	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Sale of Products</b>	<b>88,531.33</b>	86,805.48
<b>Other Operating Revenue:</b>		
Export Incentives	1,642.02	1,719.59
Sale of Scrap and Others	259.97	237.26
<b>Revenue from Operations (Gross Including Excise Duty) TOTAL</b>	<b>90,433.32</b>	<b>88,762.33</b>
<b>Details of products sold:</b>		
Polyester Film	88,531.33	86,805.48
18. OTHER INCOME	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Interest Income on:</b>		
Bank Deposits	457.58	376.62
Income Tax & Sales Tax Refund	0.00	43.77
Others	1.55	2.59
<b>Dividend Income on:</b>		
Non-Current Investments	13.86	12.86
Insurance Claims	24.82	5.70
Profit on Sales of Fixed Assets	19.21	14.75
Profit on Sales of Investments	0.01	67.15
Bad Debts Recovered	12.32	4.10
Excess Provision / Sundry Credit Balances Written Back	7.24	79.14
Gain on Exchange Rate Fluctuations	143.37	0.00
<b>TOTAL</b>	<b>679.96</b>	<b>606.68</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

19. COST OF RAW MATERIALS CONSUMED	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
Inventory at the beginning of the year	1,981.75	2,499.93
Add: Purchases	43,303.28	45,274.61
Less: Sales	(158.45)	(584.55)
	<u>45,126.58</u>	<u>47,189.99</u>
Less: Inventory at the end of the year	1,562.84	1,981.75
Cost of Raw Materials Consumed	<u>43,563.74</u>	<u>45,208.24</u>
<b>Details of Raw Materials Consumed</b>		
PTA	14,613.15	13,450.10
MEG	6,190.48	5,885.56
REPOL 34 SG	7,380.26	8,401.98
Chemicals & Others	15,379.85	17,470.60
<b>TOTAL</b>	<u>43,563.74</u>	<u>45,208.24</u>
<b>Details of Inventory</b>		
PTA	80.80	0.00
Chemicals & Others	1,482.04	1,981.75
<b>TOTAL</b>	<u>1,562.84</u>	<u>1,981.75</u>
20. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
<b>Inventories at the end of the year</b>		
Semi-Finished Goods	6,331.80	8,419.73
Finished Goods	339.01	514.66
	<u>6,670.81</u>	<u>8,934.39</u>
<b>Inventories at the beginning of the year</b>		
Semi-Finished Goods	8,419.73	7,985.44
Finished Goods	514.66	412.80
	<u>8,934.39</u>	<u>8,398.24</u>
(Increase) / Decrease	<u>2,263.58</u>	<u>(536.15)</u>
21. EMPLOYEE BENEFITS EXPENSE (Refer Note No. 29)	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
Salaries, Wages and Bonus	5,706.65	5,874.30
Contribution to Provident Fund and Other Funds	690.06	894.06
Staff Welfare Expenses	444.12	398.77
<b>TOTAL</b>	<u>6,840.83</u>	<u>7,167.13</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

22. OTHER EXPENSES	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Stores, Spares & Packing Materials Consumed	4,912.58	4,433.26
Power and Fuel	7,838.73	8,238.93
Processing Charges	3,145.85	1,833.12
Water Charges	96.32	92.07
Rent, Hire Charges and Compensation	391.60	470.50
Rates, Taxes and License Fees	80.34	81.16
Insurance	281.37	273.41
Freight & Forwarding (Net)	2,660.70	2,733.56
Research and Development Expenses	152.88	168.26
Advertisement Expenses	22.09	15.27
Repairs and Maintenance Expenses:		
Plant and Machinery	1,017.40	1,008.74
Building	461.32	451.41
Others	931.18	915.22
Travelling & Conveyance	531.69	345.04
Postage & Telephones	103.31	103.52
Commission on Sales	496.10	454.60
Donations	60.00	60.00
Legal and Professional Charges (Refer Note No. 31)	1,047.03	886.38
Auditors Remuneration (Refer Note No. 23)	36.79	37.52
Director Sitting Fees	4.81	3.53
Miscellaneous Expenses	1,940.39	1,852.58
Loss on Swap / Exchange Rate Fluctuation	0.00	14.32
<b>TOTAL</b>	<b>26,212.48</b>	<b>24,472.40</b>
23. PAYMENT TO AUDITORS AS:	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Audit Fees (Including Branch Audit)	20.38	22.94
Tax Audit Fees	5.10	5.03
For Certification / Others	10.37	7.11
Reimbursement of Out of Pocket Expenses	0.94	2.44
<b>TOTAL</b>	<b>36.79</b>	<b>37.52</b>
24. FINANCE COST	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Interest Expenses	901.23	1,279.32
Other Borrowing Cost	2,473.14	2,633.45
Applicable Loss / (Profit) on Foreign Currency Transactions and Translations	(204.88)	380.57
<b>TOTAL</b>	<b>3,169.49</b>	<b>4,293.34</b>
25. EARNINGS PER SHARE (EPS)	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Profit after Tax	1,972.56	1,738.68
Amount available for Equity Shareholders	1,972.56	1,738.68
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	23,242,653	23,315,150
Earnings Per Share - Basic & Diluted (Rupees) (Absolute)	8.49	7.46

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

26. THE BREAK UP OF EXPENSES SHOWN UNDER CAPITAL WORK-IN-PROGRESS (PENDING ALLOCATION) AS ON 31 <sup>ST</sup> MARCH, 2017 IS AS UNDER:	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Particulars</b>		
Opening Balance	518.47	1,070.49
Capital Work-in-Progress	674.04	621.53
Less: Capitalised during the year	(376.63)	(1,164.60)
<b>Pre-Operative Expenditure incurred during the year</b>		
Finance Charges	0.00	23.01
Pre-Operative Expenses Capitalised during the year	0.00	(31.96)
Closing Balance #	<b>815.88</b>	<b>518.47</b>
[# includes Intangible Assets in progress ₹ 34.58 Lakhs (Previous year ₹ 48.96 Lakhs)]		
<b>27. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"</b>	<b>2016-17</b>	<b>2015-16</b>
<b>A. Funded retirement benefit - Gratuity</b>	<b>₹ in Lakhs</b>	<b>₹ in Lakhs</b>
Description		
<b>Changes in present value of obligations:</b>		
Present Value of Obligations at beginning of the year	2297.89	1996.08
Service Cost	164.13	168.48
Interest Cost	176.54	149.06
Actuarial Loss / (Gain)	(58.80)	129.66
Benefits Paid	(182.35)	(145.39)
Defined benefit obligations at end of the year (a)	2397.41	2297.89
<b>Changes in Fair Value of Plan Assets:</b>		
Fair Value of Plan Assets as at beginning of the year	2033.02	1937.62
Expected Return on Plan Assets	175.58	159.11
Contributions by Employer	343.46	81.25
Actuarial Gain / (Loss)	(1.11)	0.43
Benefits Paid	(182.35)	(145.39)
Fair value of Plan Assets at end of the year (b)	2368.60	2033.02
<b>Present Value of Funded Obligations (a-b)</b>	<b>28.81</b>	<b>264.87</b>
The net amount recognized in the statement of Profit and Loss for the year ended 31st March, 2017 are as follows:		
Current Service Cost	164.13	168.48
Interest Cost	176.54	149.06
Expected Return on Plan Assets	(175.58)	(159.11)
Net Actuarial Loss / (Gain) Recognized	(57.69)	129.23
Net Amount Recognized	<b>107.40</b>	<b>287.66</b>
The principal actuarial assumptions used as at 31 <sup>st</sup> March, 2017 are as follows:		
Discount Rate	<b>6.84%</b>	8.00%
<b>Expected Rate of Return on Plan Assets:</b>		
Withdrawal Rate	5%	5%
Rate of Increase in Compensation Levels	4%	4%



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**Other Disclosure:**

₹ in Lakhs

	31st Mar, 17	31st Mar, 16	31st Mar, 15	31st Mar, 14	31st Mar, 13
Present Value of Defined Benefit Obligation	2,397.41	2,297.89	1,996.08	1,768.32	1,702.64
Fair Value of Plan Assets	2,346.75	2,033.02	1,937.62	1,724.49	1,560.11
(Deficit) / Surplus of the Plan Assets	50.66	264.87	58.46	43.83	142.53
Experience Adjustment on Plan Liabilities Loss / (Gain)	(58.80)	129.66	79.50	(49.12)	(222.68)
Experience Adjustment on Fair Value of Plan Assets	(1.11)	(0.43)	(4.40)	2.29	3.53

**B. Un-Funded Retirement Benefit: Leave Encashment**

Description	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Changes in present value of obligations:</b>		
Present Value of Obligations at beginning of the year	1,564.67	1,392.86
Service Cost	119.75	114.43
Interest Cost	123.63	106.46
Actuarial Loss / (Gain)	(196.65)	(10.77)
Benefits Paid	(38.56)	(38.31)
Defined benefit Obligations at end of the year (a)	1,572.84	1,564.67
<b>Changes in fair value of plan assets:</b>		
Contributions by Employer	38.56	38.31
Actuarial Gain / (Loss)	0.00	0.00
Benefits Paid	(38.56)	(38.31)
Fair value of Plan Assets at end of the year (b)	0.00	0.00
<b>Present Value of Un-Funded Obligations (a-b)</b>	<b>1,572.84</b>	<b>1,564.67</b>
The net amount recognized in the Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2017 are as follows:		
Current Service Cost	119.75	114.43
Interest Cost	123.63	106.46
Net Actuarial Loss / (Gain) recognized	(196.65)	(10.77)
Net amount recognized	46.73	210.12
The principal actuarial assumptions used as at 31 <sup>st</sup> March, 2017 are as follows:		
Discount Rate	6.84%	8.00%
<b>Expected Rate of Return on Plan Assets:</b>		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	4%	4%

**28. DISCLOSURE OF SPECIFIED BANK NOTES (SBN)**

During the year, the company had specified bank notes or other denomination note as defined in the G.S.R. 308 (E) dated March 31, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016, to December 30, 2016 is given below:

₹ in Lakhs

	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	17.29	7.70	24.99
(+) Permitted receipts	-	26.60	26.60
(-) Permitted payments	(0.21)	(22.83)	(23.04)
(-) Amount deposited in Banks	(17.08)	-	(17.08)
Closing cash in hand as on 30.12.2016	-	11.47	11.47

\* For the purpose of this clause, the term " Specified Bank Notes " shall have the same meaning provided in the notification of the Government of India, In the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated the 8th November, 2016.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**

29. The remuneration of ₹ 868.66 Lakhs paid to the Managing Director, Joint Managing Directors and Director is as per the sanction received from the Central Government. (Previous Year ₹ 888.43 Lakhs )

**30. 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 (Fixed Assets)**

₹ in Lakhs

Particulars	Future Lease Payments		Present Value of Minimum Future Minimum Lease Payments		Finance Charges	
	2017	2016	2017	2016	2017	2016
As at 31st March,						
Not later than one year	<b>160.38</b>	78.94	<b>106.08</b>	57.93	<b>54.30</b>	21.01
Later than one year and not later than five years	<b>561.46</b>	172.30	<b>442.67</b>	145.33	<b>118.79</b>	26.97
Later than five years	<b>44.13</b>	0.00	<b>42.93</b>	0.00	<b>1.20</b>	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.

31. Legal and Professional Charges include ₹ 3.05 Lakhs (Previous Year ₹ 6.97 Lakhs) paid to some of the Partners of the Auditors and ₹ 6.36 Lakhs (Previous Year ₹ 5.37 Lakhs) paid to a firm in which one of the Director is a proprietor for Corporate Law and Tax Services.

**32. 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:

i) Revenue within India includes sales to customers located within India

ii) Revenue outside India includes sales to customers located outside India including Export Benefits / Incentives

	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
<b>Sales:</b>		
Within India	<b>41,140.76</b>	42,262.51
China (Including Export Incentives)	<b>11,032.97</b>	9,360.58
United States of America (USA) (including Export Incentives)	<b>9,880.26</b>	7,819.97
Rest of World (including Export Incentives)	<b>28,379.33</b>	29,319.27
<b>TOTAL</b>	<b>90,433.32</b>	88,762.33

**33. 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 - Chairman and Managing Director Mrs. S. S. Garware - Director Mrs. Monika Garware Modi - Vice Chairperson & Joint Managing Director Mrs. Sarita Garware Ramsay - Joint Managing Director Ms. Sonia S. Garware - Director Mr. M. S. Adsul - Director - Technical
Entities in which some of the Directors are interested	Garware Industries Ltd. Great View Real Estates Pvt. Ltd. Shashvat Investment Consultancy & Properties Pvt. Ltd.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

b) Transaction with Related Parties

	Particulars	Relationship	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>i)</b>	<b>Sale of Goods:</b>			
	Garware Polyester International Ltd.	Subsidiary	3,195.26	3,770.43
	Global Pet Films Inc.	Step-down Subsidiary	9,199.83	6,918.95
	Garware Industries Ltd.	Entities in which some of the Directors are interested	28.88	1,716.70
<b>ii)</b>	<b>Sale of Fixed Assets:</b>			
	Garware Polyester International Ltd.	Subsidiary	118.33	0.00
<b>iii)</b>	<b>Purchase of Materials:</b>			
	Garware Industries Ltd.	Entities in which some of the Directors are interested	46.98	4,976.83
<b>iv)</b>	<b>Service Received / Processing / Commission / Rent Paid / Reimbursement of Expenses:</b>			
	Garware Polyester International Ltd. (Commission / Reimb.of Exp.)	Subsidiary	393.98	346.20
	Garware Industries Ltd. (Rent and Processing Charges)	Entities in which some of the Directors are interested	3,228.88	1,829.56
	Great View Real Estates Pvt.Ltd. (Rent)	Entities in which some of the Directors are interested	82.74	82.00
	Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent)	Entities in which some of the Directors are interested	30.28	22.55
	Mrs. Monika Garware Modi (Rent)	Key Management Personnel	72.00	54.00
	Mrs. Sarita Garware Ramsay (Rent)	Key Management Personnel	42.00	31.50
	Ms. Sonia S. Garware (Rent)	Key Management Personnel	72.00	72.00
<b>v)</b>	<b>Services Rendered / Reimbursement of Expenses:</b>			
	Garware Industries Ltd. (Reimbursement of Expenses)	Entities in which some of the Directors are interested	0.00	107.78
	Global Pet Films Inc. (Reimbursement of Expenses)	Step-down Subsidiary	0.00	20.81
<b>vi)</b>	<b>Rent Deposit Paid:</b>			
	Mrs. Monika Garware Modi	Key Management Personnel	0.00	18.00
	Mrs. Sarita Garware Ramsay	Key Management Personnel	0.00	10.50
	Shashvat Investment Consultancy & Properties Pvt. Ltd.	Entities in which some of the Directors are interested	0.00	7.50
<b>vii)</b>	<b>Managerial Remuneration:</b>			
	Shri. S. B. Garware	Key Management Personnel	385.90	449.19
	Mrs. Monika Garware Modi	Key Management Personnel	233.41	230.23
	Mrs. Sarita Garware Ramsay	Key Management Personnel	212.95	198.89
	Ms. Sonia S. Garware	Key Management Personnel	0.00	(26.28)
	Mr. M. S. Adsul	Key Management Personnel	36.40	36.40
<b>viii)</b>	<b>Director Sitting Fees:</b>			
	Mrs. S. S. Garware	Key Management Personnel	0.30	0.20
	Ms. Sonia S. Garware	Key Management Personnel	0.10	0.20
<b>ix)</b>	<b>Net Balances Dr / (Cr):</b>			
	Garware Polyester International Ltd.	Subsidiary	63.10	(12.89)
	Global Pet Films Inc.	Step-down Subsidiary	887.99	717.21
	Garware Industries Ltd.	Entities in which some of the Directors are interested	295.87	439.59
	Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	7.50	7.50
	Great View Real Estates Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	36.00	36.00
	Shri. S. B. Garware (Remuneration Payable)	Key Management Personnel	21.76	0.00
	Ms. Sonia S. Garware (Rent Deposit)	Key Management Personnel	36.00	36.00
	Mrs. Monika Garware Modi (Rent Deposit / Remuneration Payable)	Key Management Personnel	27.91	18.00
	Mrs. Sarita Garware Ramsay (Rent Deposit / Remuneration Payable)	Key Management Personnel	19.55	10.50

(The above figures are net of taxes and duties)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**34. CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 161.77 Lakhs (Previous Year ₹ 222.06 Lakhs) against which an advance of ₹ 20.00 Lakhs (Previous Year ₹ 27.09 Lakhs) has been paid.

**35. CONTINGENT LIABILITIES**

a) Contingent Liabilities not provided for -

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>Disputed matters in appeal / contested in respect of:</b>		
Income Tax	1,633.17	10.59
Excise Duty and Service Tax	41.40	48.87
Sales Tax	1,178.30	1,178.30
Maharashtra State Electricity Board (MSEB)	27.72	27.72
<b>TOTAL</b>	<b>2,880.59</b>	<b>1,265.48</b>

b) The Company has given counter-guarantees for ₹ 4,456.29 Lakhs (Previous Year ₹ 4,342.99 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for Purchase of Equipments, 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 ₹ 22,237.95 Lakhs (Previous Year ₹ 14,797.71 Lakhs).

d) Bills of Exchange discounted under Bill Marketing Scheme amount to ₹ 3,091.97 Lakhs (Previous Year ₹ 2,947.15 Lakhs).

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

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Principal amount remaining unpaid	236.00	292.60
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.

**37. FINANCIAL AND DERIVATIVES INSTRUMENTS**

a) Derivatives contracts entered into by the company and outstanding as on 31<sup>st</sup> March, 2017: i) Forward Contract is ₹ 1,134.88 Lakhs (Previous Year ₹ 2,079.05 Lakhs)

b) Foreign Currency Exposure that are not hedged by derivatives instruments as on 31<sup>st</sup> March, 2017 amounts to ₹ 3,815.84 Lakhs (Previous Year ₹ 8,696.81 Lakhs). The unhedged exposures are naturally hedged by future foreign currency earning and earnings linked to foreign currency.

38. The company is required to spend an amount of ₹ 44.35 Lakhs (Previous year ₹ 35.35 Lakhs) during the year on CSR expenditure as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof and the company has spent ₹ 60 Lakhs (Previous Year ₹ 60 Lakhs) during the year by way of contribution to the fund of Garware Charitable Trust.

**39. VALUE OF IMPORTS ON CIF BASIS**

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Raw Materials	5,433.50	4,795.12
Packing Material	56.69	83.15
Components and Spares	345.48	253.84
Capital Goods	192.13	42.71

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## 40. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
(i) Commission	438.89	438.23
(ii) Travelling Expenses	164.96	67.67
(iii) Books, Periodicals & Membership & Subscriptions	3.13	1.66
(iv) Technical / Engg. Services / Professional / Testing Charges	309.34	230.82
(v) Exhibition Expenses	28.25	8.52
(vi) Interest and Bank Charges	21.77	39.54
(vii) Others	55.42	15.73

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

Particulars	2016-17		2015-16	
	Value ₹ in Lakhs	% of Total	Value ₹ in Lakhs	% of Total
(i) Raw Materials:				
- Imported	5,936.03	14	5,109.04	11
- Indigenous	37,627.71	86	40,099.20	89
<b>TOTAL</b>	<b>43,563.74</b>	<b>100</b>	<b>45,208.24</b>	<b>100</b>
(ii) Stores, Spares and Packing Material:				
- Imported	340.16	7	320.66	7
- Indigenous	4,572.42	93	4,112.60	93
<b>TOTAL</b>	<b>4,912.58</b>	<b>100</b>	<b>4,433.26</b>	<b>100</b>

## 42. EARNING IN FOREIGN EXCHANGE (ACCRUAL BASIS)

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Exports (F.O.B. Basis)	45,694.82	42,558.72
Others Misc. Income	1.59	22.07

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

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**

Chartered Accountants

(Firm's Registration No.: 106041W/ W100136)

For **Kirtane & Pandit LLP**

Chartered Accountants

(Firm's Registration No.: 105215W/ W100057)

**S. B. GARWARE**

Chairman &amp;

Managing Director

**M. S. ADSUL**

Director (Technical)

**P. N. SHAH**

Partner

M.No.: 001738

**SUHRUD LELE**

Partner

M.No.: 121162

**T. M. PARIKH**

Director

**NIMESH S. SHAH**

Company Secretary &amp;

Vice-President (Legal)

**SUNIL DALMIA**

Chief Financial Officer

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017



Statement Pursuant to first provision to Sub-Section (3) of Section 129 of the Companies Act 2013, with Rule 5 of the Companies (Accounts) Rules, 2014 in the prescribed FORM AOC - 1 relating to Subsidiary Companies

₹ 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)
		2016-17	2016-17
1	Reporting Currency	GBP	USD
2	Exchange Rate considered at the close of the year	95.47	66.26
3	Share Capital	202.26	64.85
4	Reserves & Surplus	508.40	154.48
5	Total Assets	1,247.18	877.58
6	Total Liabilities	1,247.18	877.58
7	Investment	0.00	0.00
8	Turnover & Other Income	4,031.54	9,665.30
9	Profit / (Loss) Before Taxation	198.41	161.34
10	Provision for Taxation	18.15	62.90
11	Profit / (Loss) after Taxation	180.26	98.43
12	Dividend Proposed / Paid	0.00	153.05
13	Country	UK	USA

**Notes :**

- 1 The final audited accounts of Garware Polyester International Limited are in Great Britain Pounds (GBP) and translated at closing rate as on 31.03.2017 (₹ 80.90 = 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 31.03.2017 (₹ 64.85 = 1 USD).

# **Consolidated Financials 2016-17**

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Garware Polyester Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Garware Polyester Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") 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, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence

obtained by other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 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 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, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of two subsidiaries incorporated outside India whose financial statements reflects total assets of ₹ 2,119.31 Lakhs as at 31<sup>st</sup> March 2017, total revenue of ₹ 14,181.80 Lakhs and net cash outflows amounting to ₹ 8.11 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of Sub-Sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report of Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a Director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 34 to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts in respect of such items as it relates to the Group. Refer Note No. 35 to the consolidated financial statements.
  - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv. The Holding Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. Refer Note No. 37 to the consolidated financial statements.

For **Manubhai & Shah LLP**  
**Chartered Accountants**  
FRN: 106041W/ W100136

**P. N. Shah**  
**Partner**  
Membership No. 001738  
Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

For **Kirtane & Pandit LLP**  
**Chartered Accountants**  
FRN: 105215W/ W100057

**Suhrud Lele**  
**Partner**  
Membership No. 121162  
Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

## Annexure - A to the Independent Auditor's Report

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit on financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of Garware Polyester Limited as of that date.

#### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Manubhai & Shah LLP**  
**Chartered Accountants**  
FRN: 106041W/ W100136

**P. N. Shah**  
**Partner**  
Membership No. 001738

Place: Mumbai  
Date : 25<sup>th</sup> May, 2017

For **Kirtane & Pandit LLP**  
**Chartered Accountants**  
FRN: 105215W/ W100057

**Suhrud Lele**  
**Partner**  
Membership No. 121162

Place: Mumbai  
Date : 25<sup>th</sup> May, 2017



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	2,323.24	2,325.31
Reserves and Surplus	3	58,132.39	56,221.59
		<b>60,455.63</b>	58,546.90
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	4	1,990.30	3,470.66
Deferred Tax liabilities (Net)	5	4,906.78	4,043.70
Long Term Provisions	9	542.69	501.64
		<b>7,439.77</b>	8,016.00
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	6	26,757.64	25,431.87
Trade Payables	7		
a. Total outstanding dues of micro enterprises and small enterprises		236.00	292.60
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,635.61	4,199.80
Other Current Liabilities	8	4,099.49	4,180.16
Short Term Provisions	9	1,058.96	1,329.41
		<b>36,787.70</b>	35,433.84
<b>TOTAL</b>		<b>104,683.10</b>	<b>101,996.74</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets :			
Tangible Assets	10	64,248.93	64,727.51
Intangible Assets	10	58.65	40.93
Capital Work-in-Progress	10	781.30	469.51
Intangible Assets Under Development	10	34.58	48.96
		<b>65,123.46</b>	65,286.91
Non-Current Investments	11	65.05	72.56
Long Term Loans and Advances	12	9,765.31	8,923.62
<b>CURRENT ASSETS</b>			
Inventories	13	11,255.88	13,607.25
Trade Receivables	14	5,645.46	4,036.32
Cash and Bank Balances	15	8,589.62	6,021.38
Short Term Loans and Advances	12	3,829.07	3,663.44
Other Current Assets	16	409.25	385.26
		<b>29,729.28</b>	27,713.65
<b>TOTAL</b>		<b>104,683.10</b>	<b>101,996.74</b>
Notes forming part of the financial statements	1 to 38		

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**  
 Chartered Accountants  
 (Firm's Registration No.: 106041W/ W100136)

For **Kirtane & Pandit LLP**  
 Chartered Accountants  
 (Firm's Registration No.: 105215W/ W100057)

**S. B. GARWARE**  
 Chairman &  
 Managing Director

**M. S. ADSUL**  
 Director (Technical)

**P. N. SHAH**  
 Partner  
 M.No.: 001738

**SUHRUD LELE**  
 Partner  
 M.No.: 121162

**T. M. PARIKH**  
 Director

**NIMESH S. SHAH**  
 Company Secretary &  
 Vice-President (Legal)

**SUNIL DALMIA**  
 Chief Financial Officer

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

	Note	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>INCOME:</b>			
Revenue from Operations (Gross Including Excise Duty)	17	91,846.10	90,291.66
Other Income	18	679.08	607.26
<b>Total Revenue</b>		<b>92,525.18</b>	<b>90,898.92</b>
<b>EXPENDITURE:</b>			
Cost of Raw Materials Consumed	19	43,761.05	45,569.98
Changes in Inventories of Finished goods, Work-in-progress & Traded goods	20	2,082.61	(653.36)
Excise Duty		4,435.36	4,546.33
Employee Benefits Expense	21	7,566.98	7,907.79
Other Expenses	22	26,645.24	24,815.45
<b>Total Expenses</b>		<b>84,491.24</b>	<b>82,186.19</b>
<b>Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)</b>		<b>8,033.94</b>	<b>8,712.73</b>
Depreciation & Amortization Expenses	10	1,812.48	1,696.40
Finance Cost	24	3,226.70	4,351.61
<b>Profit Before Tax</b>		<b>2,994.76</b>	<b>2,664.72</b>
<b>Tax Expenses</b>			
Current Tax		682.85	741.23
(Excess) / Short Provision of Tax of earlier years		0.00	(31.71)
Less: Mat Credit Entitlement includes ₹ 0.29 Lakhs of Previous year (Previous Year ₹ 54.43 Lakhs)		(543.29)	(575.43)
Deferred Tax	5	863.08	880.89
<b>Total Tax Expenses</b>		<b>1,002.64</b>	<b>1,014.98</b>
<b>Profit for the year</b>		<b>1,992.12</b>	<b>1,649.74</b>
<b>Earnings Per Share - Basic &amp; Diluted (Rupees) (Face Value of ₹ 10/- each) Refer Note No. 25</b>		<b>8.57</b>	<b>7.08</b>
Notes forming part of the financial statements	1 to 38		

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**  
 Chartered Accountants  
 (Firm's Registration No.: 106041W/ W100136)

For **Kirtane & Pandit LLP**  
 Chartered Accountants  
 (Firm's Registration No.: 105215W/ W100057)

**S. B. GARWARE**  
 Chairman &  
 Managing Director

**M. S. ADSUL**  
 Director (Technical)

**P. N. SHAH**  
 Partner  
 M.No.: 001738

**SUHRUD LELE**  
 Partner  
 M.No.: 121162

**T. M. PARIKH**  
 Director

**NIMESH S. SHAH**  
 Company Secretary &  
 Vice-President (Legal)

**SUNIL DALMIA**  
 Chief Financial Officer

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31.03.2017 ₹ in Lakhs	Year ended 31.03.2016 ₹ in Lakhs
<b>A. Cash Flow From Operating Activities:</b>		
<b>Net Profit before tax as per Statement of Profit and Loss</b>	<b>2,994.76</b>	2,664.72
<b>Adjustments to Reconcile Profit Before Tax to Cash Provided by Operating Activities</b>		
<i>Add:</i> Depreciation	1,812.48	1,696.40
Finance Cost	3,226.70	4,351.61
Provision for Leave & Gratuity Provision	115.57	459.48
Sub Total	<u>5,154.75</u>	6,507.49
Total	<u>8,149.51</u>	9,172.21
<i>Less:</i> Interest income	459.83	423.56
Gain on Exchange Rate Fluctuations	120.94	10.89
Profit on Sale of Fixed Assets	17.63	14.75
Profit on Sale of Investment	0.01	67.15
Dividend received / Income from Investment	13.86	12.86
Sundry Balances Written Back (Net)	7.24	79.14
Sub Total	<u>619.51</u>	608.35
<b>Operating Profit Before Working Capital Changes</b>	<b>7,530.00</b>	8,563.86
Adjustments for:		
Transfer to Foreign Currency Translation Reserve	(83.39)	26.17
Trade and Other Payables	614.96	349.03
Trade Receivables	(1,575.85)	806.10
Inventories	2,351.37	(110.63)
Loans and Advances	(282.65)	1,000.05
<b>Cash Generated from Operations</b>	<b>8,554.44</b>	10,634.58
Direct Taxes Refund / (Paid)(Net)	(802.67)	(516.90)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>7,751.77</b>	10,117.68
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(1,656.20)	(977.90)
Proceeds from Sale of Fixed Assets	24.80	14.75
Interest Received	374.28	406.05
Proceeds from Sale of Investments	7.52	67.15
Dividend Received / Income from Investment	13.86	12.86
<b>Net Cash Inflow / (Outflow) from Investing Activities:</b>	<b>(1,235.74)</b>	(477.09)
<b>C. Cash Flow from Financing Activities:</b>		
Interest / Financial Charges	(3,226.70)	(4,351.61)
Proceeds from Long Term Borrowings	474.68	9.03
(Repayments) of Long Term Borrowings	(2,599.17)	(3,079.17)
Proceeds (Repayment) from Short Term Borrowings (Net)	1,408.53	(2,197.74)
Dividend / Unclaimed Dividend Paid Including Dividend Distribution Tax	(5.13)	(0.25)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>(3,947.79)</b>	(9,619.74)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2,568.24</b>	20.85
<b>Cash and Cash Equivalents as at Opening</b>		
Cash and Bank Balances	6,021.38	6,000.53
<b>Cash and Cash Equivalents as at Closing</b>		
Cash and Bank Balances	<u>8,589.62</u>	6,021.38
	<u>2,568.24</u>	20.85

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**

Chartered Accountants

(Firm's Registration No.: 106041W/ W100136)

For **Kirtane & Pandit LLP**

Chartered Accountants

(Firm's Registration No.: 105215W/ W100057)

**S. B. GARWARE**

Chairman &amp;

Managing Director

**M. S. ADSUL**

Director (Technical)

**P. N. SHAH**

Partner

M.No.: 001738

**SUHRUD LELE**

Partner

M.No.: 121162

**T. M. PARIKH**

Director

**SUNIL DALMIA**

Chief Financial Officer

**NIMESH S. SHAH**

Company Secretary &amp;

Vice-President (Legal)

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 prescribed Accounting Standards under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

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

Name of the Company	Country of Incorporation	Percentage of Voting Power	Financial Year
<b>Subsidiary</b> Garware Polyester International Ltd.	United Kingdom	100%	April 16 - March 17
<b>Step down Subsidiary</b> Global Pet Films Inc.	U.S.A.	100%	April 16 - March 17

### C. For disclosures mandated by schedule III of Companies Act 2013, by way of additional information, refer below :

Name of the Entities	2016-17				2015-16			
	Net Assets i.e.Total Assets minus Total Liabilities		Share in Profit / (Loss)		Net Assets i.e.Total Assets minus Total Liabilities		Share in Profit / (Loss)	
	As a % of Consolidated net assets	Amount (₹ in Lakhs)	As a % of Consolidated Profit	Amount (₹ in Lakhs)	As a % of Consolidated net assets	Amount (₹ in Lakhs)	As a % of Consolidated Profit	Amount (₹ in Lakhs)
Parent								
- Garware Polyester Ltd.	99.93%	60,414.68	99.02%	1,972.56	99.82%	58,442.12	105.39%	1,738.68
Foreign Subsidiary								
- Global Pet Films Inc.	0.36%	219.33	5.11%	101.77	0.48%	280.54	20.54%	338.92
- Garware Polyester International Ltd.	1.17%	705.22	9.03%	179.89	1.03%	600.73	6.45%	106.33
Sub total	101.46%	61,339.23	113.16%	2,254.22	101.33%	59,323.39	132.38%	2,183.93
Inter company Elimination & Consolidated Adjustment	(1.46)%	(883.60)	(13.16)%	(262.10)	(1.33)%	(776.49)	(32.38)%	(534.19)
Grand Total	100%	60,455.63	100%	1,992.12	100%	58,546.90	100%	1,649.74

### D. 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. and Global Pet Films Inc. for the year ended 31<sup>st</sup> March, 2017.
- 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 statement of Profit and Loss items have been translated at exchange 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 31<sup>st</sup> March, 2017 except for subsidiary's share capital.

### E. Use of 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. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### F. 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:

Depreciation on Fixed Assets is provided as per use life specified in Part-C of Schedule II of the Companies Act, 2013.

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

ii) Intangible Assets:

Intangible assets are stated at the cost of acquisition or construction less accumulated amortization and impairment losses if any. Intangible assets are amortized over their estimated useful economic life. Computer softwares are depreciated over the period of 5 years.

**In respect of Subsidiaries:****- Garware Polyester International Ltd. (GPIL)**

Land and buildings leasehold is depreciated under Straight line over the life of the lease

And

Furniture, fittings and equipment is depreciated @ 25% Written down Value Method

**- 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.

**G. 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.

After impairment, depreciation /amortization is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

**H. 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. On disposal of an investment, the difference between the carrying value and the net disposal proceeds is recognised in the statement of profit and loss.

**I. 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) Purchases of finished goods are valued at the lower of cost and net realizable value.

**J. 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.

#### K. 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.

#### L. 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 the 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.

#### M. Lease Rentals

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

#### N. 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.

#### O. 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 Draw Back Scheme / Other Schemes 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.

#### P. Taxation

- i) 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.
- ii) Current tax is determined as the amount of tax payable in respect of taxable income for the period.

**Q. 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 statement of Profit and Loss.

**R. Measurement of EBITDA**

The company has elected to present the 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.

**T. Earnings 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>2. SHARE CAPITAL</b>		
<b>Authorised :-</b>		
4,00,00,000 Equity Shares of ₹ 10/- each (Previous year 40,000,000)	4,000.00	4,000.00
60,00,000 Preference Shares of ₹ 100/- each (Previous year 6,000,000)	6,000.00	6,000.00
	<b>10,000.00</b>	<b>10,000.00</b>
Issued, subscribed and fully paid-up.		
2,33,15,150 Equity Shares of ₹ 10/- each (Previous year 23,315,150)	2,331.52	2,331.52
Less: i) Unpaid Allotment / Call Money (from Others) written-off on cancellation of 82,756 shares	6.21	6.21
82,756 ii) Amount paid upon cancellation of 82,756 Shares transferred to Capital Reserve	2.07	0.00
<b>2,32,32,394</b>	<b>2,323.24</b>	<b>2,325.31</b>
<b>TOTAL</b>	<b>2,323.24</b>	<b>2,325.31</b>

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

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each equity shareholder is entitled to One Vote per share. The company declares and pays dividends in Indian Rupees.

Final Dividend of ₹ 1.00 per equity share for the financial year ended 31st March, 2017 proposed by the board of directors in its meeting held on 25th May, 2017 is subject to the approval of shareholders in the ensuing Annual General Meeting and if approved, would result in Cash Outflow of ₹ 279.62 Lakhs including dividend distribution tax of ₹ 47.30 Lakhs.

As per the Companies Act, 2013 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.

**a. Reconciliation of the number of Shares Outstanding at the beginning and at the end of the year**

Equity Shares	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	2,33,15,150	2,331.52	2,33,15,150	2,331.52
Add: Issued during the year	0	0.00	0	0.00
Less: Forfeited during the year	82,756	8.28	0	0.00
Outstanding at the end of the year	<b>2,32,32,394</b>	<b>2,323.24</b>	2,33,15,150	2,331.52

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

Name of the Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. B. Garware Family Trust	99,82,401	42.97	1,05,92,401	45.43
B. D. Garware Research Centre	12,42,216	5.35	0	0.00
Shri S. B. Garware	11,63,001	5.01	0	0.00
Hridaynath Consultancy Pvt. Ltd.	13,34,612	5.74	0	0.00

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

3. RESERVES AND SURPLUS	As at 31.03.2017 ₹ in Lakhs		As at 31.03.2016 ₹ in Lakhs	
<b>Capital Reserve:</b>				
Balance as per last Balance Sheet	4,439.48		4,439.48	
Add: Amount paid out on Cancellation of 82,756 Shares	2.07		0.00	
	<b>4,441.55</b>			4,439.48
<b>Capital Redemption Reserve:</b>				
Balance as per last Balance Sheet	5,446.00		5,446.00	
<b>Securities Premium Reserve:</b>				
Balance as per last Balance Sheet	592.14		592.14	
<b>Revaluation Reserve:</b>				
Balance as per last Balance Sheet	10,105.40		10,105.40	
<b>General Reserve:</b>				
Balance as per last Balance Sheet	6,909.91		6,909.91	
<b>Surplus in the statement of Profit and Loss:</b>				
Balance as per last Balance Sheet	28,237.53		26,587.79	
Add: Profit for the year	1,992.12		1,649.74	
	<b>30,229.65</b>			28,237.53
<b>Foreign Currency Translation Reserve:</b>				
Balance as per last Financial Statements	491.13		464.96	
Addition / (Deduction) during the year	(83.39)		26.17	
	<b>407.74</b>			491.13
	<b>58,132.39</b>			56,221.59

4. LONG TERM BORROWINGS	Non-Current		Current	
	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
<b>Secured Loans</b>				
<b>Term Loans:</b>				
Indian Rupee Loan from banks	677.80	2,266.41	1,619.04	2,398.80
Long Term Maturities of Finance Lease Obligations	485.60	145.33	106.08	57.93
<b>Unsecured Loans</b>				
Interest Free Sales tax / VAT Deferral Loan of SICOM (Unsecured)	826.90	1,058.92	232.02	144.54
	<b>1,990.30</b>	3,470.66	<b>1,957.14</b>	2,601.27

- i) Term Loan of ₹ 2,296.84 Lakhs (Previous Year ₹ 4,665.21 Lakhs) are secured by the 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.
- ii) Long Term Maturities of Finance Lease obligations of ₹ 591.68 Lakhs (Previous Year ₹ 203.26 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 84 monthly / 20 quarterly installments. The installments are payable from November 2014 till January 2024 covering all loans taken at various dates.
- iii) Deferral Loan from SICOM is payable from April 2016 to April 2026.
- iv) The rate of interest on Rupee loan @ 12.50% to 13.50% p.a. and on Long Term Maturities of Finance Lease Obligations @ 9% to 11.80% p.a.

## 5. DEFERRED TAX LIABILITY (NET) :-

Major components of deferred tax (liabilities) / assets arising on account of timing differences as at 31st March, 2017 are as follows:

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Deferred Tax Assets		
Disallowance U/S 43B of the Income Tax Act, 1961	312.28	295.15
Unabsorbed Business Losses & Depreciation	0.00	531.13
Others	289.39	296.15
(i)	<b>601.67</b>	1,122.43

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	
Less :- Deferred Tax Liability:			
Excess of Net Block over WDV as per the Income Tax Act, 1961	(ii) 5,508.45	5,166.13	
Deferred Tax Asset / (Liability) (Net)	(i-ii) (4,906.78)	(4,043.70)	
Deferred Tax Asset / (Liability) as per Balance Sheet of Previous Year	(4,043.70)	(3,162.81)	
Deferred Tax Expense / (Income) Recognised in Statement of Profit & Loss	863.08	880.89	
<b>6. SHORT TERM BORROWINGS</b>	<b>As at 31.03.2017 ₹ in Lakhs</b>	<b>As at 31.03.2016 ₹ in Lakhs</b>	
Cash / Packing Credit from Banks :			
Indian Rupees (Secured)	215.16	980.88	
Foreign Currency (Secured)	5,984.04	8,728.46	
Working Capital Loans	20,558.44	15,722.53	
<b>TOTAL</b>	<b>26,757.64</b>	<b>25,431.87</b>	
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 10.45% to 16.70% p.a. and Foreign Currency Loans Libor + 2.5% to Libor + 3.50% p.a.			
<b>7. TRADE PAYABLES</b>	<b>As at 31.03.2017 ₹ in Lakhs</b>	<b>As at 31.03.2016 ₹ in Lakhs</b>	
Due to Micro, Small & Medium Enterprises	236.00	292.60	
Others	4,635.61	4,199.80	
<b>TOTAL</b>	<b>4,871.61</b>	<b>4,492.40</b>	
<b>8. OTHER CURRENT LIABILITIES</b>	<b>As at 31.03.2017 ₹ in Lakhs</b>	<b>As at 31.03.2016 ₹ in Lakhs</b>	
Current maturities of long term borrowing (Refer Note No. 4)	1,957.14	2,601.27	
Unclaimed Dividend #	61.33	66.46	
Deposit & Advances from Customers & Vendors	867.39	796.81	
Creditors for Capital Expenditure	218.36	153.81	
Payable to Employees	506.03	126.24	
Statutory Liabilities	262.55	263.28	
Provision for Expenses	226.69	172.29	
<b>TOTAL</b>	<b>4,099.49</b>	<b>4,180.16</b>	
# These Figures do not include any amount due and outstanding to be credited to The Investor Education and Protection Fund.			
<b>9. PROVISIONS</b>	<b>Long Term</b>	<b>Short Term</b>	
	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs
<b>Provisions for Employee Benefits:</b> (Refer Note No. 27)			As at 31.03.2016 ₹ in Lakhs
Provision for Gratuity	0.00	0.00	28.81
Provision for Leave Encashment	542.69	500.13	1,064.54
	542.69	500.13	1,058.96
<b>Other Provisions:</b>			
Provision for Tax	0.00	1.51	0.00
	0.00	1.51	0.00
<b>TOTAL</b>	<b>542.69</b>	<b>501.64</b>	<b>1,058.96</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## 10. FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation			Impairment			Net Block As at 31.03.2017
	As at 01.04.2016	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2017	Up to 01.04.2016	Net Charge for the year	Disposal/ Transfers/ Adjustments during the year	Up to 31.03.2017	As at 01.04.2016	
<b>TANGIBLE ASSETS :-</b>										
Land (Freehold)	25,476.92			25,476.92	0.00			0.00		25,476.92
Land (Leasehold)	6,745.08			6,745.08	0.00			0.00		6,745.08
Buildings	11,398.49	90.89		11,489.38	6,394.44	220.17		6,554.61	101.25	4,833.52
Plant & Machinery	84,069.16	557.51		84,626.67	48,713.08	1,213.92		49,927.00	8,722.52	25,977.15
Electrical Installations	2,926.60	26.30		2,952.90	2,901.76	18.87		2,920.63		32.27
Moulds	287.54			287.54	287.54			287.54		0.00
Laboratory Equipments	639.88	16.28		656.16	401.72	29.88		431.60	10.90	213.66
Furniture & Fixtures	853.61	35.48		889.09	617.33	35.84		653.17	63.34	172.58
Office Equipments	694.99	72.65		767.64	632.99	32.74		665.73		101.91
Vehicles	258.65		24.15	234.50	239.14	5.19		220.18		14.32
Vehicles on Finance Lease	667.25	490.18	164.36	993.07	532.67	73.71		449.19		543.88
Capital Expenditure On Research & Development	234.58	0.76	-	235.34	219.98	1.76		221.74		13.60
Data Processing Equipments	1,334.90	30.94		1,365.84	1,280.00	29.12		1,309.12		56.72
Data Processing Equipments on Finance Lease	218.03			218.03	82.85	67.86		150.71		67.32
<b>TOTAL (A)</b>	<b>1,35,805.68</b>	<b>1,320.99</b>	<b>188.51</b>	<b>1,36,938.16</b>	<b>62,243.50</b>	<b>1,729.06</b>	<b>181.34</b>	<b>63,791.22</b>	<b>8,834.67</b>	<b>8,898.01</b>
<b>INTANGIBLE ASSETS :-</b>										
Software	275.17	37.80		312.97	234.24	20.08		254.32		58.65
Copyrights	157.46			157.46	157.46			157.46		0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76			1,430.76		0.00
Goodwill	4,400.36			4,400.36	0.00			0.00	4,400.36	0.00
<b>TOTAL (B)</b>	<b>6,263.75</b>	<b>37.80</b>	<b>0.00</b>	<b>6,301.55</b>	<b>1,822.46</b>	<b>20.08</b>	<b>0.00</b>	<b>1,842.54</b>	<b>4,400.36</b>	<b>4,400.36</b>
<b>TOTAL (A + B)</b>	<b>1,42,069.43</b>	<b>1,358.79</b>	<b>188.51</b>	<b>1,43,239.71</b>	<b>64,065.96</b>	<b>1,749.14</b>	<b>181.34</b>	<b>65,633.76</b>	<b>13,235.03</b>	<b>13,298.37</b>
Previous year (Refer Note No. 10A)	1,40,736.15	1,553.47	220.19	1,42,069.43	62,589.75	1,696.40	220.19	64,065.96	13,235.03	13,295.03
<b>Capital Work-in-Progress (Refer Note No. 26)</b>										<b>815.88</b>

## NOTES :

- Freehold Land and Leasehold Land is revalued on 31st March 2013 with reference to the then current market prices, amount added on revaluation is ₹ 13,900.30 Lakhs and ₹ 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March 2013 is ₹ 25,476.92 Lakhs and ₹ 6,719.00 Lakhs respectively.
- 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; the company has capitalised ₹ Nil to Plant and Machinery (Previous Year ₹ 23.01 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, 2016

## 10A. FIXED ASSETS

₹ in Lakhs

Description	Gross Block			Depreciation / Amortisation			Impairment		Net Block As at 31.03.2016		
	As at 01.04.2015	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2016	Charge for the year (a)	Transferred to Retained earning whose balance use ful life is Nil (b)	Net Charge for the year (a-b)	Disposal/ Transfers/ Adjustments during the year		Up to 31.03.2016	As at 01.04.2015
<b>TANGIBLE ASSETS :</b>											
Land (Freehold)	25,476.92			25,476.92	0.00				0.00		25,476.92
Land (Leasehold)	6,745.08			6,745.08	0.00				0.00		6,745.08
Buildings	11,037.84	360.65		11,398.49	205.28		205.28		6,334.44	101.25	4,962.80
Plant & Machinery	83,015.64	1,053.52		84,069.16	1,180.88		1,180.88		48,713.08	8,722.52	26,633.56
Electrical Installations	3,019.04	4.07	96.51	2,926.60	23.09		23.09	96.51	2,901.76		24.84
Moulds	287.54			287.54	0.00				287.54		0.00
Laboratory Equipments	582.07	57.81		639.88	42.66		42.66		401.72	10.90	227.26
Furniture & Fixtures	826.67	26.94		853.61	37.76		37.76		617.33		236.28
Office Equipments	681.83	13.16		694.99	33.16		33.16		632.99		62.00
Vehicles	258.65			258.65	5.24		5.24		239.14		19.51
Vehicles on Finance Lease	667.25			667.25	50.85		50.85		532.67		134.58
Capital Expenditure on Research & Development	220.93	13.65		234.58	1.42		1.42		219.98		14.60
Data Processing Equipments	1,438.34	20.24	123.68	1,334.90	25.65		25.65	123.68	1,280.00		54.90
Data Processing Equipments on Finance Lease	216.64	1.39		218.03	67.85		67.85		82.85		135.18
<b>TOTAL (A)</b>	<b>134,474.44</b>	<b>1,551.43</b>	<b>220.19</b>	<b>135,805.68</b>	<b>1,673.84</b>	<b>0.00</b>	<b>1,673.84</b>	<b>220.19</b>	<b>62,243.50</b>	<b>8,834.67</b>	<b>64,727.51</b>
<b>INTANGIBLE ASSETS :</b>											
Software	273.13	2.04		275.17	21.68		22.56		234.24		40.93
Copyrights	157.46			157.46	157.46				157.46		0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76				1,430.76		0.00
Goodwill	4,400.36		0.00	4,400.36	0.00				0.00	4,400.36	0.00
<b>TOTAL (B)</b>	<b>6,261.71</b>	<b>2.04</b>	<b>0.00</b>	<b>6,263.75</b>	<b>1,799.90</b>	<b>0.00</b>	<b>22.56</b>	<b>0.00</b>	<b>1,822.46</b>	<b>4,400.36</b>	<b>40.93</b>
<b>TOTAL (A + B)</b>	<b>140,736.15</b>	<b>1,553.47</b>	<b>220.19</b>	<b>142,069.43</b>	<b>62,589.75</b>	<b>1,696.40</b>	<b>1,696.40</b>	<b>220.19</b>	<b>64,065.96</b>	<b>13,235.03</b>	<b>64,768.44</b>
Previous Year	130,276.81	10,611.90	152.56	140,736.15	60,856.51	345.65	1,520.14	132.55	62,589.75	13,235.03	64,911.37
<b>Capital Work-in-Progress</b> (Refer Note No. 26)											<b>518.47</b>

## NOTES :

- Freehold Land and Leasehold Land is revalued on 31st March 2013 with reference to the then current market prices, amount added on revaluation is ₹ 13,900.30 Lakhs and ₹ 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is ₹ 25,476.92 Lakhs and ₹ 6,719.00 Lakhs respectively.
- 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. 29<sup>th</sup> December, 2011; the company has capitalised ₹ 23.01 Lakhs to Plant and Machinery (Previous Year ₹ 45.52 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, 2017

## 11. NON-CURRENT INVESTMENTS

	As at 31.03.2017		As at 31.03.2016	
	₹ in Lakhs		₹ in Lakhs	
<b>Non Trade Investments in Shares :</b>				
<b>Quoted Equity Instruments</b>				
Nil (Previous Year 50) Equity Shares of M. M. Rubber Ltd., of the face value of ₹ 2/- each, fully paid-up	0.00		0.01	
4,00,300 (Previous Year 400,300) Equity Shares of Garware Wall Ropes Limited., of the face value of ₹ 10/- each, fully paid-up	56.98		56.98	
		56.98		56.99
<b>Unquoted Equity Instruments</b>				
Nil (Previous Year 2,500) Equity Shares of The New India Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up	0.00		0.25	
Nil (Previous Year 2,500) Equity Shares of The North Kanara Goud Saraswat Brahmin Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up	0.00		0.25	
500 (Previous Year 500) Equity shares of The Co-Operative Stores Ltd., New Delhi, of the face value of ₹ 10/- each, fully paid-up	0.05		0.05	
10,000 (Previous Year 10,000) Equity Shares of S I C O M Ltd., of the face value of ₹ 10/- each fully paid-up	8.00		8.00	
Nil (Previous Year 20,000) Equity Shares of Deogiri Nagari Sahakari Bank Ltd., of the face value of ₹ 25/- each fully paid up	0.00		5.00	
Nil (Previous Year 4,000) Equity Shares of Vaidyanath Urban Co-Operative Bank Ltd., of the face value of ₹ 25/- each fully paid-up	0.00		1.00	
Nil (Previous Year 1,000) Equity Shares of Poornawadi Co-Operative Bank Ltd., of the face value of ₹ 100/- each fully paid-up	0.00		1.00	
100 (Previous Year 100) Equity Shares of Cosmos Co-Operative Bank Ltd of the face value of ₹ 10/-each fully paid-up	0.02		0.02	
		8.07		15.57
<b>TOTAL</b>		<b>65.05</b>		<b>72.56</b>
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
<b>Aggregate amount of company's Investment</b>				
<b>Quoted</b>	56.98	2,848.53	56.99	1,348.22
<b>Unquoted</b>	8.07		15.57	
<b>TOTAL</b>	<b>65.05</b>	<b>2848.53</b>	<b>72.56</b>	<b>1,348.22</b>

## 12. LOANS &amp; ADVANCES

	Non-current		Current	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Capital Advances</b>				
Secured, considered good	20.00	16.26	0.00	0.00
Unsecured, considered good	0.00	10.83	0.00	0.00
(A)	20.00	27.09	0.00	0.00
<b>Security Deposit</b>				
Unsecured, considered good	190.73	239.26	0.00	0.00
₹ 64.50 Lakhs due from Director (Previous Year ₹ 36.00 Lakhs) (Rent Deposit)				
₹ 43.50 Lakhs due from company in which directors are Director / Member (Previous Year ₹ 36 Lakhs) (Rent Deposit)				
(B)	190.73	239.26	0.00	0.00
<b>Advances Recoverable in Cash or Kind</b>				
Unsecured, considered good (Including ₹ 300.00 Lakhs due from entities in which some directors are interested. Previous Year ₹ 300.00 Lakhs)	0.00	0.00	893.88	591.54
(C)	0.00	0.00	893.88	591.54
<b>Other Loans &amp; Advances (Unsecured and considered good)</b>				
Advance Income-Tax (Net of Provision for Taxation)	119.82	0.00	0.00	0.00
MAT Credit Entitlement	7,743.98	7,200.69	0.00	0.00

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	Non-current		Current	
	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Prepaid Expenses	0.00	0.00	565.42	561.52
Employee Advances	0.00	0.00	22.16	26.67
Balances with Statutory / Government Authorities	1,690.78	1,456.58	2,347.61	2,483.71
<b>(D) TOTAL (A+B+C+D)</b>	<b>9,554.58</b>	<b>8,657.27</b>	<b>2,935.19</b>	<b>3,071.90</b>
			<b>3,829.07</b>	<b>3,663.44</b>
<b>13. INVENTORIES (Valued at lower of cost and net realisable value)</b>			<b>As at 31.03.2017 ₹ in Lakhs</b>	<b>As at 31.03.2016 ₹ in Lakhs</b>
a) Stores, Spares & Packing Materials			2,377.12	2,226.97
b) Raw Materials			1,562.84	1,981.75
c) Finished Goods			339.07	515.60
d) Stock in Transit - Finished Goods			645.05	463.20
e) Semi-Finished Goods			6,331.80	8,419.73
<b>TOTAL</b>			<b>11,255.88</b>	<b>13,607.25</b>
<b>14. TRADE RECEIVABLES</b>			<b>As at 31.03.2017 ₹ in Lakhs</b>	<b>As at 31.03.2016 ₹ in Lakhs</b>
Unsecured, considered good unless otherwise stated excluding bills receivable discounted [Refer Note No. 34 (d)]				
<b>A) Debts outstanding for a period exceeding six months from the date they are due for payment.</b>				
i) Unsecured, considered good			0.00	0.00
ii) Doubtful			251.83	258.85
			251.83	258.85
Less : Provision for doubtful receivables			251.83	258.85
			<b>(A) 0.00</b>	<b>0.00</b>
<b>B) Other Receivables</b>				
Unsecured, considered good			5,645.46	4,036.32
			<b>(B) 5,645.46</b>	<b>4,036.32</b>
<b>TOTAL (A+B)</b>			<b>5,645.46</b>	<b>4,036.32</b>
Other Receivables Include:				
Due from company in which the Directors are Director / Member			7.66	139.59
			<b>7.66</b>	<b>139.59</b>
<b>15. CASH &amp; BANK BALANCES</b>			<b>As at 31.03.2017 ₹ in Lakhs</b>	<b>As at 31.03.2016 ₹ in Lakhs</b>
<b>Cash &amp; Cash Equivalents</b>				
a) Balances with Bank				
in Current Accounts			1,156.19	1,227.18
in Fixed Deposits *			7,269.32	4,669.72
b) Cash on hand			6.62	33.07
<b>Other Bank Balances</b>				
in Unclaimed Dividend Accounts			61.33	66.46
Margin Money Deposit			96.16	24.95
<b>TOTAL</b>			<b>8,589.62</b>	<b>6,021.38</b>

\* (Fixed Deposits with Bank includes ₹ 77.92 Lakhs (Previous Year ₹ 48.58 Lakhs) with maturity of more than 12 months)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

## 16. OTHER CURRENT ASSETS

	As at 31.03.2017 ₹ in Lakhs	As at 31.03.2016 ₹ in Lakhs
Interest accrued on Fixed Deposit & Others	151.35	65.80
Other Receivables	257.90	319.46
<b>TOTAL</b>	<b>409.25</b>	<b>385.26</b>

## 17. REVENUE FROM OPERATIONS:

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Sale of Products</b>	<b>89,941.20</b>	87,779.95
<b>Other Operating Revenue:</b>		
Export Incentives	1,642.02	1,691.40
Others	262.88	820.31
<b>Revenue from Operation (Gross Including Excise Duty) TOTAL</b>	<b>91,846.10</b>	<b>90,291.66</b>
<b>Details of products sold:</b>		
Polyester Film	89,941.20	87,779.95

## 18. OTHER INCOME

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Interest Income on:</b>		
Bank Deposits	457.72	376.79
Income Tax & Sales Tax Refund	0.00	43.77
Others	2.11	3.00
<b>Dividend Income on:</b>		
Long term investment	13.86	12.86
Insurance Claims	24.82	5.70
Profit on Sales of Fixed Assets	17.63	14.75
Profit on Sales of Investment	0.01	67.15
Excess Provision / Sundry Credit Balances Written Back	7.24	79.14
Bad Debts Recovered	12.32	4.10
Gain on Exchange Rate Fluctuations	143.37	0.00
<b>TOTAL</b>	<b>679.08</b>	<b>607.26</b>

## 19. COST OF RAW MATERIALS CONSUMED

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Inventory at the beginning of the year	1,981.75	2,499.93
Add: Purchases	43,500.59	45,636.35
Less: Sales	(158.45)	(584.55)
	45,323.89	47,551.73
Less: Inventory at the end of the year	1,562.84	1,981.75
Cost of Raw Materials Consumed	43,761.05	45,569.98
<b>Details of Raw Materials Consumed</b>		
PTA	14,613.15	13,450.10
MEG	6,190.48	5,885.56
REPOL 34 SG	7,380.26	8,401.98
Chemicals & Others	15,577.16	17,832.34
<b>TOTAL</b>	<b>43,761.05</b>	<b>45,569.98</b>
<b>Details of Inventory</b>		
PTA	80.80	0.00
Chemicals & Others	1,482.04	1,981.75
<b>TOTAL</b>	<b>1,562.84</b>	<b>1,981.75</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

20. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Inventories at the end of the year</b>		
Semi-Finished Goods	6,331.80	8,419.73
Finished Goods	984.12	978.80
	<b>7,315.92</b>	<b>9,398.53</b>
<b>Inventories at the beginning of the year</b>		
Semi-Finished Goods	8,419.73	7,985.44
Finished Goods	978.80	759.73
	<b>9,398.53</b>	<b>8,745.17</b>
(Increase) / Decrease	<b>2,082.61</b>	<b>(653.36)</b>
<b>21. EMPLOYEE BENEFITS EXPENSE (Refer Note No. 27)</b>	<b>2016-17</b>	<b>2015-16</b>
	₹ in Lakhs	₹ in Lakhs
Salaries, Wages and Bonus	6,432.65	6,614.61
Contribution to Provident Fund and Other Funds	690.06	894.06
Staff Welfare Expenses	444.27	399.12
<b>TOTAL</b>	<b>7,566.98</b>	<b>7,907.79</b>
<b>22. OTHER EXPENSES</b>	<b>2016-17</b>	<b>2015-16</b>
	₹ in Lakhs	₹ in Lakhs
Stores, Spares & Packing Materials Consumed	4,912.58	4,433.26
Power and Fuel	7,840.57	8,240.57
Processing Charges	3,145.85	1,833.12
Water Charges	96.32	92.07
Rent, Hire Charges and Compensation	425.23	506.68
Rates, Taxes and License Fees	80.71	70.79
Insurance	294.53	286.20
Freight & Forwarding (Net)	2,933.02	2,930.89
Research and Development Expenses	152.88	168.26
Advertisement Expenses	106.25	48.82
Repairs and Maintenance Expenses:		
Plant and Machinery	1,017.40	1,008.74
Building	461.32	451.41
Other Assets	940.80	934.87
Sales Tax / VAT	0.00	10.57
Travelling & Conveyance	706.46	596.62
Postage & Telephones	128.13	132.58
Commission on Sales	127.15	114.65
Contribution towards Corporate Social Responsibilities (Donations)	64.69	70.85
Legal and Professional Charges (Refer Note No. 30)	1,170.46	915.88
Auditors Remuneration (Refer Note No. 23)	51.82	50.84
Director Sitting Fees	4.81	3.53
Miscellaneous Expenses	1,984.26	1,899.93
Loss on Swap / Exchange Rate Fluctuation	0.00	14.32
<b>TOTAL</b>	<b>26,645.24</b>	<b>24,815.45</b>
<b>23. PAYMENT TO AUDITORS AS:</b>	<b>2016-17</b>	<b>2015-16</b>
	₹ in Lakhs	₹ in Lakhs
Audit Fees (Including Branch Audit)	35.41	36.26
Tax Audit Fees	5.10	5.03
For Certification / Others	10.37	7.11
Reimbursement of Out of Pocket Expenses	0.94	2.44
<b>TOTAL</b>	<b>51.82</b>	<b>50.84</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

24. FINANCE COST	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Interest Expenses	901.23	1,279.32
Other Borrowing Cost	2,530.35	2,691.72
Applicable Loss / (Profit) on Foreign Currency Transactions and Translations	(204.88)	380.57
<b>TOTAL</b>	<b>3,226.70</b>	<b>4,351.61</b>
25. EARNINGS PER SHARE (EPS)	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Profit after Tax	1,992.12	1,649.74
Amount available for Equity Shareholders	1,992.12	1,649.74
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	2,32,42,653	2,33,15,150
Earnings Per Share - Basic & Diluted (Rupees) (Absolute)	8.57	7.08
26. THE BREAK UP OF EXPENSES SHOWN UNDER CAPITAL WORK-IN-PROGRESS (PENDING ALLOCATION) AS ON 31 <sup>ST</sup> MARCH, 2017 IS AS UNDER:	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
Particulars		
Opening Balance	518.47	1070.49
Capital Work-in-Progress	674.04	621.53
Less: Capitalised during the year	(376.63)	(1164.60)
<b>Pre-Operative Expenditure incurred during the year</b>		
Finance Charges	0.00	23.01
Capitalised during the year	0.00	(31.96)
Closing Balance #	815.88	518.47
[# includes Intangible Assets in progress ₹ 34.58 Lakhs (Previous year ₹ 48.96 Lakhs)]		
27. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"		
<b>A. Funded retirement benefit - Gratuity</b>		
Description	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Change in the defined Benefit Obligations</b>		
Defined Benefit Obligations at beginning of the year	2,297.89	1,996.08
Service Cost	164.13	168.48
Interest Cost	176.54	149.06
Actuarial Loss / (Gain)	(58.81)	129.66
Benefits Paid	(182.35)	(145.39)
Defined benefit obligations at end of the year (a)	2,397.41	2,297.89
<b>Change in Plan Assets</b>		
Fair Value of Plan Assets as at beginning of the year	2,033.02	1,937.62
Expected return on Plan Assets	175.58	159.11
Contributions by Employer	343.46	81.25
Actuarial Gain / (Loss)	(1.11)	0.43
Benefits Paid	(182.35)	(145.39)
Fair value of Plan Assets at end of the year (b)	2,368.60	2,033.02
<b>Present Value of Funded Obligations (a-b)</b>	<b>28.81</b>	<b>264.87</b>
The net amount recognized in the statement of Profit and Loss for the year ended 31st March, 2017 are as follows:		
Current Service Cost	164.13	168.48
Interest Cost	176.54	149.06
Expected Return on Plan Assets	(175.58)	(159.11)
Net Actuarial Loss / (Gain) Recognized	(57.69)	129.23
Net Amount Recognized	107.40	287.66

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
The principal actuarial assumptions used as at 31st March 2017 are as follows:		
Discount Rate	6.84%	8.00%
<b>Expected Rate of Return on Plan Assets</b>		
Withdrawal rate	5%	5%
Rate of Increase in Compensation Levels	4%	4%

**Other Disclosure:**

	₹ in Lakhs				
	31st Mar17	31st Mar16	31st Mar15	31st Mar14	31st Mar13
Present value of Defined benefit obligation	2,397.41	2,297.90	1,996.08	1,768.32	1,702.64
Fair value of Plan Assets	2,346.75	2,033.02	1,937.62	1,724.49	1,560.11
(Deficit) / Surplus of the plan	50.66	264.87	58.46	43.83	142.53
Experience Adjustment on Plan Liabilities Loss / (Gain)	(58.80)	127.67	79.50	(49.12)	(222.68)
Experience Adjustment on Fair Value of Plan Assets	(1.11)	(0.43)	(4.40)	2.29	3.53

**B. Un-Funded retirement benefit - Leave Encashment**

Description	2016-17	2015-16
	₹ in Lakhs	₹ in Lakhs
<b>Change in the defined benefit obligations</b>		
Defined benefit obligations at beginning of the year	1,564.67	1,392.86
Service Cost	119.75	114.43
Interest Cost	123.63	106.46
Actuarial Loss / (Gain)	(196.65)	(10.77)
Benefits Paid	(38.56)	(38.31)
Defined benefit Obligations at end of the year (a)	1,572.84	1,564.67
<b>Change in Plan Assets</b>		
Contributions by Employer	(38.56)	(38.31)
Benefits Paid	(38.56)	(38.31)
Fair value of Plan Assets at end of the year (b)	0.00	0.00
<b>Present Value of Un-Funded Obligations (a-b)</b>	1,572.84	1,564.67
The net amount recognized in the statement of profit and loss for the year ended 31st March, 2017 are as follows:		
Current Service Cost	119.75	114.43
Interest Cost	123.63	106.46
Net Actuarial Loss / (Gain) Recognized	(196.65)	(10.77)
Net Amount Recognized	46.73	210.12
The principal actuarial assumptions used as at 31st March, 2017 are as follows:		
Discount Rate	6.84%	8.00%
<b>Expected Rate of Return on Plan Assets</b>		
Withdrawal Rate	5%	5%
Rate of Increase in Compensation Levels	4%	4%

28. The remuneration of ₹ 868.66 Lakhs paid to the Managing Director, Joint Managing Directors and Director is as per the sanction received from the Central Government (Previous Year ₹ 888.43 Lakhs).

**29. 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)**

₹ in Lakhs

Particulars	Future Lease Payments		Present Value of Future Minimum Lease Payments		Finance Charges	
	2017	2016	2017	2016	2017	2016
As at 31st March						
Not later than one year	160.38	78.94	106.08	57.93	54.30	21.01
Later than one year and not later than five years	561.46	172.30	442.67	145.33	118.79	26.97
Later than five years	44.13	0.00	42.93	0.00	1.20	0.00

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017**
**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.

30. Legal and Professional Charges include ₹ 3.05 Lakhs (Previous Year ₹ 6.97 Lakhs) paid to some of the Partners of the Auditors and ₹ 6.36 Lakhs (Previous Year ₹ 5.37 Lakhs) paid to a firm in which one of the Director is a proprietor for Corporate Law and Tax Services.

**31. 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:-  
 i) Revenue within India includes sales to customers located within India.  
 ii) Revenue outside India includes sales to customers located outside India including Export Benefits / Incentives.

	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>Sales:</b>		
Within India	41,140.76	42,262.51
China (Including Export Incentives)	11,032.97	9,360.58
Rest of World (Including Export Incentives)	39,672.37	38,668.57
<b>TOTAL</b>	<b>91,846.10</b>	<b>90,291.66</b>

**32. 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 Mr. M. S. Adsul
Entities in which some of the Directors are interested	Garware Industries Ltd. Great View Real Estates Pvt. Ltd. Shashvat Investment Consultancy & Properties Pvt. Ltd.

## b) Transactions with Related Parties

Particulars	Relationship	2016-17 ₹ in Lakhs	2015-16 ₹ in Lakhs
<b>i) Sale of Goods:</b>			
Garware Industries Ltd.	Entities in which some of the Directors are interested	28.88	1,716.70
<b>ii) Purchase of Materials:</b>			
Garware Industries Ltd.	Entities in which some of the Directors are interested	46.98	4,976.83
<b>iii) Service Received / Processing / Commission / Rent Paid / Reimbursement of Expenses:</b>			
Garware Industries Ltd. (Rent and Processing Charges)	Entities in which some of the Directors are interested	3,228.88	1,829.56
Great View Real Estates Pvt.Ltd. (Rent)	Entities in which some of the Directors are interested	82.74	82.00
Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent)	Entities in which some of the Directors are interested	30.28	22.55
Mrs. Monika Garware Modi (Rent)	Key Management Personnel	72.00	54.00
Mrs. Sarita Garware Ramsay (Rent)	Key Management Personnel	42.00	31.50
Ms. Sonia S. Garware (Rent)	Key Management Personnel	72.00	72.00
<b>iv) Services Rendered / Reimbursement of Expenses:</b>			
Garware Industries Ltd.	Entities in which some of the Directors are interested	0.00	107.78
<b>v) Rent Deposit Paid:</b>			
Mrs. Monika Garware Modi	Key Management Personnel	0.00	18.00
Mrs. Sarita Garware Ramsay	Key Management Personnel	0.00	10.50
Shashvat Investment Consultancy & Properties Pvt. Ltd.	Entities in which some of the directors are interested	0.00	7.50

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Relationship	2016-17	2015-16
		₹ in Lakhs	₹ in Lakhs
<b>vi) Managerial Remuneration:</b>			
Shri. S. B. Garware	Key Management Personnel	385.90	449.19
Mrs. Monika Garware Modi	Key Management Personnel	233.41	230.23
Mrs. Sarita Garware Ramsay	Key Management Personnel	212.95	198.89
Ms. Sonia S. Garware	Key Management Personnel	275.74	270.14
Mr. M. S. Adsul	Key Management Personnel	36.40	36.40
<b>vii) Director Sitting Fees:</b>			
Mrs. S. S. Garware	Key Management Personnel	0.30	0.20
Ms. Sonia S. Garware	Key Management Personnel	0.10	0.20
<b>viii) Net Balances Dr / (Cr):</b>			
Garware Industries Ltd.	Entities in which some of the Directors are interested	295.87	439.59
Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	7.50	7.50
Great View Real Estates Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	36.00	36.00
Shri. S. B. Garware (Remuneration Payable)	Key Management Personnel	21.76	0.00
Ms. Sonia S. Garware (Rent Deposit)	Key Management Personnel	36.00	36.00
Mrs. Monika Garware Modi (Rent Deposit / Remuneration Payable)	Key Management Personnel	27.91	18.00
Mrs. Sarita Garware Ramsay (Rent Deposit / Remuneration Payable)	Key Management Personnel	19.55	10.50
(The above figures are net of Taxes and Duties)			

**33. CAPITAL AND OTHER COMMITMENTS**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 161.77 Lakhs (Previous Year ₹ 222.06 Lakhs) against which an advance of ₹ 20.00 Lakhs (Previous Year ₹ 27.09 Lakhs) has been paid.

**34. CONTINGENT LIABILITIES**

a) Contingent Liabilities not provided for -

	As at	As at
	31.03.2017	31.03.2016
	₹ in Lakhs	₹ in Lakhs
<b>Disputed matters in appeal / contested in respect of:</b>		
Income Tax	1633.17	10.59
Excise Duty	41.40	48.87
Sales Tax	1,178.30	1,178.30
Maharashtra State Electricity Board (MSEB)	27.72	27.72
<b>TOTAL</b>	<b>2,880.59</b>	<b>1,265.48</b>

b) The Company has given counter-guarantees for ₹ 4,456.29 Lakhs (Previous Year ₹ 4,342.99 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for Purchase of Equipments, 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 ₹ 22,237.95 Lakhs (Previous Year ₹ 14,797.71 Lakhs).

d) Bills of Exchange discounted under Bill Marketing Scheme amount to ₹ 3,091.97 Lakhs (Previous Year ₹ 2,947.15 Lakhs).

**35. FINANCIAL AND DERIVATIVES INSTRUMENTS**

a) Derivatives contracts entered into by the company and outstanding as on 31<sup>st</sup> March, 2017: i) Forward Contract is ₹ 1,134.88 Lakhs (Previous Year ₹ 2,079.05 Lakhs)

b) Foreign Currency Exposure that are not hedged by derivatives instruments as on 31<sup>st</sup> March, 2017 amounts to ₹ 3,815.84 Lakhs (Previous Year ₹ 8,696.81 Lakhs). The unhedged exposures are naturally hedged by future foreign currency earning and earnings linked to foreign currency.

36. The company is required to spend an amount of ₹ 44.35 Lakhs (Previous year ₹ 35.35 Lakhs) during the year on CSR expenditure as per Section 135 of the Companies Act, 2013 read with schedule VII thereof and the company has spent ₹ 60 Lakhs (Previous year ₹ 60 Lakhs) during the year by way of contribution to the fund of Garware Charitable Trust.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

**37. DISCLOSURE OF SPECIFIED BANK NOTES (SBN)**

During the year, the company had specified bank notes or other denomination note as defined in the G.S.R. 308 (E) dated March 31, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016, to December 30, 2016 is given below:

₹ in Lakhs

	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	17.29	7.70	24.99
(+) Permitted receipts	-	26.60	26.60
(-) Permitted payments	(0.21)	(22.83)	(23.04)
(-) Amount deposited in Banks	(17.08)	-	(17.08)
Closing cash in hand as on 30.12.2016	-	11.47	11.47

\* For the purpose of this clause, the term " Specified Bank Notes " shall have the same meaning provided in the notification of the Government of India, In the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated the 8th November 2016.

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

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**

Chartered Accountants

(Firm's Registration No.: 106041W/ W100136)

For **Kirtane & Pandit LLP**

Chartered Accountants

(Firm's Registration No.: 105215W/ W100057)

**S. B. GARWARE**

Chairman &amp;

Managing Director

**M. S. ADSUL**

Director (Technical)

**P. N. SHAH**

Partner

M.No.: 001738

**SUHRUD LELE**

Partner

M.No.: 121162

**T. M. PARIKH**

Director

**NIMESH S. SHAH**

Company Secretary &amp;

Vice-President (Legal)

**SUNIL DALMIA**

Chief Financial Officer

Mumbai, 25th May, 2017

Mumbai, 25th May, 2017



**UPDATION OF MEMBER'S DETAILS**

To,

**LINK INTIME INDIA PRIVATE LIMITED**  
C-13, C 101, 247 Park, L. B. S. Marg,  
Vikhroli West,  
Mumbai - 400 083.

**Updation of Shareholder Information**

I / We request you to record the following information against our Folio No.:

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self-attested copy of the document(s) enclosed

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

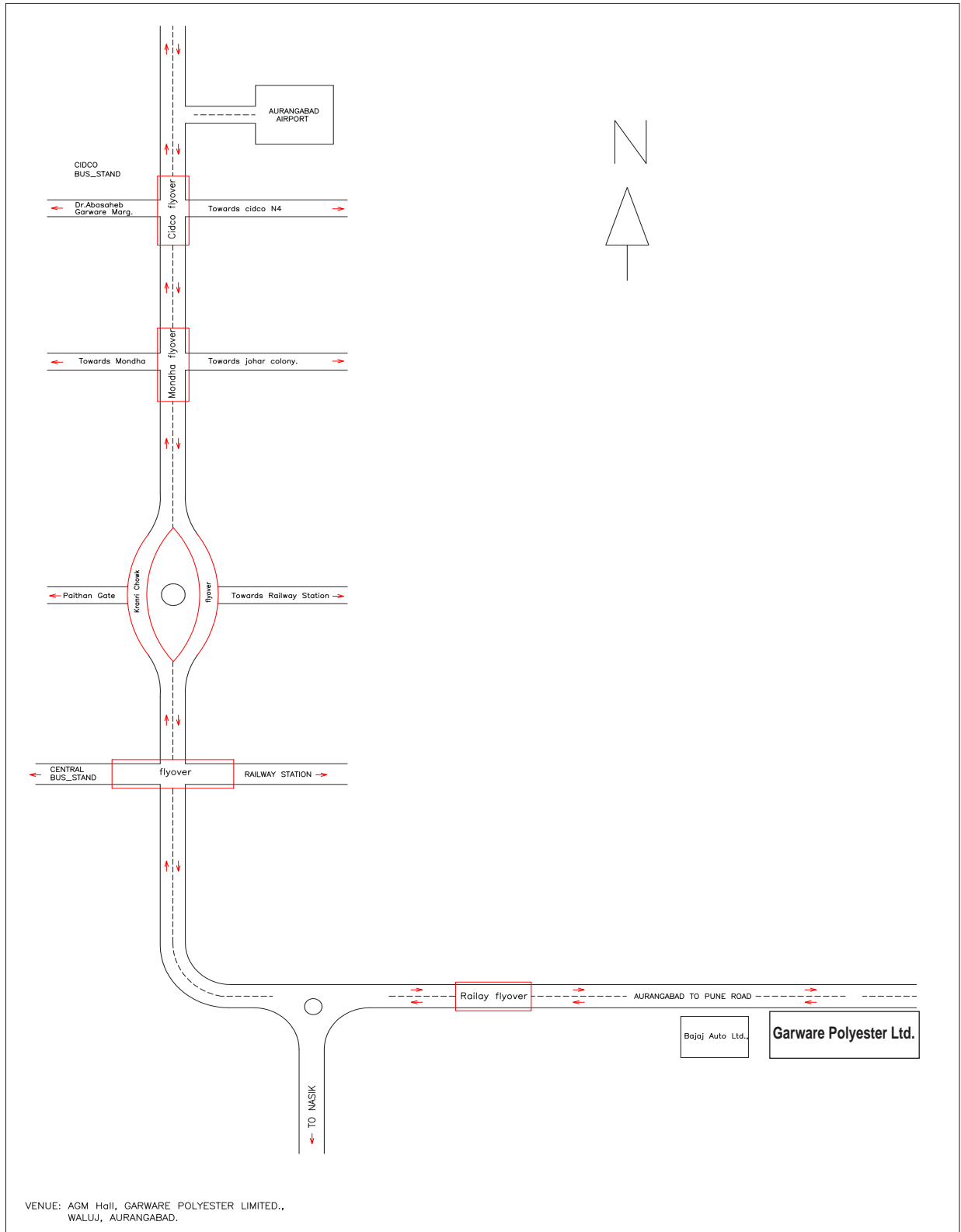
\* A blank cancelled cheque and bank verification letter are enclosed to enable verification of bank details. I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / We would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained by you till I / We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole / First holder

**ROUTE MAP FOR AGM**



VENUE: AGM Hall, GARWARE POLYESTER LIMITED.,  
WALUJ, AURANGABAD.







# 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 60<sup>th</sup> **ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad – 431 133 on Wednesday, 27<sup>th</sup> September, 2017 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./DP 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 : .....

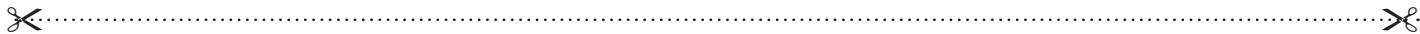
Address : ..... Signature : .....

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 60th Annual General Meeting of the Company, to be held on Wednesday, 27<sup>th</sup> September, 2017 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
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2017 with repots		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Mrs. Monika Garware Modi, who retires by rotation.		
4.	Re-appointment of Mr. M. S. Adsul who retires by rotation.		
5.	Ratification of appointment of M/s Manubhai & Shah, LLP, Chartered Accountants, as Statutory Auditors of the Company.		
<b>Special Business</b>			
6.	Appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants as Joint Statutory Auditor of the Company.		
7.	Ratification of Cost Auditor Remuneration.		
8.	Payment of Remuneration to Shri S. B. Garware as Chairman and Managing Director of the Company for the period from 01 <sup>st</sup> November, 2017 to 31 <sup>st</sup> October, 2019.		
9.	Payment of Remuneration to Mrs. Monika Garware Modi as Joint Managing Director of the Company for the period from 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> October, 2018.		
10.	Payment of Remuneration to Mrs. Sarita Garware Ramsay as Joint Managing Director of the Company for the period from 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> October, 2018.		

Signed this .....day of .....2017

Signature of Shareholder .....

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

Affix Revenue Stamp Of Rs.1/-
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**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 60th 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.
5. Appointment of Proxy does not prevent a member from personally attending in person if he/she wishes.
6. In case of joint holder, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



