



Garware
Polyester Limited

ANNUAL REPORT
2011-12

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS : S. B. GARWARE *Chairman & Managing Director*
: S. S. GARWARE (Mrs.)
: DILIP J. THAKKAR
: N. P. CHAPALGAONKAR
: M. GARWARE MODI (Mrs.) *Vice Chairperson & Jt. Managing Director*
: SARITA GARWARE (Ms.) *Jt. Managing Director*
: SONIA GARWARE (Miss)
: B. MORADIAN
: M. S. ADSUL *Director – Technical*
: M. C. AGARWAL (Dr.)
: RAMESH. P. MAKHIJA
: A. B. BHALERAO

**COMPANY SECRETARY &
SR. GENERAL MANAGER** : Manoj Koul

BANKERS : Indian Overseas Bank
Dena Bank
The Federal Bank Limited
Bank of India

AUDITORS : Shah & Co.
Chartered Accountants

SOLICITORS & ADVOCATES : Crawford Bayley & Co.

REGISTERED OFFICE : Naigaon, Post Waluj,
Aurangabad - 431 133.

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

WORKS : L-5 & L-6, Chikalthana Industrial Area,
Dr. Abasaheb Garware Marg, Aurangabad 431 210.

Naigaon, Post Waluj, Aurangabad 431 133.

A-1 & A-2, MIDC, Ambad, Nasik 422 010.

OFFICES : 403, Madam Bhikaji Cama Bhawan,
11, Bhikaji Cama Place, New Delhi 110 066.

37/1B, Hazra Road, Kolkata 700 029.

Old No. 40, New No. 91,
Shiyali Mudali Street, Pudupet,
Chennai 600 002.

REGISTRARS & TRANSFER AGENTS : Link Intime India Private Limited.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 55th Annual General Meeting of the members of GARWARE POLYESTER LIMITED will be held at the Registered Office of the Company on Wednesday, 5th September, 2012 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad - 431 133 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on preference and equity shares.
3. To appoint a Director in place of Mrs. M. Garware Modi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Dilip J. Thakkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. N. P. Chapalgaonkar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Ramesh P. Makhija, who retires by rotation and being eligible, offers himself for re-appointment.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s. Shah & Co., Chartered Accountants, the retiring auditors of the Company be and are hereby appointed as auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be mutually agreed upon between the Board of Directors of the Company and Auditors, plus traveling and out of pocket expenses actually incurred by the Auditors in connection with the audit work".

Special Business:

8. To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following:
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and such other approvals as may be required, consent of the Company be and it is hereby accorded to the appointment of Miss Sonia Garware as Joint Managing Director of the Company for a term of five years with effect from 1st September, 2012 and that the draft agreement between the Company and Miss Sonia Garware, setting out the terms and conditions including remuneration placed before the meeting duly initialled by Mr. A. B. Bhalerao, Director of the Company, for the purpose of identification, be and it is hereby approved.
RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Miss Sonia Garware the remuneration as specified in the aforesaid draft Agreement as and by way of minimum remuneration."
9. To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following:
"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and such other approvals as may be required, consent of the Company be and it is hereby accorded

to the re-appointment of Mr. M. S. Adsul to the office of Whole-time Director of the Company designated as Director - Technical for a term of five years with effect from 1st August, 2012 and that the draft agreement between the Company and Mr. M. S. Adsul, setting out the terms and conditions including remuneration placed before the meeting duly initialled by Mr. A. B. Bhalerao, Director of the Company, for the purpose of identification, be and it is hereby approved.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mr. M. S. Adsul the remuneration as specified in the aforesaid draft Agreement as and by way of minimum remuneration."

10. To consider and if thought fit, to pass, with or without modification(s), as an ordinary resolution, the following:
"RESOLVED THAT Messrs Chaturvedi & Shah, Chartered Accountants, be and are hereby appointed as the Joint Auditors of the Company together with Messrs Shah & Co., Chartered Accountants from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the said Messrs Chaturvedi & Shah, plus traveling and out of pocket expenses actually incurred by the Auditors in connection with the audit work."

By Order of the Board of Directors

Mumbai,
29th June, 2012

Manoj Koul
Company Secretary &
Sr. General Manager

Registered Office

Naigaon, Post Waluj,
Aurangabad – 431 133.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the 'Meeting') IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Item No. 8 to 10 of the Notice is annexed hereto.
4. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 25th August 2012 to Tuesday, 04th September 2012 (both days inclusive).
6. The Dividend as recommended by the Directors, if declared at the Meeting, will be paid to those members whose names appear in the Register of Members of the Company on 04th September, 2012, in respect of shares held in physical form and in respect of shares held in the electronic form, to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Services (India) Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) at the end of business hours on 24th August, 2012.
7. Members are requested to notify immediately any change in their addresses directly to their Depository Participant in case they hold

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shares in dematerialised form or to the Company's Registrars & Share Transfer Agents, in case they hold shares in physical form.

8. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the respective unpaid dividend accounts, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.
9. Unclaimed dividend for the Financial Years 2004-05, 2008-09, 2009-10 and 2010-11(Interim & Final) are still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed the dividend warrants for the said Financial Years, are requested to contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited at the address provided in point no. 11 below.
10. Unclaimed dividend for the Financial Year 2004-05 is due for transfer to the IEPF in November 2012. Kindly note that no claims shall be lie against the Company or the IEPF after such transfer.
11. Members holding shares in physical form are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agents of the Company at the following address:
LINK INTIME INDIA PRIVATE LIMITED
(Unit: Garware Polyester Limited)
C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.
Tel. No. 022-2594 6970, Fax : 022-2594 6969.
12. In terms of the Regulations of NSDL & CDSL, the Bank Account details of Beneficial Owners of Shares in demat form will be printed on the dividend warrants as furnished by the Depository Participants (DP). The Company will not entertain any request for change of bank details printed on their dividend warrants. In case of any changes in your bank details, please inform your DP immediately.
13. To prevent fraudulent encashment of dividend warrants, members are requested to provide their Bank Account Detail(s) (if not provided earlier) to the Company (if shares held in physical form) or to DP (if shares held in demat form), as the case may be, for printing of the same on their dividend warrants.

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

ANNEXURE TO THE NOTICE

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

Item No. 8

Miss Sonia Garware was appointed as an Additional Director on the Board of the Company with effect from 31st January, 2007 under Article 121 of the Articles of the Association of the Company and under Section 260 of the Companies Act, 1956 and her appointment was regularized in the Annual General Meeting held on 18th December, 2007.

Miss Sonia Garware has been associated with the Company from 1997. She bears an excellent academic career. Miss Sonia Garware is a M.B.A. with triple major in Finance, Marketing & Strategy from Boston College, U.S.A. Under her stewardship, the performance of Sun Control film division has improved substantially. Miss Sonia Garware was instrumental in branding Sun Control film in U.S.A.

The Board of Directors of the Company at its Meeting held on 29th June, 2012 appointed Miss Sonia Garware as Joint Managing Director for a term of five years with effect from 1st September, 2012, on the terms and conditions including remuneration as set out in the draft Agreement, subject to necessary approvals. The draft Agreement between the Company and Miss Sonia Garware, inter-alia, contains the following terms and conditions:-

- a) Salary : Rs. 6,00,000/- per month (With an annual increase of 10% per annum with effect from 1st September, 2013 till the expiry of term of her agreement).
- b) Commission : Miss. Sonia Garware will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956.
- c) Perquisites : Miss Sonia Garware will be entitled to furnished housing accommodation, gas electricity, water and furnishing and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concessions for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary.
Miss Sonia Garware shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration: -
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - iii) Encashment of leave at the end of her tenure.
- d) Miss Sonia Garware will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) Miss Sonia Garware will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) Miss Sonia Garware 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) Miss Sonia Garware 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 Miss Sonia Garware as Joint Managing Director has been approved by the Remuneration Committee of the Board of Directors at its meeting held on 29th June, 2012.

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.

Miss Sonia Garware is concerned or interested in the Resolution. Mr. S. B. Garware, Mrs. S. S. Garware, Mrs. M. Garware Modi and Ms. Sarita Garware, Directors of the Company, being related to Miss Sonia Garware, may be deemed to be concerned or interested in the Resolution. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

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 302 of the Companies Act, 1956.

Your Directors recommend this resolution.

Item No. 9

Mr. M. S. Adsul was appointed as Whole – time Director, designated as Director – Technical, on 1st August 2007 for a tenure of five years. As such, his term expires on 31st July, 2012. The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 29th June, 2012, re-appointed Mr. M. S. Adsul as a Whole-time Director of the Company, designated as Director- Technical, for a further period of five years commencing from 1st August 2012, on the terms and conditions including remuneration as set out in the agreement subject to the necessary approvals.

The salient features of the agreement between the Company and Mr. M. S. Adsul, are set out below: -

- (a) Salary : Rs. 1,50,000/- per month or higher amount as may be approved by the Board of Directors or its Committee from time to time not exceeding Rs. 3,00,000/- per month.
- (b) Perquisites : Mr. M.S. Adsul will, in addition to salary be entitled to housing accommodation or house rent allowance 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, provisions of a car with driver, telephone at residence and, other allowances as per the rules of the Company. Perquisites shall be evaluated as per Income-Tax rules, wherever applicable.

Mr. M.S. Adsul shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration:-
 - (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax act, 1961.
 - (ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
 - (iii) En-cashment of leave at the end of his tenure.
- (c) Mr. M. S. Adsul 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.
- (d) Mr. M. S. Adsul will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.
- (e) Mr. M. S. Adsul will also be entitled to receive from the Company travelling, hotel and other expenses incurred in performance of the duties on behalf of the Company.
- (f) In the event of any dispute or difference arising at any time between Mr. M. S. Adsul and the Company in respect of the Agreement or the construction thereof, the same shall be

submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

- (g) Mr. M. S. Adsul will not, so long as he functions as such, become interested or otherwise concerned directly in any selling agency of the company in future without the prior approval of the Company Law Board.
- (h) In the event of inadequacy or absence of profit, his remuneration shall be governed by the provisions of Schedule XIII of the Companies Act, 1956.
- (i) This Agreement can be terminated by giving one month's Notice on either side.

The Draft Agreement referred to in the resolution under item No. 9 of the 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 1.00 p.m. prior to the date of the meeting.

This may be treated as an abstract of the draft agreement and Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

Mr. M.S.Adsul is concerned or interested in the Resolution under Item No.9 of the Notice. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in this Resolution.

Your Directors recommend this resolution.

Item No. 10

In view of the substantial increase in activities of the Company, the Board of Directors feels it is necessary to recommend appointment of Joint Auditor to hold the office along with the existing Statutory Auditors of the Company. Whilst not applicable, however the Company has received a special notice under Section 190 of the Companies Act, 1956 from members proposing the name of M/s. Chaturvedi & Shah, Chartered Accountants as Joint Auditors of the Company, who have conveyed their eligibility and willingness for such appointment.

The Board of Directors accordingly recommend the resolution set out in Item No.10 of the accompanying notice for approval of the members.

None of the Directors is, in any way, concerned or interested in this resolution except as members of the Company.

By Order of the Board of Directors

Mumbai,
29th June, 2012

Manoj Koul
Company Secretary &
Sr. General Manager

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

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Information on Directors seeking re-election/appointment at this Annual General Meeting [Pursuant to Clause 49(IV)(G) of the Listing Agreement]

Name of the Director	Mrs. M. Garware Modi	Ms. Sonia Garware	Mr. M. S. Adsul	Mr. Dilip Thakkar	Mr. N.P.Chapalgaonkar	Mr. Ramesh P. Makhija
Date of Birth & Age	04.06.1963 (49 years)	24.07.1971(41 years)	01.06.1955 (57 years)	01.10.1936 (76 years)	10.04.1937 (75 years)	19.08.1950 (62 years)
Appointed on	31.03.1989	31.01.2007	01.08.2007	30.04.2007	23.10.2003	12.11.2009
Qualifications	M.B.A. (U.S.A.)	M.B.A. (U.S.A.)	B.Sc. (Tech) in plastics & DBM	Chartered Accountant	M.A. & L.L.B	L.L.B. Attorney – at - Law
Expertise in specific functional areas	Finance and Marketing	Finance, Marketing & Strategic Management	Product Development & Production	Taxation & Foreign Exchange Regulation	Retd. Judge of Bombay High Court	Law
Directorship held in other public companies	1. Garware Industries Ltd. 2. Cadila Pharmaceuticals Ltd. 3. Casil Industires Ltd. 4. Casil Health Products Ltd. 5. IRM Ltd. 6. Karnavati Engineering Ltd.	1. Garware Industries Ltd.	1. Garware Chemicals Ltd. 2. Garware Industries Ltd.	1. Poddar Developers Ltd. 2. Panasonic Energy India Co. Ltd. 3. Essar Oil Ltd. 4. The Ruby Mills Ltd. 5. PAE Ltd. 7. Himatsingka Seide Ltd. 8. Indo Count Industries Ltd 9. Walchandnagar Industries Ltd. 10. Essar Ports Ltd. 11. Premier Ltd. 12. Magus Estates & Hotels Ltd.	–	1. I-flex Solutions Trustee Co. Ltd.
Memberships/ Chairmanships of Committees across public companies	NIL	NIL	1. Garware Polyester Ltd. 2. Garware Chemicals Ltd. 3. Garware Industries Ltd.	1. Panasonic Energy India Co. Ltd. 2. Essar Oil Ltd. 3. PAE Ltd. 4. Himatsingka Seide Ltd. 5. Walchandnagar Industries Ltd.	–	–
Shareholding in the Company	1,87,500	1,87,500	85	NIL	NIL	NIL

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012

TO THE MEMBERS,

Your Directors present the 55th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

Financial Results

(Rs. in Crores)

	2011 - 2012		2010 - 2011	
Operating Profit before interest & Depreciation		103.77		290.94
Less: Finance Cost	28.33		23.93	
Depreciation	41.71	70.04	39.65	63.58
Profit for the year before Exceptional Item		33.73		227.36
Exceptional items		(1.34)		16.36
Provision for Income Tax		0.00		22.55
Profit After Tax		35.07		188.45
Add : Balance brought forward from previous year		239.93		95.83
Balance available for Appropriation		275.00		284.28
Appropriation:				
Transfer to General Reserve		1.75		18.85
Dividend on Redeemable Preference Shares (*Rs.54,460/-)		0.01		0.00*
Interim Dividend		0.00		1.89
Proposed Final Dividend on Equity Shares		3.50		19.82
Tax on Dividend		0.57		3.79
Balance carried to Balance Sheet		269.18		239.93
Total		275.00		284.28

Dividend

Your Directors recommend for consideration at the Annual General Meeting, declaration of dividend for the year ended 31st March, 2012 as under:

- a) On 54,46,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each and
- b) On 2,33,15,150 equity shares of Rs. 10/- each @ 15% (i.e. Rs. 1.50 per equity share).

The above will absorb Rs. 407.09 lakhs (including Tax)

Operations

Compared to previous year which was exceptionally good, there was a decline in the sales by 11.60% due to (a) ban imposed on usage of polyester film for 'Gutka' / 'Pan Masala' packaging (b) Uncertainty in the advanced economies (c) Continuing Euro debt crisis and (d) over all slow down in the industry growth due to slackening of demand, policy uncertainty and tighter monetary conditions.

Future outlook

Market conditions continue to be difficult however our emphasis is on growing our export activity. We expect to maintain our edge over competitors. Our Sun Control products have received wide acceptance world over and our focus on the Chinese and Russian market are paying rich dividends, however recent ban on use of films in Automotive has impacted us adversely. We are trying to rectify the situation however the same continues to be unclear.

Increase in Paid-up Equity Share Capital.

The Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated 21st October, 2011 between Garware Chemicals Limited (GCL) with the Company, pursuant to which 2,54,764 equity shares of Rs. 10/- each as fully paid up were allotted to the members of GCL (other than the Company). Hence the paid-up equity share capital of the Company has increased to that extent.

Research & Development

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

Research & Development Department is functioning from 1988 onwards in Garware Polyester Limited.

- It is approved by Department of Science and Industrial Research (DSIR), Government of India.
- It plays very vital role in development of new products/process required for future business.
- It is well equipped with various Pilot Plants and Testing facilities required for Product Development.
- Our Research & Development Department have skilled and specialized work force for various developmental areas.

Functioning of R & D Department: -

- Development of various polymers and co-polymers synthesis for extrusion / co-extrusion and coating.
- Development of various films by extrusion and co-extrusion.
- Development of various coating chemistries for in-line and off-line coating.
- Development of various additives and master batches for specialty films.

Information Technology (IT)

Company believes that IT is a strategic tool for excellence in customer service and sustainable business growth and with this view, the Company has implemented SAP for better business integration by replacing legacy standalone systems.

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The Company has implemented centralized email system with cluster solution for efficient working.

Awards and Recognitions

During this year, your Company has been honoured with eleven Safety Awards at National as well as State Levels by various Government Authorities, viz. Director General of Factory Advice Service & Labour Institutes (DGFASLI), under the Ministry of Labour & Employment, Government of India), National Safety Council of India (NSCI), and Maharashtra State Chapter of National Safety Council (NSC – MC). Out of these eleven awards, two awards were won by the Company's employees for their contribution in State Level Safety Slogan Competition.

Human Resource Development

The Company's HR policies and processes are aligned to effectively drive its business and other emerging opportunities. This has been achieved by continuously investing in learning and development programs, creating appropriate work environment and maintaining a structured recognition system. The Company helps employees to build new skills and competencies and promote knowledge sharing and team building.

Manufacturing and Quality Initiatives

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

Corporate Social Responsibility

Corporate social responsibility in your Company is aligned with 'Garware' tradition of creating wealth in the community with focus on Art, Culture, Sports, health, education and safety. The Company is running the Garware Community Center at Aurangabad with various activities at various locations. The Center is engaged in overall development of the community members of all age group and creating the hobby among them for art, culture, sports, education, social work, music etc.

Subsidiaries Companies and their Financial Statements

Garware Polyester International Limited - UK and Global Pet Films Inc.- USA, continue to be the subsidiaries of the Company. The Ministry of Corporate Affairs, Government of India vide General Circular No: 2/2011 dated 8th February, 2011 has allowed general exemption to Companies from complying with Section 212(8) of the Companies Act, 1956, provided such companies publish audited consolidated financial statements in the Annual report. Your Board has decided to avail the said general exemption from applicability of provisions of Companies Act, 1956 and accordingly, the Annual Accounts of the above Subsidiary Companies for the financial year ended 31st March, 2012 are not being attached with this Annual Report and the specified financial highlights of the said Subsidiaries are disclosed in this Annual Report, as part of the Consolidated Financial Statements. The Audited annual accounts and related information of the subsidiaries will be made available, upon request and also be open for inspection at the Registered Office, to any shareholder with sufficient notice and on payment of prescribed fees as per the provisions of the law.

Safety, Health & Environmental Protection

Being a Responsible Corporate Citizen, your Company has continued to sustain various initiatives for the continual improvement in Safety, Environment and Health (SEH) at the works and surroundings. Some of the prominent activities include - Internal Safety Audit of plants (as per Indian Standard on Occupational Safety and Health Audit: IS-14489), periodical SEH inspections and trainings, schemes on the efficient usage of energy and the conservation of natural resources, activities for the enhancement of employee participation in SEH and the support in

emergency management operations at public places. Your Company is a recipient of various safety laurels from the Regulatory Authorities on the State and National level as stated above during the year. Security system has been upgraded, like awareness training, evacuation drills to meet the new challenges.

Directors' Responsibility Statement

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

Directors

Mrs. Monika Garware Modi, Mr. Dilip J. Thakkar, Mr. N. P. Chapalgaonkar and Mr. Ramesh P. Makhija, retire by rotation and being eligible, offer themselves for re-appointment.

The Board of Directors of your Company elevated Ms. Sonia Garware as Joint Managing Director of the Company effective from 1st September, 2012.

The Board of Directors of your Company re-appointed Mr. M. S. Adsul as Whole Time Director designated as Director Technical for further period of five years effective from 1st August, 2012.

Audit Committee

Besides Mr. M. S. Adsul, the Audit Committee comprises of three independent Directors viz. Mr. B. Moradian, Dr. M. C. Agarwal and Mr. A. B. Bhalerao. Mr. B. Moradian, who is an independent non-executive Director, acts as chairman of Audit Committee Meetings.

Corporate Governance

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

Auditors

The retiring auditors, M/s. Shah & Co., being eligible for re-appointment and have indicated their willingness to act as auditors, if appointed. However, the Company has received a special notice under Section 190 of the Company's Act, 1956 proposing the name of M/s. Chaturvedi & Shah, Chartered Accountants as Joint Auditors, subject to member's approval at the ensuing Annual General Meeting.

The retiring Auditors, M/s. Shah & Co. and M/s. Chaturvedi & Shah have conveyed their eligibility and willingness to act as joint auditors of the Company, if appointed at the ensuing Annual General Meeting. Board recommends that appointment of Joint Auditors shall be commensurate with the nature and size of operation of the Company. Company has received letter from them to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for appointment within the meaning of Section 226 of the said Act. The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

Other Statutory Information

The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any Shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary at the Corporate Office of the Company. Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report is annexed.

Industrial Relations

The relations between the Employees and the Management remained

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

Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai
29th June, 2012

S. B. GARWARE
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY :

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

- FRP blades are provided for cooling tower fans.
- At Central Utility – Chilled water and cooling water pumping system has been optimized for flow and pressure.
- At Central Utility – Therminal pumping system has been optimized.

(B) TECHNOLOGY ABSORPTION:

I. Research and Development (R&D) –

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

- (a) White and Matt film developed for Colour Digital Printing.
- (b) Development of lidding film for various substrates.
- (c) Development of cost effective resin for Sealable-Peelable film.
- (d) Development of coloured film for metallization.

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

- a. Value added products developed and reduction of production cost.

3. Expenditure on R&D / Product Development

(Rs. in Lakhs)

a. Capital (Excl. CWIP)	0.00
b. Recurring	154.39
Total	154.39

Total R&D expenditure as a percentage to total turnover: 0.20%

II. Technology absorption, adaptation and innovation

1. Efforts made towards technology absorption, adaptation and innovation:
 - a. Developed technique to disperse nano particles
 - b. Developed non-fading nano particle based Solar Control film
2. Benefits derived as a result of above efforts:
Above efforts have resulted in improvement of product output, quality and reduction in wastage.
3. Technology imported during the last five years:
No Technology has been imported during the last 5 years.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

I. Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.

1. The export marketing activities are being consolidated to maintain the share of exports in total production. Newer markets are being explored.
2. Constant endeavour 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

	(Rs. in Crores)
Used :	58.18
Earned (FOB) :	371.85

For and on behalf of the Board of Directors

Mumbai
29th June, 2012

S. B. GARWARE
Chairman & Managing Director

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CORPORATE GOVERNANCE REPORT

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

Company's philosophy on Code of Governance

The philosophy of the Company is to enhance the long-term economic value of the Company, its shareholders at large by adopting better corporate practices in fair and transparent manner. The Company recognizes effective corporate governance as critical to achieving corporate goals and increasing the company's value.

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

- | | |
|--------------------------------------|-------------------------------------|
| (1) Board of Directors – Composition | (4) Disclosures |
| (2) Committees of the Board | (5) Means of Communication |
| (3) Remuneration of Directors | (6) General Shareholder information |

1. COMPOSITION OF THE BOARD OF DIRECTORS

Category	Name of the Director	No. of Shares held as on 31 st March 2012	No. of Directorship(s) in Public Limited Companies**	No. of Chairmanship(s), of Committees (Both Listed/Unlisted Public Companies)#	Committee membership(s)#
Non - Independent Executive	1. Shri S. B. Garware	11,00,001	3	–	–
	2. Mrs. Monika Garware Modi	1,87,500	7	–	–
	3. Ms. Sarita Garware	1,87,500	2	–	1
	4. Mr. M. S. Adsul	85	3	–	1
Independent Non-Executive	1. Mr. Dilip J. Thakkar	–	13	5	5
	2. Mr. B. Moradian *	–	2	2	2
	3. Mr. N. P. Chapalgaonkar	–	1	–	–
	4. Dr. M. C. Agarwal	–	1	–	2
	5. Mr. Ramesh P. Makhija	–	2	–	–
	6. Mr. A. B. Bhalerao***	–	2	–	1
Non-Independent Non-Executive	1. Mrs. S. S. Garware	94,500	2	–	–
	2. Ms. Sonia Garware	1,87,500	2	–	–

* Chairman of Audit Committee and Share Transactions cum Investors' Grievances Committee.

** This excludes directorship held in Private Companies, Foreign Companies, and Companies formed under section 25 of the Companies Act, 1956 and directorship held as an alternate director but includes directorship in Garware Polyester Limited.

*** Mr. A. B. Bhalerao joined the Board w.e.f. 16th June, 2011.

Committee of Directors includes membership in Audit Committee and Shareholders/ Investor Grievance Committee of Directors only. This includes membership in Committee of Directors of Garware Polyester Limited.

BOARD MEETINGS

The Company places before the Board all the relevant and necessary data/ information at its meetings such as 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) Share Transactions cum Investors' Grievances Committee Meetings, (d) Remuneration Committee Meeting and such other relevant information.

During the year under review commencing w.e.f 1st April 2012, six Board Meetings were held as per details given below:

Board Meetings

Sr. No.	Date	Board Strength	No. of Directors Present
1	23.04.2011	11	5
2	12.05.2011	11	7
3	11.08.2011	12	7
4	14.11.2011	12	9
5	13.02.2012	12	8
6	16.03.2012	12	8

The previous Annual General Meeting (AGM) was held on 27th December 2011.

The attendance of Directors at the Board Meetings, and at the aforesaid Annual General Meeting was as under:

Name of Directors	Number of Board Meetings attended	Whether present at the previous AGM
Shri S. B. Garware	5	NO
Mrs. S. S. Garware	5	NO
Mrs. M. Garware Modi	3	NO
Ms. Sarita Garware	6	NO
Ms. Sonia Garware	2	NO
Mr. M. S. Adsul	6	YES
Mr. Dilip J. Thakkar	–	NO
Mr. B. Moradian	4	NO
Mr. N. P. Chapalgaonkar	–	NO
Dr. M. C. Agarwal	6	NO
Mr. Ramesh P. Makhija	3	NO
Mr. A. B. Bhalerao *	4	YES

*Mr. A. B. Bhalerao joined the Board w.e.f. 16th June, 2011.

2. COMMITTEES OF THE BOARD

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

(a) Audit Committee

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

Mr. B. Moradian	—	Chairman
Mr. M. S. Adsul	—	Member
Dr. M. C. Agarwal	—	Member
Mr. A. B. Bhalerao*	—	Member

The Company Secretary, Mr. Manoj Koul acts as the Secretary to the Committee.

* Mr. A. B. Bhalerao was appointed as a member of the Audit Committee w.e.f. 11th August, 2011.

Brief description of terms of reference are:

- Overseeing and ensuring the adequacy and compliance of internal control systems.
- Reviewing the quarterly, half-yearly and annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements before submission to the Board.
- Reviewing the adequacy of the Audit and Compliance, including their policies, procedures, techniques and other regulatory requirements.
- Undertaking periodical review of Internal Audit Reports and appraising and reviewing the scope of Internal Audit functions from time to time.
- Interacting effectively with the Statutory Auditors from time to time and discuss about finalisation of annual financial statements.
- Considering any other matter, which may be referred to it by the Board.
- The Minutes of the Audit Committee Meetings are placed at the Meeting of the Board of Directors.

Meetings and attendance during the year.

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

Sr. No.	Date	Strength	No. of Members Present
1	23.04.2011	3	2
2	12.05.2011	3	3
3	11.08.2011	3	2
4	14.11.2011	4	4
5	13.02.2012	4	3

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

Name of Members	Audit Committee Meetings Attended
Mr. B. Moradian	2
Mr. M. S. Adsul	5
Dr. M. C. Agarwal	5
Mr. A. B. Bhalerao *	2

* Mr. A. B. Bhalerao was appointed as a member of the Audit Committee w.e.f. 11th August, 2011

(b) Share Transactions cum Investors' Grievances Committee

The Board of the Company has constituted a Share Transactions cum Investor's Grievances Committee comprising of the following Directors:

Mr. B. Moradian	—	Chairman
Ms. Sarita Garware	—	Member
Dr. M. C. Agarwal	—	Member

The Company Secretary, Mr. Manoj Koul, acts as the Compliance Officer.

Brief descriptions of terms of reference are;

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

Details of complaints received and redressed during the year from 1st April, 2011 to 31st March, 2012.

As per information received from Registrar M/s. Link Intime India Private Limited, during the year, the Company received 102 complaints from shareholders, which were resolved. The details are as under:

Nature of Complaint	No. of Complaints	No. of Complaints Resolved	No. of Complaints Pending as on 31.03.2012
Transfer of Shares	15	15	Nil
Dividend	69	69	Nil
Others	18	18	Nil
Total	102	102	Nil

Share Transfer Details:

During the year, the Committee met 26 times. As on 31st March, 2012, 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
Ms. Sarita Garware	26
Mr. B. Moradian	14
Dr. M. C. Agarwal	20

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) Remuneration Committee:

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

Mr. B. Moradian	—	Member
Mr. M. S. Adsul	—	Member
Dr. M. C. Agarwal	—	Member
Mr. A. B. Bhalerao*	—	Member

* Mr. A. B. Bhalerao was appointed as a member of the Remuneration Committee w.e.f. 11th August, 2011.

The terms of reference of the above committee are to review the remuneration payable to Managing / Whole-time Directors.

3. REMUNERATION TO DIRECTORS:

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. Non-Executive Directors are paid sitting fees of Rs.5,000/- for every Board Meeting and Rs.1000/- for every Committee Meeting attended by them.

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The details of remuneration paid to the Directors of the Company during the year (1st April, 2011 to 31st March, 2012) are given below:-

	(Rs. in Lakhs)
a) Salary and Perquisites	575.11
b) Commission	Nil
c) Provision for Leave Encashment	91.53
d) Sitting Fees to Non-Executive Directors	1.67
Total	668.31

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

Performance-linked Bonus : Nil
Stock option details, if any : Nil

4. DISCLOSURES:

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large are separately disclosed in this Annual Report (Refer Note No. 35 of Financial Statment).

- b. Your company recognizes the "Risk Management" as an integrated, forward-looking process oriented approach for managing "Enterprise Wide Risks".

The Company manages its risk under following broad category:

1. Strategic and Business Risk
2. Operation and implementation Risks
3. Financial Risks
4. Risk related to Human Resources

Management recognizes that risk management encompasses three processes: risk assessment, risk mitigation and evaluation and assessment.

For the risk assessment, the management of the company headed by Executive Committee under over all supervision of Board of Directors regularly reviews and assesses the plans of the company, taking into account the changes in the global industry scenario and advises the operational management on various strategic issues.

For risk mitigation, the Company has adopted Standard Operating Procedures devised by M/s. Price-waterhouseCoopers Pvt. Ltd. to strengthen it's internal controls and standardise the procedures.

- c. No penalties/strictures have been imposed on the Company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years.

5. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the unaudited quarterly financial results in the format prescribed by the Stock Exchange, and discloses the said financial results to the Bombay Stock Exchange Limited, where the shares of the Company are listed. Further, the said results in the prescribed format are published in the leading news papers and are also made available on the Company's website: www.garwarepoly.com

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

6. GENERAL SHAREHOLDER INFORMATION

(a) Registered Office:

Naigaon, Post Waluj,
Aurangabad – 431 133

(b) Registrars and Share Transfer Agents :

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

(c) 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: cs@garwarepoly.com

(d) Plants Locations:

Waluj, Chikalthana, and Nasik.

(e) Listing on Stock Exchange

Shares of the Company are listed on the Bombay Stock Exchange Ltd., under Stock Code No.500655,

ISIN No. for dematerialised shares is INE 291A01017.

The Company has paid Annual Listing Fees for the year 2012- 13 to the above Stock Exchange. The Company has also paid custodial charges to National Securities Depository Limited and Central Depository Services (India) Limited for 2012-2013.

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

Month	Share Price Data		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2011	139.00	118.55	19811.14	18976.19
May 2011	149.30	119.00	19253.87	17786.13
June 2011	164.00	144.00	18873.39	17314.38
July 2011	164.90	146.65	19131.70	18131.86
August 2011	155.65	125.00	18440.07	15765.53
September 2011	165.50	146.50	17211.80	15801.01
October 2011	156.00	142.55	17908.13	15745.43
November 2011	148.80	130.00	17702.26	15478.69
December 2011	148.90	101.20	17003.71	15135.86
January 2012	126.70	103.50	17258.97	15358.02
February 2012	131.90	111.15	18523.78	17061.55
March 2012	127.65	112.50	18040.69	16920.61

(g) Share Transfer System

The Share Transfer requests received in physical form are registered and transferred within 30 days from the date of lodgement by the Registrars and Share Transfer Agents if the same are valid and complete in all respects and thereafter the same are duly approved by Share Transactions cum Investors' Grievances Committee. Since the Company's shares are compulsorily traded in demat segment on the Bombay Stock Exchange Ltd., bulk of the transfers takes place in electronic form.

(h) Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for which purpose the Company has entered

into Agreements with the respective Institutions. The Shares of the Company are compulsorily to be delivered in the demat form to the Stock Exchanges by all investors. Nearly 93.72% of the equity shares of the Company have been dematerialised by investors and bulk of transfers take place in the demat form.

(i) Distribution of Shareholdings as on 31st March, 2012

No. of Shares held	No. of Share-holders	% of Share-holders	No. of Shares	% of Share-holding
1 to 500	32829	96.41	2843689	12.20
501 to 1000	582	1.71	460716	1.98
1001 to 2000	327	0.96	520558	2.23
2001 to 3000	80	0.24	205508	0.88
3001 to 4000	28	0.08	100271	0.43
4001 to 5000	45	0.13	218121	0.93
5001 to 10000	65	0.19	489298	2.10
10001 and above	94	0.28	18476989	79.25
Total	34050	100.00	23315150	100.00

(j) Categories of shareholding as on 31st March, 2012.

Sr. No.	Category	No. of shares held	% share-holding
1	Promoters (Shri S. B. Garware, family and Associates)	13559078	58.15
2	Mutual Funds and UTI	353768	1.52
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Govt. Institutions)	857261	3.67
4	Private Corporate Bodies	1030371	4.42
5	Foreign Institutional Investors	4355	0.02
6	NRIs	299859	1.29
7	Indian Public	7210458	30.93
	Grand Total	233,15,150	100.00

(k) Outstanding GDRs/ADRs/ Warrants or any convertible instruments and conversion date and likely impact on equity : Not Applicable

(l) Reappointment / Appointment of Directors

Mrs. Monika Garware Modi, Mr. Dilip J. Thakkar, Mr. N.P. Chapalgaonkar and Mr. Ramesh P. Makhija Directors are retiring by rotation and being eligible, offer themselves for re-appointment.

Subject to the approval of shareholders at the ensuing Annual General Meeting, Board of Directors has appointed Miss Sonia Garware as joint Managing Director effective from 1st September, 2012.

The term of appointment of Mr. M.S. Adsul, Director - Technical expires on 31st July, 2012. Re-appointment of Mr. M.S. Adsul as Director - Technical is also subject to approval of shareholders at the ensuing Annual General Meeting.

(m) Code of Conduct

The Company has always encouraged and supported ethical business practice in personal and corporate behaviour by its directors and employees. The Company has framed a

specific Code of Conduct for the members of the Board of Directors and Senior Management personnel of the Company. In addition to that a special Code of Conduct for dealing in equity shares and other listed securities of the Company is also in place.

(n) CEO/CFO CERTIFICATION

The Chairman & Managing Director and Head (Finance and Accounts) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Head (Finance and Accounts) also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

(o) Information on General Body Meetings

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

	Date	Venue	Time
52 nd AGM	28.12.2009	Registered Office: Naigaon, Post Waluj, Aurangabad-431133	11.30 a.m.
53 rd AGM	29.09.2010	As above	11.30 a.m.
54 th AGM	27.12.2011	As above	11.30 a.m.

None of the Special Resolutions passed during the last three AGMs were required to be passed through postal ballot. No special resolution for this year is required to be passed through postal ballot.

(p) Financial Calendar (tentative)

Financial Year	1st April, 2012 to 31st March, 2013
Unaudited Financial Results for the Quarter ending: 30th June 2012; 30th September 2012; 31st December 2012 and 31st March 2013.	Within 45 days from the end of reporting quarter.
Annual General Meeting for year ending - 31st March 2013.	Before the end of September 2013.
Date of Book Closure for the current financial year	25th August, 2012 to 4th September, 2012 (both days inclusive)
Email address for Investor Complaints	manojkoul@garwarepoly.com cs@garwarepoly.com

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview & Economic Environment

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

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, TV screen, magnetic media, imaging, metallic yarn, laminated films for glass tint, safety application etc. Sun Control films cater to the automobile and real estate sector. The Company has a well-developed marketing network throughout the world, some of the major regions being Europe, USA, Far East, Middle East, Africa, South America etc. The Company has developed a wide network of dedicated customers in Europe, USA, Far East, Middle East, Brazil, Australia, China, Russia, New Zealand, Eastern Europe, Mexico and Africa. The quality of GPL products is rated amongst the best in the World and the Company pays special attention on customer services due to which the customer base is consistent and increasing. In order to expand the business and also to offer better services to the customers of the Consumer products in overseas market, the Company is offering services to the customers from the Marketing offices/subsidiary Company offices situated in USA and UK.

2. Opportunities and threats

The supply demand situation for polyester films is not favorable at present with capacities exceeding demand which situation is likely to continue for some more time. Due to the commoditized nature of BOPET films the Industry is highly competitive. Further due to uncertainty in the advanced economies and continuing euro debt crisis, the Global economy was adversely impacted. Despite these odds, the Indian economy managed to register GDP growth of 6.9 percent, however there was slowdown in Industry growth due to increased capacities, lower demand, due to slackening of external demand, policy uncertainties and tighter monetary conditions.

For the Company, the strategy is to concentrate on value added products. The shrink label application film is very well stabilized in the market. The Company has also evolved several new strategies in product branding as well as focused on R&D thereby developing several new products to mitigate the volatility in the margins. In thermal film, GPL had developed Gold & Feather feel films. The Company therefore hopes to rapidly grow its market share in various film segments. 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 use of plastic films for environment protection is continuing as the matter is pending with the Supreme Court of India. The overcapacity in the domestic market without any new application to consume the film on mass scale is not developed to absorb the capacity available that got added during the previous and current year. This has kept the situation of buyers' market and prices remained under pressure through out the year.

The Supreme Court of India while deciding on the Public Interest Litigation, in their Judgment delivered on 27th April 2012 has banned the application of Solar Control Film with effect from 4th May 2012 in India on the car windows. The matter has been decided without considering the views of the interested parties and hence the Company has already lodged a petition before the Division Bench of the Hon'ble Supreme Court of India for modification and recall of the Judgment. The hearing took place in the matter and the judgement is reserved. The Ban has affected the sale of the Sun control films in Indian market. Fortunately the Company has developed a very good export market and has diverted all production for exports.

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 Europe, Eastern Europe, USA, South America, Africa, Middle East, Far-East etc. The Consumer Division Products of the Company are marketed in Europe by its wholly owned subsidiary viz. Garware Polyester International Limited (GPIL) and in the American market by Global Pet Films Inc. (GPF), a wholly owned subsidiary of GPIL.

Sun Control Film:

The Company has successfully 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 our consistent high-class quality and better customer orientation are highly valued in the market.

Thermal Film:

With variety and high quality product offerings in thermal lamination films, the Company is fully confident of growing its share in the export market. The first production line was made fully operational in a short span of one year and reached its capacity. The Company may consider expanding the capacity in future.

Domestic 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 "Global" brand, which was created primarily for American Market, had also been launched in India and the response of the market has been overwhelming. Considering the rapid growth of automobile market in India, the Company had focused on this market and introduced car kits as well as entered in to OEM tie-ups, which are helping the Company to maintain its dominant position in the domestic market. Increased usage of window films in offices, commercial buildings and malls continue to add to the growth of the Company's business in the premium segment of window films. This however has got the sudden break due to the Supreme Court Judgment as referred above in the peak season from May 2012.

4. Review of Operation

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

(Rs. in lakhs)

	2011-2012	2010-11	% change
Net Sales	78,836.28	89,209.59	(11.63%)
Other Income	1,891.08	940.16	101.14%
Profit before Interest, Depreciation and Exceptional Items	10,376.48	29,094.02	(64.33%)
Interest & Financial Charges	2,832.75	2,393.09	18.37%
Depreciation	4,170.88	3,964.49	5.21%
Exceptional Items	(134.00)	1,636.22	(108.19%)
Profit before Tax	3,506.85	21,100.22	(83.38%)
Provision for Tax	0.00	2,255.00	(100.00%)
Profit after Tax	3,506.85	18,845.22	(81.39%)
Earnings per share (Basic and Diluted)	15.04	80.83	(81.39%)
Market Capitalization	26,847.40	27,616.80	(2.79%)

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

Recent Apex Court's judgments imposing ban on the usage of plastic films for Gutka (tobacco products) packaging and prohibition for use of black polyester films of any visual light transmission for automotive applications in the domestic market have adversely impacted the financial performance, not only of the Company but also the whole industry. Further due to volatility of crude oil prices and depreciation of Rupee vis-à-vis US dollar, the raw material prices has been exhibiting a volatile trend.

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

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AUDITORS' REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
GARWARE POLYESTER LIMITED

We have examined the compliance of conditions of Corporate Governance by Garware Polyester Limited for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement entered into with the stock exchange.

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

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

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

(**P. N. Shah**)
Partner

Mumbai
29th June, 2012

Membership No. 001738

AUDITORS' REPORT

TO
THE MEMBERS OF
GARWARE POLYESTER LIMITED

We have audited the attached Balance Sheet of **GARWARE POLYESTER LIMITED** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in Paragraph (3) above, we state that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our Opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement referred to in this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 as on the said date.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - (ii) In the case of the Statement of Profit and Loss, of the "PROFIT" of the Company for the year ended on that date.

AND

- (iii) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

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

(**P. N. Shah**)
Partner

Mumbai
29th June, 2012

Membership No. 001738

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph 3 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) A major portion of the assets has been physically verified by the management during the year. We are informed that no material discrepancies have been noticed by the management on such verification.
- (c) The company has not disposed off substantial part of its fixed assets during the year. According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the company.
- (ii) (a) The Inventories have been physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the company and have been properly dealt with in the books of account.
- (iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of Clause 4(iii) b, (c) and (d) of the order are not applicable for the year under report.
- (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Hence the provisions of clauses 4 (iii) (f) and (g) of the order are not applicable for the year under report.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us the transactions that need to be entered in the register maintained under section 301 of the companies Act, 1956 have been so entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time in the opinion of the management.
- (vi) According to the information and explanations given to us, the company has not accepted during the year any deposits from the public as per the provisions of Sections 58 A and 58 AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. To the best of our knowledge and according to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the companies Act, 1958, and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records.
- (ix) (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. As explained to us, no undisputed amounts payable in respect of above were in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) The following dues have not been deposited on account of dispute:

Nature of Dues	Financial Year to which the Dispute Pertains	Amount (Rs. in Lakhs)	Forum where dispute is pending
Income Tax	2002 - 03	75.04	Commissioner of Income Tax, Mumbai
	2005 - 06	14.25	Commissioner of Income Tax, Mumbai
Excise Duty	1994 - 95	7.21	Customs, excise and Service Tax Appellate Tribunal, Mumbai High Court, Aurangabad
	2001 - 02	31.40	
		4.92	
Excise Duty	1989 - 90	0.41	High Court, Mumbai
Sales Tax	1982 - 83	4.88	Deputy Commissioner, Delhi
Sales Tax	1984 - 85	6.00	Sales Tax Assessing Officer, Delhi & Noida
	1993 - 94	6.25	

- (x) The company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the company is not a chit fund or a nidhi, mutual benefit fund or society, the provisions of clause 4(xiii) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- (xiv) As the company is not dealing in or trading in shares, securities, debentures and other investments, the provisions of clause

ANNEXURE TO THE AUDITORS' REPORT (Referred to in Paragraph 3 of our Report of even date)

- 4(xiv) of the Companies (Auditors' report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Bank or Financial Institutions.
- (xvi) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us, the company has not applied short term borrowings for long term use.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, except to the extent of shares allotted as per the Schemes of Amalgamation and Arrangements of Great Design Properties Pvt. Ltd. and Garware Chemicals Ltd.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

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

(P. N. Shah)
Partner
Membership No. 001738

Mumbai
29th June, 2012

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BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	7,771.31	6,698.12
Share Capital Suspense	2	0.00	1,073.19
Reserves and Surplus	3	<u>43,443.57</u>	<u>40,343.81</u>
		51,214.88	48,115.12
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	3,267.24	2,201.87
Deferred Tax Liabilities (Net)	5	3,699.60	3,699.60
Other Long Term Liabilities	6	0.00	499.32
Long Term Provisions	10	<u>821.74</u>	<u>766.52</u>
		7,788.58	7,167.31
CURRENT LIABILITIES			
Short Term Borrowings	7	17,924.80	8,296.20
Trade Payables	8	2,428.35	2,659.92
Other Current Liabilities	9	3,370.48	9,179.74
Short Term Provisions	10	<u>1,028.93</u>	<u>2,775.63</u>
		24,752.56	22,911.49
TOTAL		<u>83,756.02</u>	<u>78,193.92</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets :			
Tangible Assets	11	47,866.11	49,354.02
Intangible Assets	11	4,525.47	4,563.46
Capital Work-in-Progress	11	419.47	851.14
Intangible Assets Under Development		<u>0.00</u>	<u>21.70</u>
		52,811.05	54,790.32
Non Current Investments	12	214.46	215.86
Long Term Loans and Advances	13	6,121.95	5,655.14
CURRENT ASSETS			
Inventories	14	11,930.48	9,604.09
Trade Receivables	15	1,939.98	2,907.84
Cash and Cash Equivalents	16	5,743.34	2,622.27
Short Term Loans and Advances	13	4,873.06	2,244.66
Other Current Assets	17	<u>121.70</u>	<u>153.74</u>
		24,608.56	17,532.60
TOTAL		<u>83,756.02</u>	<u>78,193.92</u>
Notes on Financial Statements	1 to 44		
Significant Accounting Policies			

As per our report of even date

For **SHAH & CO.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No. 001738

Mumbai, 29th June, 2012

For and on behalf of the Board of Directors

S. B. GARWARE – Chairman & Managing Director

A. B. BHALERAO – Director

M. S. ADSUL – Director – Technical

MANOJ KOUL – Company Secretary &
Sr. General Manager

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
INCOME			
Revenue from Operations (Gross including Excise Duty)	18	82,751.27	94,142.01
Less : Excise Duty		<u>3,914.99</u>	<u>4,932.42</u>
Revenue from Operations (Net)		78,836.28	89,209.59
Other Income	19	1,891.08	940.16
Total Revenue		80,727.36	90,149.75
EXPENDITURE:			
Cost of Raw Materials Consumed	20	44,716.44	36,480.64
Purchases of Traded Goods		2,831.44	2,783.73
Changes in Inventories of Finished goods, Work in progress and Traded goods	21	(2,536.11)	(3,171.95)
Employee Benefits Expense	22	5,543.64	5,082.18
Other Expenses	23	19,795.47	19,881.13
Exceptional Expenses	24	(134.00)	1,636.22
Total Expenses		70,216.88	62,691.95
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		10,510.48	27,457.80
Depreciation and Amortization Expenses	11	4,170.88	3,964.49
Finance Costs	25	2,832.75	2,393.09
Profit before Tax		3,506.85	21,100.22
Tax Expenses			
Current Tax		633.91	4,154.66
Less : Mat Credit Entitlement		(633.91)	(4,154.66)
Deferred Tax		0.00	2,255.00
Total Tax Expenses		0.00	2,255.00
Profit for the year		3,506.85	18,845.22
Earning Per Share - Basic and Diluted (Rupees) (Face Value of Rs.10/- each) Refer Note No. 26		15.04	80.83
Notes on Financial Statements	1 to 44		
Significant Accounting Policies			

As per our report of even date

For **SHAH & CO.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No. 001738

Mumbai, 29th June, 2012

For and on behalf of the Board of Directors

S. B. GARWARE – Chairman & Managing Director

A. B. BHALERAO – Director

M. S. ADSUL – Director – Technical

MANOJ KOUL – Company Secretary &
Sr. General Manager

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

		As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
1. SHARE CAPITAL			
Authorised :-			
40,000,000	Equity shares of Rs. 10/- each (Previous year 40,000,000)	4,000.00	4,000.00
6,000,000	Preference Shares of Rs. 100/- each (Previous year 6,000,000)	6,000.00	6,000.00
		<u>10,000.00</u>	<u>10,000.00</u>
Issued, Subscribed and Fully Paid-Up			
23,315,150	Equity Shares of Rs. 10/- each (Previous year 12,583,286)	2,331.52	1,258.33
	Less: Unpaid Allotment/Call Money (from Others)	6.21	6.21
		<u>2,325.31</u>	<u>1,252.12</u>
5,446,000	0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 5,446,000)	5,446.00	5,446.00
	TOTAL	<u>7,771.31</u>	<u>6,698.12</u>

Out of the above :

- (i) 10,19,022 Equity shares of Rs.10/- each were allotted as fully paid up to IDBI at a premium of Rs.48.88 per share on 7th November 2007 as per arrangement (Previous year 10,19,022)
- (ii) 2,00,000 Equity shares of Rs.10/- each were allotted as fully paid up to various schemes operating under UTI Assets Management Company Ltd at a premium of Rs. 22.67 per Share on 23rd December 2008 as per arrangement (Previous year 200,000)
- (iii) 2,54,764 Equity Shares of Rs. 10/- Each fully paid-up issued to the shareholders of Garware Chemicals Limited (GCL) as per scheme of arrangement under section 391 to 394 of the Companies Act, 1956
- (iv) 54,46,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted as fully paid up to IDBI at par (49,54,000 on 7th November 2007 and 4,92,000 on 19th June 2008) as per arrangement. The Preference shares amounting to Rs.4,954.00 Lakhs shall be redeemed in 3 equal installments from 1st April, 2014 to 1st April 2016 and Rs. 492.00 Lakhs shall be redeemed in single installment on 1st April 2016. (Previous year 54,46,000)

Terms / Rights attached to Shares :

Equity Shares :

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

During the year ended on 31st March 2012, The amount of dividend per share recognised as distributions to equity shareholder is Rs 1.50 per share (year ended 31st March 2011 Rs.10/- including interim dividend)

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

Preference Shares :

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

		As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
254,764	Equity Shares of Rs. 10/- Each fully paid-up to be issued to the shareholders of Garware Chemicals Limited (GCL) as per scheme of arrangement under section 391 to 394 of the Companies Act, 1956	25.48	25.48
(254,764)	Less: Shares issued on 14th November 2011 to the Share holders of GCL.	25.48	0.00
		<u>0.00</u>	25.48
10,477,100	Equity Shares of Rs. 10/- each Fully paid-up to be issued to the shareholders of Great Design Properties Pvt. Ltd. (GDPPL) as per Scheme of Amalgamation and Arrangement under Section 391 and 394 of the Companies Act, 1956	1,047.71	1,047.71
(10,477,100)	Less: Shares issued on 11th July 2011 to the Share holders of GDPPL.	1,047.71	0.00
		<u>0.00</u>	<u>1,047.71</u>
		<u>0.00</u>	<u>1,073.19</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

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

	31st March, 2012		31st March, 2011	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Equity Shares				
At the beginning of the period	12,583,286	1,258.33	23,060,386	2,306.04
Issued during the year as per scheme of Amalgamation and Arrangement with Great Design Properties Pvt.Ltd (GDPPL) and Garware Chemicals Ltd (GCL)	10,731,864	1,073.19	0	0.00
Cancellation as per Scheme of Amalgamation and Arrangement with GDPPL	0	0.00	10,477,100	1,047.71
Outstanding at the end of the year	<u>23,315,150</u>	<u>2,331.52</u>	<u>12,583,286</u>	<u>1,258.33</u>
Preference Shares				
At the beginning of the year	5,446,000	5,446.00	5,446,000	5,446.00
Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	<u>5,446,000</u>	<u>5,446.00</u>	<u>5,446,000</u>	<u>5,446.00</u>

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

Name of the Shareholders	As at 31.03.2012		As at 31.03.2011	
	Nos. of Shares	% of Holding	Nos. of Shares	% of Holding
S.B. Garware Family Trust	10,477,100	44.94	0	0.00
Great Design Properties Pvt.Ltd	0	0.00	10,477,100	44.94

3. RESERVES AND SURPLUS

	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Capital Reserve :		
Balance as per last Balance Sheet	4,439.48	4,439.48
Securities Premium Reserve :		
Balance as per last Balance Sheet	592.14	592.14
Debenture Redemption Reserve :		
Balance as per last Balance Sheet	1,356.05	1,356.05
Less: Transfer to General reserve	<u>1,356.05</u>	<u>0.00</u>
	0.00	1,356.05
Revaluation Reserve :		
Balance as per last Balance Sheet	4,584.49	4,584.49
General Reserve		
Balance as per last Balance Sheet	5,378.52	3,494.00
Add : Transferred from Surplus in statement of Profit and Loss Account	175.34	1,884.52
Add : Transferred from Debenture Redemption Reserve	<u>1,356.05</u>	<u>0.00</u>
Closing Balance	6,909.91	5,378.52
Surplus in the statement of Profit and Loss Account		
Balance as per last Financial Statements	23,993.13	9,582.56
Add: Profit for the year	3,506.85	18,845.22
Less: Appropriations		
Dividend Payable on Preference Shares [0.01 paise per share (Previous year 0.01 paise per share)]	0.54	0.54
Interim Dividend on Equity Shares (Previous year Rs.1.50 per share)	0.00	188.76
Proposed final Dividend on Equity Shares [Rs.1.50 per share (Previous year Rs.8.50 per share)]	349.73	1,981.79
Tax on Dividend	56.82	379.04
Transfer to General Reserve	<u>175.34</u>	<u>1,884.52</u>
	<u>26,917.55</u>	<u>23,993.13</u>
TOTAL	<u>43,443.57</u>	<u>40,343.81</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

4. LONG TERM BORROWINGS

	Non-Current		Current Maturities	
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Debenture/Bonds	0.00	0.00	0.00	63.00
Term Loan				
Indian Rupee Loan from Banks (Secured)	207.48	40.18	740.00	980.14
Foreign Currency Loan from Banks (Secured)	1,527.43	601.03	814.08	5,974.91
Vehicle Finance Lease Obligation (Secured)	328.87	357.20	115.46	93.40
Other Loans and Advances				
Interest Free Sales Tax / VAT Deferral Loan of SICOM (Unsecured)	1,203.46	1,203.46	0.00	0.00
	3,267.24	2,201.87	1,669.54	7,111.45
Above Amount Includes				
Secured Borrowing	2,063.78	998.41	1,669.54	7,111.45
Unsecured Borrowing	1,203.46	1,203.46	0.00	0.00
Amount Disclosed Under the Head "Other Current Liabilities" (Refer Note No. 9)	0.00	0.00	(1,669.54)	(7,111.45)
Net Amount	3,267.24	2,201.87	0.00	0.00

- 1) Zero Coupon Bonds of Rs. Nil (Previous year Rs. 63.00 Lakhs) were secured by charge on fixed assets of the company situated at Aurangabad and Nashik and also by way of second charge on current assets of the company. The company does not have power to reissue the said Zero coupon bonds.
- 2) Term Loans of Rs. 3,288.99 Lakhs (Previous year Rs. 7,596.26 Lakhs) are secured as under:
 - a. Term Loan of Rs. 88.16 Lakhs (Previous year Rs. 578.73 Lakhs) is secured by charge on the specific project assets and also by way of second charge on current assets of the company. The loan is repayable in 24 quarterly installments from quarter ended June 2007 till March 2013.
 - b. Term Loan of Rs. 2,317.75 Lakhs (Previous year Rs. 1,196.89 Lakhs) is secured by charge on the specific project assets and also by way of second charge on current assets of the company. The loan is repayable in 20 quarterly installments from quarter ended March 2011 till December 2015.
 - c. Term Loan of Rs. 883.08 Lakhs (Previous year Rs. Nil) is secured by charge on Fixed assets of the company situated at Aurangabad and Nasik and also by way of second charge on current assets of the company. The loan is repayable in 20 quarterly installments from quarter ended June 2012 till March 2017.
 - d. Term Loan of Rs. Nil (Previous year Rs. 5,383.50 Lakhs) was secured by charge on Fixed assets of the company situated at Aurangabad and Nasik also by way of second charge on current assets of the company.
 - e. Term Loan of Rs. Nil (Previous year Rs. 437.14 Lakhs) was against the Fixed Deposits.
- 3) Vehicle Finances of Rs. 444.33 Lakhs (Previous year Rs. 450.60 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 60 monthly installments. The installment are payable from May 2007 till November 2016 covering all loans taken at various dates.
- 4) Deferral Loan from SICOM is payable from April 2016 to April 2026
- 5) The rate of interest on Foreign Currency loans ranges between LIBOR + 7% to 7.5%, 14.25% on Rupee Loans and 8.92% to 15.5% on vehicle loans

5. DEFERRED TAX LIABILITY (NET):-

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2012 are as follows:

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Deferred Tax Assets		
Disallowance U/S 43 B of the Income Tax Act, 1961	24.98	166.11
Unabsorbed Business Losses and Depreciation	1,024.56	3,286.41
Others (Including GDPPL)	178.66	200.59
(i)	1,228.20	3,653.11
Less :- Deferred Tax Liability:		
Excess of net Block over WDV as per the Income Tax Act, 1961	(ii) 4,152.18	7,352.71
Deferred Tax Assets/(Liability) (Net)	(i - ii) (2,923.98)	(3,699.60)
The company has not recognised deferred tax asset as a matter of prudence		

6. OTHER LONG TERM LIABILITIES :-

Creditors for Capital Expenditure	0.00	499.32
	0.00	499.32

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
7. SHORT TERM BORROWING		
Cash / Packing Credit from Banks :		
Foreign Currency (Secured)	3,361.12	0.00
Working Capital Loans	14,563.68	8,083.79
Working Capital Demand Loans	0.00	212.41
	17,924.80	8,296.20
Above amount includes		
Secured borrowing	17,924.80	8,296.20

- a) Cash / Packing Credit / Working Capital Demand Loans are secured by hypothecation of stores, spares and packing materials and stock-in-trade and book debts of the Company and further secured by a second charge on the movable assets of the Company and immovable properties situated at Aurangabad and Nasik.
- b) Working Capital Loans are secured by hypothecation of stores, spares and packing materials and stock-in-trade of the Company.
- c) Interest on working capital (Rupee) Loans ranges between 12.50% to 17% and Foreign currency loans 2.46% to 4.54%.

8. TRADE PAYABLES

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Due to Micro, Small and Medium Enterprises (Refer Note No. 39)	199.34	185.68
Others	2,046.44	2,196.45
Related Party	182.57	277.79
[Due to Associate companies Rs. 107.88 Lakhs (Previous year Nil), Due to Subsidiary companies Rs. 74.69 Lakhs (Previous year Rs. 250.09 Lakhs) and due to Directors Rs.Nil (Previous year Rs. 27.70 Lakhs)]		
TOTAL	2,428.35	2,659.92

9. OTHER CURRENT LIABILITIES

Current Maturities of Long Term Borrowing (Refer Note No. 4)	1,669.54	7,111.45
Unclaimed Dividend	67.80	30.90
Unclaimed Debenture and Interest	2.14	2.14
Deposit and Advances from Customers and Others	637.13	804.62
Creditors for Capital Expenditure	653.23	346.48
Others	340.64	884.15
TOTAL	3,370.48	9,179.74

10. PROVISIONS

	Long Term		Short Term	
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Provisions for Employee Benefits:- (Refer Note No. 22)				
Provision for Gratuity	0.00	0.00	407.36	257.43
Provision for Bonus	0.00	0.00	34.31	45.33
Provision for Leave Encashment	821.74	766.52	180.17	168.94
	821.74	766.52	621.84	471.70
Other Provisions:-				
Provision for Dividend on Preference Shares	0.00	0.00	0.54	0.54
Provision for Proposed Dividend on Equity Shares	0.00	0.00	349.73	1,981.79
Provision for Tax on Dividend	0.00	0.00	56.82	321.60
	0.00	0.00	407.09	2,303.93
TOTAL	821.74	766.52	1,028.93	2,775.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.2011	Additions / Adjustments during the year	Additions due to Schemes of arrangements and amalgamations	Disposals/ Transfers/ Adjustments during the year	As at 31.03.2012	As at 01.04.2011	Charges for the year	Disposals/ Transfers/ Adjustments during the year	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS :-										
Land (Freehold)	11,576.62	0.00	0.00	0.00	11,576.62	0.00	0.00	0.00	11,576.62	11,576.62
Land (Leasehold)	1,863.36	0.00	0.00	0.00	1,863.36	0.00	0.00	0.00	1,863.36	1,863.36
Buildings	9,551.15	158.95	0.00	218.18	9,491.92	5,331.51	333.59	53.87	3,880.69	4,219.64
Plant and Machinery	70,175.15	2,804.97	0.00	3,423.95	69,556.17	39,953.60	3,456.81	3,026.51	29,172.27	30,221.55
Electrical Installations	3,019.27	0.00	0.00	0.00	3,019.27	2,587.61	60.04	0.00	371.62	431.66
Moulds	287.54	0.00	0.00	0.00	287.54	287.54	0.00	0.00	0.00	0.00
Laboratory Equipments	374.95	23.24	0.00	0.00	398.19	243.65	20.65	0.00	133.89	131.30
Furniture and Fixtures	525.75	22.23	0.00	0.49	547.49	465.39	13.95	0.15	68.30	60.36
Office Equipments	561.30	34.52	0.00	0.53	595.29	415.59	23.09	0.53	157.14	145.71
Vehicles	642.63	111.20	0.00	0.00	753.83	153.51	133.63	0.00	466.69	489.12
Vehicles on Finance Lease	273.88	34.98	0.00	0.00	308.86	205.79	26.41	0.00	76.66	68.09
Capital Expenditure on Research and Development	218.60	0.00	0.00	0.00	218.60	213.70	1.47	0.00	3.43	4.90
Data Processing Equipments	1,345.84	13.70	0.00	0.00	1,359.54	1,204.13	59.97	0.00	95.44	141.71
TOTAL (A)	100,416.04	3,203.79	0.00	3,643.15	99,976.68	51,062.02	4,129.61	3,081.06	47,866.11	49,354.02
INTANGIBLE ASSETS :-										
Software	191.96	3.28	0.00	0.00	195.24	31.98	38.81	0.00	124.45	159.98
Copyrights	157.46	0.00	0.00	0.00	157.46	157.46	0.00	0.00	0.00	0.00
Expenditure on Technical Know how/Product Development	1,430.76	0.00	0.00	0.00	1,430.76	1,427.64	2.46	0.00	0.66	3.12
Goodwill	4,400.36	0.00	0.00	0.00	4,400.36	0.00	0.00	0.00	4,400.36	4,400.36
TOTAL (B)	6,180.54	3.28	0.00	0.00	6,183.82	1,617.08	41.27	0.00	4,525.47	4,563.46
TOTAL (A + B)	106,596.58	3,207.07	0.00	3,643.15	106,160.50	52,679.10	4,170.88	3,081.06	52,391.58	53,917.48
Previous Year	86,435.22	4,283.28	15,936.70 *	58.62	106,596.58	48,737.51	3,964.49	22.90	53,917.48	
Capital Work in Progress									419.47	872.84

NOTES :

- The Freehold land includes Rs. 4,584.49 Lakhs on account of revaluation of land at Vile Parle, Mumbai as at 31st March, 2007.
- Building include Rs. 0.07 Lakh being value of 136 shares in Co-op. Housing Societies.
- Depreciation has been provided as follows:
 - on Plant and Machinery on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
 - on Plant and Machinery on Written Down Value Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
- No Write-off has been made in respect of lease relating to leasehold land.
- Depreciation includes Technical Know-how fees / Product Development Expenses amortised.
- In accordance with Accounting Standard (AS-11) and Amendment Rules 2009 on AS-11 Notified by Government of India on 31.03.2009 and subsequent Amendment dtd. 29th December 2011, company has capitalised Rs. 409.46 Lakhs (Previous year - Rs. 19.27 lakhs) on account of Exchange rate difference on foreign currency loans.

* Net Assets of Ganware Chemicals Ltd. and Great Design Properties Pvt.Ltd taken over as per Schemes of Arrangement and Amalgamation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
12. NON-CURRENT INVESTMENT		
Non Trade Investments		
A. In Government Securities (Unquoted) :		
1. 10 years - 8.5% Rural Debentures of Maharashtra State Electricity Board of the face value of Rs. 0.17 Lakh	-	-
2. 7 years National Savings Certificates of the face value of Rs. 0.03 Lakh (Lodged with the Excise Authorities as Security Deposit)	-	-
	-	-
B. In Shares :		
Quoted Equity Instruments		
50 Equity Shares of M.M. Rubber Ltd. of the face value of Rs.10/- each, fully paid-up.	0.01	0.01
2,80,000 Equity Shares of Garware Marine Industries Ltd, of the face value of Rs.10/- each, fully paid-up.	-	-
4,00,300 Equity Shares of Garware Wall Ropes Limited,of the face value of Rs.10/- each, fully paid-up.	56.98	56.98
200 Equity Shares of NALCO of the face value of Rs.10/- each fully paid up.	0.81	0.81
	57.80	57.80
Unquoted Equity Instruments		
<u>In Subsidiary Companies</u>		
2,50,000 Ordinary Shares of Garware Polyester International Limited, London, of the face value of Pound 1/- each,fully paid-up.	133.57	133.57
<u>In Associate Company</u>		
75,201 Equity Shares of Garware Chemicals Ltd of the face value of Rs.10/- each fully paid-up including five equity shares held by nominees.	7.52	7.52
	141.09	141.09
Unquoted Equity Instruments		
2,500 Equity Shares of The New India Co-operative Bank Ltd. Mumbai,of the face value of Rs.10/- each,fully paid-up.	0.25	0.25
2,500 Equity Shares of The North Kanara Goud Saraswat Brahmin Co-operative Bank Ltd.,Mumbai, of the face value of Rs.10/- each, fully paid up.	0.25	0.25
500 shares of The Co-operative Stores Ltd. (New Delhi) of the face value of Rs.10/- each, fully paid up.	0.05	0.05
10,000 Equity Shares of S I C O M Ltd.,of the face value of Rs.10/- each fully paid-up.	8.00	8.00
20,000 Equity Shares of Deogiri Nagari Sahakari Bank Ltd of the face value of Rs.25/- each fully paid up.	5.00	5.00
4,000 Equity Shares of Vaidyanath Urban Co-op. Bank Ltd of the face value of Rs 25/- each fully paid-up.	1.00	1.00
1,000 Equity Shares of Poornawadi co-op Bank Ltd of the face value of Rs. 100/- each fully paid-up.	1.00	1.00
100 Equity Shares of Cosmos Co-operative Bank Ltd of the face value of Rs.10/-each fully paid up.	0.02	0.02
Preference Shares (Unquoted)	15.57	15.57
Nil (Previous year 1,403) 0.1%, Non Cum. Red. Preference Shares of Best Design Properties Private Limited (BDPL), of the face value of Rs. 100/- each.	0.00	1.40
	214.46	215.86
	Cost	Cost
	Market Value	Market Value
Aggregate amount of company's Investment		
Quoted	57.80	57.80
Unquoted	156.66	158.06
	214.46	215.86
	221.18	275.17

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

13. LOANS AND ADVANCES :-

	Non-Current		Current	
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Capital Advances				
Secured, Considered Good #	11.91	63.26	0.00	0.00
Unsecured, Considered Good	69.35	247.29	0.00	0.00
(A)	81.26	310.55	0.00	0.00
Security Deposit				
Unsecured, Considered Good (Including Rs. 30.00 Lakhs due from Director (Previous year Rs.Nil))	118.04	93.77	0.00	0.00
(B)	118.04	93.77	0.00	0.00
Advances Recoverable in Cash or Kind				
Unsecured, Considered Good	45.27	45.27	244.56	530.02
(C)	45.27	45.27	244.56	530.02
Other Loans and Advances				
Advance Income-Tax (Net of Provision for Taxation)	191.04	153.12	0.00	0.00
MAT Credit Entitlement	5,686.34	5,052.43	0.00	0.00
Prepaid Expenses	0.00	0.00	521.04	225.89
Employee Advances	0.00	0.00	15.94	13.48
Balances with Statutory/Government Authorities	0.00	0.00	4,091.52	1,475.27
(D)	5,877.38	5,205.55	4,628.50	1,714.64
Total (A +B+C+D)	6,121.95	5,655.14	4,873.06	2,244.66

Secured against Bank Guarantee.

	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
14. INVENTORIES (At lower of cost and net realisable value)		
a) Stores, Spares and Packing Material	2,341.23	1,967.59
b) Raw Materials	1,684.97	2,268.33
c) Finished Goods	661.15	390.18
d) Stock in Transit - Finished Goods	2,198.02	1,884.30
e) Semi finished Goods	5,019.51	3,093.69
f) Stock in Transit - Semi finished Goods	25.60	0.00
	11,930.48	9,604.09
15. TRADE RECEIVABLES		
Unsecured, considered good, unless otherwise stated excluding Bills Receivable discounted (Refer Note No. 37(d))		
(a) Debts outstanding for a period exceeding six months.		
i) Considered Good	0.60	0.72
ii) Considered Doubtful	514.18	514.18
	514.78	514.90
Less: Provision for Doubtful Receivables	514.18	514.18
	0.60	0.72

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	<u>As at 31.03.2012 Rs. in Lakhs</u>	<u>As at 31.03.2011 Rs. in Lakhs</u>
(b) Other Receivables		
Unsecured, Considered Good	1,939.38	2,907.12
	<u>1,939.38</u>	<u>2,907.12</u>
TOTAL (a+b)	<u>1,939.98</u>	<u>2,907.84</u>
Trade Receivables Include :-		
Due from Associate Company	0.00	556.29
Due from Subsidiary Companies	64.01	766.28
	<u>64.01</u>	<u>1,322.57</u>
16. CASH AND CASH EQUIVALENTS	<u>As at 31.03.2012 Rs. in Lakhs</u>	<u>As at 31.03.2011 Rs. in Lakhs</u>
a) Cash on Hand	10.87	15.31
b) Balances with Bank :-		
In Current Accounts	1,444.16	815.48
In Fixed Deposit	4,200.00	1,588.23
In Unclaimed Dividend Accounts	67.26	30.36
Margin Money Deposit	21.05	172.89
TOTAL	<u>5,743.34</u>	<u>2,622.27</u>
(Fixed Deposit with Bank includes Rs.4.00 Lakhs (Previous year Rs.4.00 Lakhs) with maturity of more than 12 Months)		
17. OTHER CURRENT ASSETS	<u>Non-current</u>	<u>Current</u>
	<u>As at 31.03.2012 Rs. in Lakhs</u>	<u>As at 31.03.2011 Rs. in Lakhs</u>
Interest Accrued on Fixed Deposit	0.00	21.80
Other Receivable	0.00	99.90
	<u>0.00</u>	<u>121.70</u>
	<u>0.00</u>	<u>153.74</u>
18. REVENUE FROM OPERATIONS :-	<u>2011-12 Rs. in Lakhs</u>	<u>2010-11 Rs. in Lakhs</u>
Sales of Products		
Finished Goods	78,572.44	90,576.66
Traded Goods	4,038.41	3,436.00
Other operating Revenues		
Scrap sales	140.42	129.35
Revenue from operation (Gross including Excise Duty)	<u>82,751.27</u>	<u>94,142.01</u>
Less : Excise Duty	3,914.99	4,932.42
Revenue from Operation (Net)	<u>78,836.28</u>	<u>89,209.59</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
19. OTHER INCOME		
Interest Income on :		
Bank Deposits	365.04	159.49
Income Tax and Sales Tax Refund	1.21	23.15
Others	2.50	1.25
Dividend Income on :		
Investment in Subsidiary	455.95	0.00
Long Term Investment	11.66	167.05
Insurance Claims	91.67	11.97
Profit on Sales of Fixed Assets	41.73	41.83
Excess Provision/Sundry Credit Balances Written Back	349.59	22.49
Rent	1.20	2.40
Sales Tax Refund	429.94	49.29
Gain on Exchange Rate Fluctuations	140.59	415.86
Net Income from Share Trading	0.00	45.38
TOTAL	1,891.08	940.16
20. COST OF RAW MATERIAL CONSUMED		
Inventory at the beginning of the year	2,268.33	1,002.01
Add : Purchases	44,133.08	37,746.96
	46,401.41	38,748.97
Less : Inventory at the end of the year	1,684.97	2,268.33
Cost of Raw Material Consumed	44,716.44	36,480.64
Details of Raw Material Consumed		
PTA	22,841.48	20,605.68
MEG	8,740.02	7,504.44
Chemicals and others	13,134.94	8,370.52
	* 44,716.44	36,480.64
* After adjusting sale of raw material amounting to Rs. 723.58 Lakhs (Previous year Rs.286.58 Lakhs).		
Details of Inventory:-		
PTA	129.51	238.64
MEG	76.48	217.72
Chemicals and others	1,478.98	1,811.97
	1,684.97	2,268.33
21. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS		
Inventories at the end of the year		
Work in Progress	5,045.11	3,093.69
Finished Goods	2,859.17	2,274.48
	7,904.28	5,368.17
Inventories at the beginning of the year		
Work in Progress	3,093.69	1,606.05
Finished Goods	2,274.48	590.17
	5,368.17	2,196.22
(Increase) / Decrease	(2,536.11)	(3,171.95)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4,450.73	4,186.55
Contribution to Provident Funds and Other Funds	788.18	621.56
Staff Welfare Expenses	304.73	274.07
	5,543.64	5,082.18
23. OTHER EXPENSES		
Stores, Spares and Packing Material Consumed	3,149.77	4,332.66
Power and Fuel	8,365.58	6,501.81
Processing Charges	1,200.44	1,723.77
Water Charges	55.04	76.21
Rent, Hire Charges and Compensation	89.68	57.98
Rates, Taxes and License Fees	65.85	42.55
Insurance	160.91	138.05
Freight and Forwarding (Net)	1,612.22	1,715.66
Research and Development Expenses	154.39	120.38
Advertisement Expenses	103.93	102.03
Repairs and Maintenance Expenses :-		
Plant and Machinery	683.44	752.47
Building	326.20	312.09
Other Assets	507.79	509.10
Sales Tax / VAT	136.53	156.70
Travelling and Conveyance	335.14	437.81
Postage, Telegrams and Telephones	101.28	109.47
Commission on Sales	523.54	773.58
Donations	135.00	140.25
Legal and Professional Charges (Refer Note No. 31)	725.61	618.23
Director Sitting Fees	1.67	1.08
Miscellaneous Expenses	1,334.10	1,219.16
Provision for Doubtful Debts	0.00	20.85
TOTAL	19,768.11	19,861.89
Auditor's Remuneration:		
Audit Fees	10.00	11.15
Tax Audit Fees	5.00	4.10
For Certification / Others	12.13	3.75
Reimbursement of Out of Pocket Expenses	0.23	0.24
TOTAL	27.36	19.24
TOTAL OTHER EXPENDITURE	19,795.47	19,881.13
24. EXCEPTIONAL ITEMS :-		
1) Sales Tax Receivable written off Pursuant to amendment of MVAT Act by Govt. of Maharashtra with retrospective effect	0.00	1,128.22
2) Octroi Receivable written off Pursuant to amendment of MVAT Act, by Govt. of Maharashtra with retrospective effect	0.00	206.25
3) Sales Tax Deferral Liability to SICOM	0.00	42.75
4) Provision for Expenses on Amalgamation pursuant to scheme of Arrangement u/s 391 to 394 of the Act, between Company and Great Design Properties Pvt. Ltd.	0.00	259.00
5) Excess provision of commission	(134.00)	0.00
TOTAL	(134.00)	1636.22

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
25. FINANCE COST		
Interest Expenses	549.31	748.11
Other Borrowing Cost	1,969.54	1,715.26
Applicable Loss (Gain) on Foreign Currency Transaction and Translation	313.90	(70.28)
TOTAL	2,832.75	2,393.09
26. EARNINGS PER SHARE (EPS)		
Profit After Tax	3,506.85	18,845.22
Less: Dividend on Preference Shares including Tax	0.63	0.63
Amount available for Equity Shareholders	3,506.22	18,844.59
Weighted average Number of Equity Shares (Basic and Diluted) including Outstanding	23,315,150	23,315,150
Earning per share - Basic and Diluted (Rupees) (absolute)	15.04	80.83
27. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"		
A. <u>Funded retirement benefit - Gratuity</u>		
Change in the defined benefit obligations		
Defined Benefit obligations at beginning of the year	1,688.41	1,509.87
Service Cost	114.05	99.05
Interest Cost	135.41	114.67
Actuarial Loss / (Gain)	219.39	112.73
Benefits paid	(93.82)	(147.91)
Defined benefit obligations at end of the year (a)	2,063.44	1,688.41
Change in plan assets		
Fair Value of plan assets as at beginning of the year	1,430.98	1,301.16
Expected return on plan assets	138.11	122.15
Contributions by employer	180.81	155.34
Actuarial Gain / (Loss)	0.00	0.24
Benefits paid	(93.82)	(147.91)
Fair value of plan assets at end of the year (b)	1,656.08	1,430.98
Present Value of funded obligations (a-b)	407.36	257.43
The net amount recognized in the statement of profit and loss for the year ended 31st March 2012 is as follows:		
Current Service Cost	114.05	99.05
Interest Cost	135.41	114.67
Expected return on plan assets	(138.11)	(122.15)
Net actuarial Loss / (Gain) recognized	219.39	112.49
Net amount recognized	330.74	204.06
The principal actuarial assumptions used as at 31st March 2012 are as follows:		
Discount Rate	8.50%	8.00%
<u>Expected rate of return on plan assets</u>		
Withdrawal rate	5%	5%
Rate of increase in compensation levels	5%	5%
B. <u>Un-funded retirement benefit - Leave Encashment</u>		
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	935.46	905.92
Service Cost	43.99	56.10
Interest Cost	75.81	70.85
Actuarial Loss / (Gain)	(29.89)	(57.01)
Benefits paid	(23.46)	(40.40)
Defined benefit obligations at end of the year (a)	1,001.91	935.46

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
Change in plan assets		
Contributions by Employer	23.46	40.40
Benefits paid	(23.46)	(40.40)
Fair value of plan assets at end of the year (b)	0.00	0.00
Present Value of un funded obligations (a-b)	1,001.91	935.46
The net amount recognized in the statement of profit and loss for the year ended 31st March 2012 is as follows:		
Current Service Cost	43.99	56.10
Interest Cost	75.81	70.85
Net actuarial Loss / (Gain) recognized	(29.89)	(57.01)
Net amount recognized	89.91	69.94
The principal actuarial assumptions used as at 31st March 2012 are as follows:		
Discount Rate	8.50%	8.00%
Expected rate of return on plan assets		
Withdrawal rate	5%	5%
Rate of increase in compensation levels	5%	7%

28. The remuneration of Rs. 616.22 Lakhs paid to the Managing director and Joint Managing directors are subject to the sanction of the Central Government in respect of which applications have been made and are pending with Government.
29. The significant leasing arrangements of the company are in respect of operating leases for premises and vehicles. These leasing arrangements range between 11 months and 5 years and are usually renewable by mutual consent on mutually agreeable terms. The agreeable lease rental payable are charged to Profit and Loss account and shown under administrative, selling and general expenses in appropriate heads.
30. The break up of Expenses capitalized and shown under Capital Work in Progress (Pending Allocation) as on 31.03.2012 is as under:

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
Interest	42.27	1.84
Bank / Financial Charges	18.35	15.87
Insurance Premium	0.00	5.77
TOTAL	60.62	23.48

31. Legal and Professional Charges include Rs. 6.09 Lakh (Previous year Rs. 7.70 Lakh) paid to some of the Partners of the Auditors for other services and Rs. 74.46 Lakhs for Amalgamation Expenses (Previous year Rs. 14.27 Lakhs).
32. Export Benefits / Incentives are accounted on accrual basis. Accordingly, net estimated benefit aggregating to Rs. 1,273.82 Lakhs (Previous year Rs. 1,345.41 Lakhs) against export effected during the year has been credited to Export Benefits earned account which has been included in sales.
33. In accordance with Accounting Standard 28 (AS 28) issued by the Institute of Chartered Accountants of India on Impairment of Assets, the company had appointed professional consultancy firm as the Valuer's to assess impairment of each cash generating unit (CGU) by taking market value and its potential capacity to generate cash flows. According to the Valuer's report, there is no impairment to any of the assets as such no provision for impairment of assets is required to be made in the accounts.
34. **SEGMENT REPORTING:**
- a) The company is only in one line of business namely - Polyester film.
- b) The Segment Revenue in the Geographical segment considered for disclosure are as follows:-
- 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.

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
<u>Sales:-</u>		
Within India	43,651.14	56,107.16
Outside India (Including Export incentives)	39,100.13	38,034.85
TOTAL	82,751.27	94,142.01
<u>Amount of Segment Assets by location of Assets (Net Value)</u>		
Within India	29,172.27	30,221.55
Outside India	0.00	0.00

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

35. RELATED PARTY DISCLOSURES

a) List of Related Parties

Subsidiary	Garware Polyester International Limited
Ultimate Subsidiary	Global Pet Films Inc
Associate Companies	Garware Industries Ltd Garware Chemicals Ltd *
Key Management Personnel	Shri S. B. Garware Mrs. S. S. Garware Mrs. Monika Garware Modi Ms. Sarita Garware Miss Sonia Garware
Enterprises over which Key Managerial Person are able to exercise significant influence	S.B. Garware Family Trust Garware Charitable Trust

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
b) Transaction with Related Parties		
1) Sales of Goods		
i) Subsidiaries	1,761.85	13,385.20
ii) Ultimate Subsidiary	2,314.70	2,009.93
iii) Associate Companies	8,368.80	4,743.31
2) Purchase of Materials		
i) Associate Company	7,183.16	4,818.06
3) Service Received / Processing Charges		
i) Subsidiaries	259.69	217.48
ii) Ultimate Subsidiary	206.61	462.54
iii) Associate Companies	1,243.38	1,579.50
4) Service Rendered		
i) Subsidiaries	61.11	0.00
ii) Ultimate Subsidiary	22.82	13.60
iii) Associate Company	12.66	39.49
5) Dividend from Subsidiary Company	455.95	0.00
6) Purchase of Capital Assets from a Director	0.00	1,525.00
7) Sale of Capital Assets to a Director	250.00	0.00
8) Balances [Dr / (cr)]		
i) Subsidiaries	9.74	601.67
ii) Ultimate Subsidiary	(20.42)	(85.58)
iii) Associate Companies	(107.88)	556.29
iv) (Due to) / Receivable from Director	30.00	(27.70)
9) Key Management Personnel and Relative Managerial Remuneration (Including Employee Benefits)	616.22	853.07
10) Rent Paid to Director	15.00	3.00
11) Donation to Garware Charitable Trust	135.00	140.00

* Subsidiary company in previous year.

Figures are on gross basis (Including Taxes and Duties)

36. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 5,169.49 Lakhs (Previous year Rs.3,221.79 Lakhs) against which an advance of Rs. 81.26 Lakhs (Previous year Rs. 310.55 Lakhs) has been paid.

37. CONTINGENT LIABILITIES -

a) Contingent Liabilities not provided for -

	As at 31 March 2012 Rs. in Lakhs	As at 31 March 2011 Rs. in Lakhs
Disputed matters in appeal / contested in respect of:		
Income Tax	158.20	83.16
Excise Duty	43.94	43.94
Sales Tax	17.13	17.13
Maharashtra State Electricity Board (MSEB)	27.72	27.72
TOTAL	246.99	171.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

- b) The Company has given counter-guarantees for Rs. 906.52 Lakhs (Previous year Rs. 887.91 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for purchase of equipment, supply of goods, clearance of goods from Customs, Excise Bonds, etc.
- c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to Rs. 17,320.00 Lakhs (Previous year Rs. 9,314.21 Lakhs).
- d) Bills of Exchange discounted under Bill Marketing Scheme amount to Rs. 2,334.90 Lakhs (Previous year Rs. 1,851.66 Lakhs).

38. DEFERRAL / CAPITALIZATION OF EXCHANGE DIFFERENCES

In accordance with the amendment / earlier amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan / Creditors, amounting to Rs. 409.46 Lakhs (Previous year Rs. 19.27 Lakhs) to the cost of plant and equipments.

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

	As at 31 March 2012 Rs. in Lakhs	As at 31 March 2011 Rs. in Lakhs
Principal amount remaining unpaid	199.34	185.68
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.

40. VALUE OF IMPORTS ON CIF BASIS

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
Raw Materials	3,781.99	4,800.35
Packing Material	19.45	52.41
Components and Spares	348.30	264.12
Capital Goods	713.55	1,200.19

41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(i) Commission	482.77	650.03
(ii) Advertisement / Selling Expenses	1.56	1.92
(iii) Traveling Expenses	6.49	147.88
(iv) Books, Periodicals and Subscription	4.28	3.85
(v) Technical / Engg. Services / Professional Charges	124.14	115.06
(vi) Exhibition Expenses	7.46	2.42
(vii) Interest	327.62	512.72

42. Details of Imported and Indigenous Raw Materials and Spares parts consumed and percentage of each to the total:

Particulars	2011-12		2010-11	
	Value (Rs.in Lakhs)	% of Total	Value (Rs.in Lakhs)	% of Total
(i) Raw Materials:				
– Imported	4,630.43	10	2,423.47	7
– Indigenous	40,086.01	90	34,057.17	93
TOTAL	44,716.44	100	36,480.64	100
(ii) Stores and Spares:				
– Imported	214.31	24	821.18	41
– Indigenous	689.57	76	1,199.90	59
TOTAL	903.88	100	2,021.08	100

43. EARNINGS IN FOREIGN EXCHANGE (ACCRUAL BASIS)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
Exports (F.O.B. Basis)	36,728.75	36,357.14
Dividend Income	455.95	0.00

44. The previous year's figure have been re-grouped / reclassified to conform to this year's classification which is as per Revised Schedule VI. This adoption does not impact recognition and measurement principles followed for preparation of financial statement as at 31st March 2011.

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SIGNIFICANT ACCOUNTING POLICIES

1. Basis of presentation of Financial Statements

The financial statements are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with applicable Accounting Standards and relevant presentation requirements of the Companies Act, 1956.

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

2. 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. When fixed assets were revalued, surplus on revaluation was credited to Capital / Revaluation Reserve Account.

Depreciation / Amortization is provided as follows:

- On Technical Know-how / Product Development Expenses @ 1/6th per annum.
- On Copyright Expenditure @ 1/5th per annum
- On Capital Expenditure on R&D and Assets other than Plant and Machinery on Written Down Value method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
- On Plant and Machinery on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956, vide Notification GSR No.756(E) dated 16.12.1993.
- No write-off is being made in respect of leasehold land.
- Assets costing Rs.5000/- or Less is depreciated fully in the year of acquisition.
- Goodwill to be amortized at @ 1/5th per annum or as per the decision of Board of Directors.

3. Investments

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

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

5. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non monetary foreign currency items are carried at cost.
- d) 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 Govt. 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.
- e) 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.

6. 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.

7. Employee Benefits:

- a) Short Term Employee Benefits:-

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

b) **Defined Contribution Plans:**

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

c) **Defined Benefit Plans:**

- 1) 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.
- 2) Leave encashment benefits are accounted on actuarial valuation basis.

8. Lease Rentals

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

9. Provisions, Contingent Liabilities and 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.

10. 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.

11. Revenue Recognition

a) **Sales:**

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

b) **Export Benefits:**

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

12. Taxation

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

13. Borrowing Cost:

Borrowing costs specifically relatable to the acquisition of fixed assets are capitalized as part of the cost of fixed assets, other borrowing costs are charged to revenue.

14. 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.

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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended 31.03.2012 (Rs. in Lakhs)	Year ended 31.03.2011 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Profit before Exceptional items	3,372.85	22,736.44
<i>Add:</i> Depreciation	4,170.88	3,964.49
Finance Cost	2,832.75	2,393.09
Miscellaneous Expenses written off	0.00	5.83
Provision for Doubtful Debts	0.00	20.85
Loss on Exchange Rate Fluctuations	148.67	0.00
Provision for Leave and Gratuity Provision	205.36	78.26
Sub Total	7,357.66	6,462.52
Total	10,730.51	29,198.96
<i>Less:</i> Interest income	367.54	160.74
Gain on Exchange Rate Fluctuations	0.00	88.05
Profit on sale of fixed assets	41.73	41.83
Dividend received/Income from Investment	467.61	167.05
Sundry balances Written Back (Net)	349.59	22.49
Rent	1.20	2.40
Sub total	1,227.67	482.56
Operating profit before working capital changes	9,502.84	28,716.40
Increase/(Decrease) in trade / other payables	(651.55)	2,427.31
Decrease/(Increase) in Trade / other receivable (Net)	(1,423.48)	908.82
Decrease/(Increase) in Inventories	(2,326.39)	(3,838.16)
Cash generated from operations	5,101.42	28,214.37
Direct taxes refund/(paid)(Net)	(671.83)	(4,167.75)
Net cash inflow/(outflow) from operating activities	4,429.59	24,046.62
B. Cash flow from investing activities :		
Purchase of fixed assets	(2,753.70)	(4,824.16)
Shares purchased by Amalgamating Company and subsequently cancelled as per Scheme of Arrangement and Amalgamation	0.00	(1,016.10)
Proceeds from Sale of fixed assets	603.82	73.16
Interest received	367.54	160.74
Non current Investments	1.40	(1,545.85)
Dividend received/income from investment	467.61	167.05
Rent	1.20	2.40
Amalgamation Expenses	0.00	(29.29)
Net cash inflow/(outflow) from investing activities	(1,312.13)	(7,012.05)
C. Cash flow from financing activities		
Interest / Financial Charges	(2,832.75)	(2,393.09)
Proceeds (Repayment) of unsecured loans from SICOM	0.00	(12.73)
Proceeds (Repayments) from Long term borrowings (Net)	(4,525.21)	(5,145.26)
Proceeds (Repayment) from Short term borrowings (Net)	9,628.60	(8,459.40)
Dividend / Unclaimed Dividend paid including Dividend distribution Tax.	(2,267.03)	(478.57)
Net cash inflow/(outflow) from financing activities	3.61	(16,489.05)
Net increase/(decrease) in cash and cash equivalents	3,121.07	545.52
Cash and cash equivalents as at opening		
Cash and bank balances	2,622.27	996.60
Add: Cash and bank balances taken over from Garware Chemicals Ltd and Great Design Properties Pvt.Ltd in terms of scheme of amalgamation	0.00	1,080.15
Cash and cash equivalents as at closing		
Cash and bank balances	5,743.34	2,622.27
	3,121.07	545.52

As per our report of even date

For **SHAH & CO.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No. 001738

Mumbai, 29th June, 2012

For and on behalf of the Board of Directors

S. B. GARWARE – Chairman & Managing Director

A. B. BHALERAO – Director

M. S. ADSUL – Director – Technical

MANOJ KOUL – Company Secretary &
Sr. General Manager

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

A)	Name of the Subsidiary Companies	Garware Polyester International Limited	Garware Pet Films Inc.
B)	Financial Year of the Subsidiary Companies ended on:	31st March, 2012	31st March, 2012
C)	Shares of the Subsidiary held by Garware Polyester Limited, on the above dates:		
	(a) Number and Face Value	2,50,000 Equity Shares of Pound 1 each	NIL
	(b) Extent of holding	100%	
D)	The net aggregate of Profit / (Loss) of the Subsidiary Companies so far as it concerns the members of Garware Polyester Limited		
	(a) Not dealt with in the accounts Garware Polyester Limited, for the year ended 31/03/2012.	(in Pound)	
	(i) For the Subsidiaries' Financial Year ended on the respective dates	311,190	N.A.
	(ii) For the previous Financial Years of the Subsidiaries since they became the Holding Company's Subsidiaries	(in Pound) 60,792	N.A.
	(b) Dealt with in the accounts of Garware Polyester Limited, for the year ended 31/03/2012 amounted to:-		
	(i) For the Subsidiaries' Financial Year ended on the respective dates	(in Pound) 562,245	N.A.
	(ii) For the previous Financial Years of the Subsidiaries since they became the Holding Company's Subsidiaries	(in Pound) 587,245	N.A.
E)	Changes in the interest of Garware Polyester Ltd. between the end of the Subsidiaries' Financial Year and 31/03/2012	NIL	NIL
F)	Material changes between the end of the Subsidiary's Financial Year and 31/03/2012	NIL	NIL
	(1) Fixed Assets		
	(2) Investments		
	(3) Monies lent by the Subsidiary		
	(4) Monies borrowed by the Subsidiary Company other than for meeting Current Liabilities		

For and on behalf of the Board of Directors

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

A. B. BHALERAO – *Director*

M. S. ADSUL – *Director – Technical*

MANOJ KOUL – *Company Secretary & Sr. General Manager*

Mumbai, 29th June, 2012

Consolidated Financials 2011-12

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF GARWARE POLYESTER LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GARWARE POLYESTER LIMITED AND ITS SUBSIDIARIES

We have examined the attached consolidated Balance Sheet of Garware Polyester Limited and its subsidiaries as mentioned in notes thereon of the consolidated financial accounts as at 31st March, 2012 and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Garware Polyester Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with and identified financial reporting framework and are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary viz. Garware Polyester International Limited and step down subsidiary viz. Global Pet Films Inc. whose Financial Statements reflects total assets of Rs.1057.64 Lakhs as on 31.03.2012 and total revenue of Rs.5908.81 Lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of subsidiaries is based solely on the audited accounts of the other auditors for the year ended 31st March, 2012.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India on the basis of the separate audited financial statements of Garware Polyester Limited and its subsidiaries included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us, and on the consideration of the separate audit reports on individual audited financial statements of Garware Polyester Limited and its subsidiaries the said consolidated Financial Statements read together with the notes thereon, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Consolidated Balance Sheet of the consolidated state of affairs of Garware Polyester Limited and its subsidiaries as at 31st March, 2012 ;
- b) In the case of the consolidated Statement of Profit and Loss of the consolidated results of operations of Garware Polyester Limited and its subsidiaries for the year ended on that date;

AND

- c) In the case of the Consolidated Cash Flows Statement of the Consolidated Cash Flows for the year ended on that date.

For **Shah & Co.**
Chartered Accountants
FRN 109430W

P. N. Shah
Partner
Membership No : 001738

Mumbai
29th June, 2012

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	1	7,771.31	6,698.12
Share Capital Suspense	2	0.00	1,073.19
Reserves and Surplus	3	43,548.34	40,734.17
		51,319.65	48,505.48
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	3,267.24	2,201.87
Deferred Tax Liabilities (Net)	5	3,699.60	3,699.60
Other Long Term Liabilities	6	0.00	499.32
Long Term Provisions	10	821.74	766.52
		7,788.58	7,167.31
CURRENT LIABILITIES			
Short Term Borrowings	7	18,199.92	8,575.55
Trade Payables	8	2,495.22	2,724.58
Other Current Liabilities	9	3,480.47	9,249.56
Short Term Provisions	10	1,028.93	2,775.63
		25,204.54	23,325.32
TOTAL		84,312.77	78,998.11
ASSETS			
NON-CURRENT ASSETS			
Fixed assets :			
Tangible Assets	11	47,878.61	49,363.90
Intangible Assets	11	4,525.47	4,563.46
Capital Work-in-Progress	11	419.47	851.14
Intangible Assets under Development		0.00	21.70
		52,823.55	54,800.20
Non-Current Investments	12	80.89	82.29
Long Term Loans and Advances	13	6,072.24	5,617.83
CURRENT ASSETS			
Inventories	14	11,954.29	9,726.16
Trade Receivables	15	2,011.56	3,018.91
Cash and Cash Equivalents	16	6,364.03	3,350.01
Short term Loans and Advances	13	4,884.51	2,248.97
Other Current Assets	17	121.70	153.74
		25,336.09	18,497.79
TOTAL		84,312.77	78,998.11
Notes on Financial Statements	1 to 39		
Significant Accounting Policies			

As per our report of even date

For **SHAH & CO.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No. 001738

Mumbai, 29th June, 2012

For and on behalf of the Board of Directors

S. B. GARWARE – Chairman & Managing Director

A. B. BHALERAO – Director

M. S. ADSUL – Director – Technical

MANOJ KOUL – Company Secretary &
Sr. General Manager

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
INCOME			
Revenue from Operations (Gross including Excise Duty)	18	83,555.10	95,067.61
Less : Excise Duty		3,914.99	4,932.42
Revenue from Operations (Net)		79,640.11	90,135.19
Other Income	19	1,435.84	976.66
Total Revenue		81,075.95	91,111.85
EXPENDITURE:			
Cost of Raw Materials Consumed	20	44,853.64	36,928.57
Purchases of Traded Goods		2,831.44	2,783.73
Changes in Inventories of Finished Goods, Work in Progress and Traded Goods	21	(2,437.80)	(3,082.25)
Employee Benefits Expense	22	5,799.64	5,307.48
Other Expenses	23	19,807.85	19,662.98
Exceptional Expenses	24	(134.00)	1,636.22
Total Expenses		70,720.77	63,236.73
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		10,355.18	27,875.12
Depreciation and Amortization Expenses	11	4,174.77	3,966.94
Finance Costs	25	2,872.74	2,466.09
Profit before Tax		3,307.67	21,442.09
Tax Expenses			
Current Tax		743.64	4,194.28
Less : Mat Credit Entitlement		(633.91)	(4,154.66)
Deferred Tax		0.00	2,255.00
Total Tax Expenses		109.73	2,294.62
Profit for the year		3,197.94	19,147.47
Earning per share - Basic and Diluted (Rupees) (Face Value of Rs.10/- each) Refer Note No. 26		13.71	82.12
Notes on Financial Statements	1 to 39		
Significant Accounting Policies			

As per our report of even date

For **SHAH & CO.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No. 001738

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For and on behalf of the Board of Directors

S. B. GARWARE – Chairman & Managing Director

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M. S. ADSUL – Director – Technical

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Sr. General Manager

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
1. SHARE CAPITAL		
Authorised :-		
40,000,000 Equity shares of Rs. 10/- each (Previous Year 40,000,000)	4,000.00	4,000.00
6,000,000 Preference Shares of Rs. 100/- Each (Previous Year 6,000,000)	6,000.00	6,000.00
	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up		
23,315,150 Equity Shares of Rs. 10/- Each (Previous year 12,583,286)	2,331.52	1,258.33
Less: Unpaid Allotment/Call Money (from Others)	6.21	6.21
	2,325.31	1,252.12
5,446,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 5,446,000)	5,446.00	5,446.00
TOTAL	7,771.31	6,698.12

Out of the above :

- (i) 10,19,022 Equity shares of Rs.10/- each were allotted as fully paid up to IDBI at a premium of Rs.48.88 per share on 7th November 2007 as per arrangement (Previous year 10,19,022)
- (ii) 2,00,000 Equity shares of Rs.10/- each were allotted as fully paid up to various schemes operating under UTI Assets Management Company Ltd at a premium of Rs. 22.67 per Share on 23rd December 2008 as per arrangement (Previous year 2,00,000)
- (iii) 2,54,764 Equity Shares of Rs. 10/- Each fully paid-up issued to the shareholders of Garware Chemicals Limited (GCL) as per scheme of arrangement under section 391 to 394 of the Companies Act, 1956
- (iv) 54,46,000 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each were allotted as fully paid up to IDBI at par (49,54,000 on 7th November 2007 and 4,92,000 on 19th June 2008) as per arrangement. The Preference shares amounting to Rs.4,954.00 Lakhs shall be redeemed in 3 equal installments from 1st April, 2014 to 1st April 2016 and Rs. 492.00 Lakhs shall be redeemed in single installment on 1st April 2016. (Previous year 54,46,000)

Equity Shares :

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

During the year ended on 31st March 2012, The amount of dividend per share recognised as distributions to equity shareholder is Rs 1.50 (year ended 31st March 2011 Rs.10/- including interim dividend)

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

Preference Shares :

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

2. SHARE CAPITAL SUSPENSE :-

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
254,764 Equity Shares of Rs. 10/- Each fully paid-up to be issued to the shareholders of Garware Chemicals Limited (GCL) as per scheme of arrangement under section 391 to 394 of the Companies Act, 1956	25.48	25.48
(254,764) Less: Shares issued on 14th November 2011 to the Share holders of GCL.	25.48	0.00
	0.00	25.48
10,477,100 Equity Shares of Rs. 10/- each Fully paid-up to be issued to the shareholders of Great Design Properties Pvt. Ltd. (GDPPL) as per Scheme of Amalgamation and Arrangement under Section 391 and 394 of the Companies Act, 1956	1,047.71	1,047.71
(10,477,100) Less: Shares issued on 11th July 2011 to the Share holders of GDPPL.	1,047.71	0.00
	0.00	1,047.71
	0.00	1,073.19

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

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

	31st March, 2012		31st March, 2011	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
Equity Shares				
At the beginning of the period	12,583,286	1,258.33	23,060,386	2,306.04
Issued during the year as per Scheme of Amalgamation and Arrangement with Great Design Properties Pvt. Ltd (GDPPL) and Garware Chemicals Ltd (GCL)	10,731,864	1,073.19	0	0.00
Cancellation as per Scheme of Amalgamation and Arrangement with GDPPL	0	0.00	10,477,100	1,047.71
Outstanding at the end of the year	<u>23,315,150</u>	<u>2,331.52</u>	<u>12,583,286</u>	<u>1,258.33</u>
Preference Shares				
At the beginning of the year	5,446,000	5,446.00	5,446,000	5,446.00
Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	<u>5,446,000</u>	<u>5,446.00</u>	<u>5,446,000</u>	<u>5,446.00</u>

b. Details of Shareholders holding more than 5%

Equity Shares in the company <u>Name of Shareholders</u>	As at 31.3.2012		As at 31.3.2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S.B. Garware Family Trust	10,477,100	44.94	0	0.00
Great Design Properties Pvt. Ltd	0	0.00	10,477,100	44.94

3. RESERVES AND SURPLUS

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Capital Reserve :		
Balance as per last Balance Sheet	4,439.48	4,439.48
Securities Premium Reserve :		
Balance as per last Balance Sheet	592.14	592.14
Debenture Redemption Reserve :		
Balance as per last Balance Sheet	1,356.05	1,356.05
Less: Transfer to General Reserve	1,356.05	0.00
	0.00	1,356.05
Revaluation Reserve :		
Balance as per last Balance Sheet	4,584.49	4,584.49
General Reserve		
Balance as per last Balance Sheet	5,378.52	3,494.00
Add : Transferred from Surplus in statement of Profit and Loss Account	175.34	1,884.52
Add : Transferred from Debenture Redemption Reserve	1,356.05	0.00
Closing Balance	6,909.91	5,378.52
Surplus in the statement of Profit and Loss Account		
Balance as per last Financial Statements	24,003.03	9,290.21
Add: Profit for the year	3,197.94	19,147.47
Less: Appropriations		
Dividend Payable on Preference Shares [0.01 paise per share (previous year 0.01 paise per share)]	0.54	0.54
Interim Dividend on Equity Shares (Previous year Rs.1.50 per share)	0.00	188.76
Proposed final Dividend on Equity Shares [Rs.1.50 per share (previous year Rs.8.50 per share)]	349.73	1,981.79
Tax on Dividend	56.82	379.04
Transfer to General Reserve	175.34	1,884.52
	<u>26,618.54</u>	<u>24,003.03</u>
Foreign Currency Translation Reserve		
Balance as per last Balance Sheet	380.46	102.27
Addition (Deduction) during the year	23.32	278.19
	<u>403.78</u>	<u>380.46</u>
TOTAL	<u><u>43,548.34</u></u>	<u><u>40,734.17</u></u>

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

4. LONG TERM BORROWINGS

	Non-Current		Current Maturities	
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Debenture / Bonds	0.00	0.00	0.00	63.00
Term Loan				
Indian rupee loan from banks (Secured)	207.48	40.18	740.00	980.14
Foreign currency loan from banks (Secured)	1,527.43	601.03	814.08	5,974.91
Vehicle Finance Lease Obligation (Secured)	328.87	357.20	115.46	93.40
Other loans and advances				
Interest Free Sales tax / VAT Deferral Loan of SICOM (Unsecured)	1,203.46	1,203.46	0.00	0.00
	3,267.24	2,201.87	1,669.54	7,111.45
Above amount includes				
Secured borrowing	2,063.78	998.41	1,669.54	7,111.45
Unsecured borrowing	1,203.46	1,203.46	0.00	0.00
Amount disclosed under the head "Other Current Liabilities" (Refer Note No. 9)	0.00	0.00	(1,669.54)	(7,111.45)
Net Amount	3,267.24	2,201.87	0.00	0.00

- 1) Zero Coupon Bonds of Rs. Nil (Previous year Rs. 63.00 Lakhs) were secured by charge on fixed assets of the company situated at Aurangabad and Nashik and also by way of second charge on current assets of the company. The company does not have power to reissue the said Zero coupon bonds.
- 2) Term Loans of Rs. 3,288.99 Lakhs (Previous year Rs. 7,596.26 Lakhs) are secured as under:
 - a. Term Loan of Rs. 88.16 Lakhs (Previous year Rs. 578.73 Lakhs) is secured by charge on the specific project assets and also by way of second charge on current assets of the company. The loan is repayable in 24 quarterly installments from quarter ended June 2007 till March 2013.
 - b. Term Loan of Rs. 2,317.75 Lakhs (Previous year Rs. 1,196.89 Lakhs) is secured by charge on the specific project assets and also by way of second charge on current assets of the company. The loan is repayable in 20 quarterly installments from quarter ended March 2011 till December 2015.
 - c. Term Loan of Rs. 883.08 Lakhs (Previous year Rs. Nil) is secured by charge on Fixed assets of the company situated at Aurangabad and Nasik and also by way of second charge on current assets of the company. The loan is repayable in 20 quarterly installments from quarter ended June 2012 till March 2017.
 - d. Term Loan of Rs. Nil (Previous year Rs. 5,383.50 Lakhs) was secured by charge on Fixed assets of the company situated at Aurangabad and Nasik also by way of second charge on current assets of the company.
 - e. Term Loan of Rs. Nil (Previous year Rs. 437.14 Lakhs) was against the Fixed Deposits.
- 3) Vehicle Finances of Rs. 444.33 Lakhs (Previous year Rs. 450.60 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 60 monthly installments. The installment are payable from May 2007 till November 2016 covering all loans taken at various dates.
- 4) Deferral Loan from SICOM is payable from April 2016 to April 2026
- 5) The rate of interest on Foreign Currency loans ranges between LIBOR + 7% to 7.5%, 14.25% on Rupee Loans and 8.92% to 15.5% on vehicle loans

5. DEFERRED TAX LIABILITY (NET) :-

The major components of deferred tax (liabilities) / assets arising on account of timing differences as at 31st March, 2012 are as follows:

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Deferred Tax Assets		
Disallowance U/S 43 B of the Income Tax Act, 1961	24.98	166.11
Unabsorbed Business Losses and Depreciation	1,024.56	3,286.41
Others (Including GDPPL)	178.66	200.59
(i)	1,228.20	3,653.11
Less :- Deferred Tax Liability:		
Excess of net Block over WDV as per the Income Tax Act, 1961	(ii) 4,152.18	7,352.71
Deferred Tax Asset / (Liability) (Net)	(i - ii) (2,923.98)	(3,699.60)
The company has not recognised deferred tax asset as a matter of prudence		

6. OTHER LONG TERM LIABILITIES :-

Creditors for Capital Expenditure	0.00	499.32
	0.00	499.32

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
7. SHORT TERM BORROWING		
Cash / Packing Credit from Banks :		
Indian rupee (Secured)	0.00	5.29
Foreign currency (Secured)	3,361.12	0.00
Working Capital Loans	14,838.80	8,357.85
Working Capital Demand Loans	0.00	212.41
	18,199.92	8,575.55
Above amount includes		
Secured borrowing	18,199.92	8,575.55
<p>a) Cash / Packing Credit / Working Capital Demand Loans are secured by hypothecation of stores, spares and packing materials and stock-in-trade and book debts of the Company and further secured by a second charge on the movable assets of the Company and immovable properties situated at Aurangabad and Nasik.</p> <p>b) Working Capital Loans are secured by hypothecation of stores, spares and packing materials and stock-in-trade of the Company.</p> <p>c) Interest on working capital (Rupee) Loans ranges between 12.50% to 17% and Foreign currency loans 2.46% to 4.54%</p>		
8. TRADE PAYABLES		
	As at 31.03.2012 (Rs. in Lakhs)	As at 31.03.2011 (Rs. in Lakhs)
Due to Micro, Small and Medium Enterprises	199.34	185.68
Others	2,173.85	2,364.39
Related party	107.88	166.05
[Due to Associate companies Rs. 107.88 Lakhs (Previous year Nil), Due to Subsidiary companies (Previous year Rs. 138.24 Lakhs) and due to Directors Rs.Nil (Previous year Rs. 27.81 Lakhs)]		
Others	14.15	8.46
TOTAL	2,495.22	2,724.58
9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowing (Refer Note No. 4)	1,669.54	7,111.45
Unclaimed Dividend	67.80	30.90
Unclaimed Debenture and Interest	2.14	2.14
Deposit and Advances from Customers and Others	738.42	866.20
Creditors for Capital Expenditure	653.23	346.48
Others	349.34	892.39
TOTAL	3,480.47	9,249.56
10. PROVISIONS		
	Long Term	Short Term
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Provisions for Employee Benefits (Refer Note No. 27)		
Provision for Gratuity	0.00	0.00
Provision for Bonus	0.00	0.00
Provision for Leave Encashment	821.74	766.52
	821.74	766.52
Other Provisions		
Provision for Dividend on Preference Shares	0.00	0.00
Provision for Proposed Dividend on Equity Shares	0.00	0.00
Provision for Tax on Dividend	0.00	0.00
	0.00	0.00
TOTAL	821.74	766.52
		As at 31.03.2012 Rs. in Lakhs
		407.36
		257.43
		34.31
		45.33
		180.17
		168.94
		621.84
		471.70
		0.54
		0.54
		349.73
		1,981.79
		56.82
		321.60
		407.09
		2,303.93
		1,028.93
		2,775.63

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

11. FIXED ASSETS :-

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01.04.2011	Additions / Adjustments during the year	Additions due to Schemes of arrangements and amalgamations	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2012	As at 01.04.2011	Charge for the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS :-										
Land (Freehold)	11,576.62	0.00	0.00	0.00	11,576.62	0.00	0.00	0.00	11,576.62	11,576.62
Land (Leasehold)	1,867.50	0.00	0.00	0.00	1,867.50	0.00	0.00	0.00	1,867.50	1,867.50
Buildings	9,551.93	158.95	0.00	218.18	9,492.70	5,338.08	333.59	53.87	3,874.90	4,213.85
Plant and Machinery	70,175.56	2,804.97	0.00	3,423.95	69,556.58	39,953.60	3,456.81	3,026.52	29,172.69	30,221.96
Electrical Installations	3,019.27	0.00	0.00	0.00	3,019.27	2,587.61	60.04	0.00	371.62	431.66
Moulds	287.54	0.00	0.00	0.00	287.54	287.54	0.00	0.00	0.00	0.00
Laboratory Equipments	374.95	23.24	0.00	0.00	398.19	243.65	20.65	0.00	133.89	131.30
Furniture and Fixtures	558.91	27.42	0.00	0.49	585.84	481.20	17.23	0.85	88.26	77.71
Office Equipments	564.76	34.52	0.00	0.53	598.75	425.22	23.09	0.53	150.97	139.54
Vehicles	642.63	111.20	0.00	0.00	753.83	153.51	133.63	0.00	466.69	489.12
Vehicles on Finance Lease	273.88	34.98	0.00	0.00	308.86	205.79	26.41	0.00	76.66	68.09
Capital Expenditure on Research and Development	218.60	0.00	0.00	0.00	218.60	213.70	1.47	0.00	3.43	4.90
Data Processing Equipments	1,348.34	13.70	0.00	0.00	1,362.04	1,206.69	59.97	0.00	95.38	141.65
TOTAL (A)	100,460.49	3,208.98	0.00	3,643.15	100,026.32	51,096.59	4,132.89	3,081.77	47,878.61	49,363.90
INTANGIBLE ASSETS :-										
Software	191.96	3.89	0.00	0.00	195.85	31.98	39.42	0.00	124.45	159.98
Copyrights	157.46	0.00	0.00	0.00	157.46	157.46	0.00	0.00	0.00	0.00
Expenditure on Technical Know how/Product Development	1,430.76	0.00	0.00	0.00	1,430.76	1,427.64	2.46	0.00	0.66	3.12
Goodwill	4,400.36	0.00	0.00	0.00	4,400.36	0.00	0.00	0.00	4,400.36	4,400.36
TOTAL (B)	6,180.54	3.89	0.00	0.00	6,184.43	1,617.08	41.88	0.00	4,525.47	4,563.46
TOTAL (A + B)	106,641.03	3,212.87	0.00	3,643.15	106,210.75	52,713.67	4,174.77	3,081.77	52,404.08	53,927.36
Previous Year	86,470.43	4,292.52	15,936.70*	58.62	106,641.03	48,766.23	3,966.94	19.50	53,927.36	
Capital Work in Progress									419.47	872.84

NOTES :

- The Freehold land includes Rs. 4,584.49 Lakhs on account of revaluation of land at Vile Parle, Mumbai as at 31st March, 2007.
- Building include Rs. 0.07 Lakh being value of 136 shares in Co-op. Housing Societies.
- Depreciation has been provided as follows:
 - on Capital Expenditure on R and D and on Assets other than Plant and Machinery on Written Down Value Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
 - on Plant and Machinery on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
- No Write-off has been made in respect of lease relating to leasehold land.
- Depreciation includes Technical Know-how fees / Product Development Expenses amortised.
- In accordance with Accounting Standard (AS-11) and Amendment Rules 2009 on AS-11 Notified by Government of India on 31.03.2009 and subsequent amendment dtd.29th December 2011, company has capitalised Rs. 409.46 Lakhs (Previous year - Rs. 19.27 lakhs) on account of exchange rate difference on foreign currency loans.

*: Net Assets of Ganware Chemicals Ltd. and Great Design Properties Pvt.Ltd taken over as per Schemes of Arrangement and Amalgamation.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	As at 31.03.2012 (Rs. in Lakhs)		As at 31.03.2011 (Rs. in Lakhs)	
12. NON-CURRENT INVESTMENT				
Non Trade Investments				
A In Government Securities (Unquoted) :				
1. 10 years-8.5% Rural Debentures of Maharashtra State Electricity Board of the face value of Rs. 0.17 Lakh	-		-	
2. 7 years National Savings Certificates of the face value of Rs. 0.03 Lakh (Lodged with the Excise Authorities as Security Deposit)	-		-	
		-		-
B In Shares :				
Quoted Equity Instruments				
50 Equity Shares of M.M. Rubber Ltd. of the face value of Rs.10/- each, fully paid-up.	0.01		0.01	
2,80,000 Equity Shares of Garware Marine Industries Ltd, of the face value of Rs.10/- each, fully paid-up.	-		-	
4,00,300 Equity Shares of Garware Wall Ropes Limited, of the face value of Rs.10/- each, fully paid-up.	56.98		56.98	
200 Equity Shares of NALCO of the face value of Rs.10/- each fully paid up.	0.81		0.81	
		57.80		57.80
Unquoted Equity Instruments				
<u>In Associate Company.</u>				
75,201 Equity Shares of Garware Chemicals Ltd of the face value of Rs.10/- each fully paid-up including five equity shares held by nominees.	7.52		7.52	
		7.52		7.52
Unquoted Equity Instruments				
2,500 Equity Shares of The New India Co-operative Bank Ltd. Mumbai, of the face value of Rs.10/- each,fully paid-up.	0.25		0.25	
2,500 Equity Shares of The North Kanara Goud Saraswat Brahmin Co-operative Bank Ltd.,Mumbai, of the face value of Rs.10/- each, fully paid up.	0.25		0.25	
500 shares of The Co-operative Stores Ltd. (New Delhi) of the face value of Rs.10/- each, fully paid up.	0.05		0.05	
10,000 Equity Shares of S I C O M Ltd.,of the face value of Rs.10/- each fully paid-up.	8.00		8.00	
20,000 Equity Shares of Deogiri Nagari Sahakari Bank Ltd of the face value of Rs.25/- each fully paid up.	5.00		5.00	
4,000 Equity Shares of Vaidyanath Urban Co-op. Bank Ltd of the face value of Rs 25/- each fully paid-up.	1.00		1.00	
1,000 Equity Shares of Poornawadi Co-op. Bank Ltd of the face value of Rs 100/- each fully paid-up.	1.00		1.00	
100 Equity Shares of Cosmos Co-operative Bank Ltd of the face value of Rs.10/-each fully paid up.	0.02		0.02	
Preference Shares (Unquoted)		15.57		15.57
Nil (Previous year 1,403) 0.1%, Non Cum. Red. Preference Shares of Best Design Properties Private Limited (BDPL), of the face value of Rs.100/- each	0.00		1.40	
		80.89		82.29
	Cost	Market Value	Cost	Market Value
Aggregate amount of company's Investment				
Quoted	57.80	221.18	57.80	275.17
Unquoted	23.09		24.49	
	80.89	221.18	82.29	275.17

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	Non-current		Current	
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
13. LOANS AND ADVANCES				
Capital Advances				
Secured, Considered Good #	11.91	63.26	0.00	0.00
Unsecured, Considered Good	69.35	247.29	0.00	0.00
(A)	81.26	310.55	0.00	0.00
Security Deposit				
Unsecured, Considered Good (Including Rs. 30.00 Lakhs due from Director (Previous year Rs.Nil))	120.36	95.83	0.00	0.00
(B)	120.36	95.83	0.00	0.00
Advances Recoverable in Cash or Kind				
Unsecured, Considered Good	45.27	45.27	244.56	530.02
(C)	45.27	45.27	244.56	530.02
Other Loans and Advances				
Advance Income-Tax (Net of Provision for Taxation)	139.01	113.75	0.00	0.00
MAT Credit Entitlement	5,686.34	5,052.43	0.00	0.00
Prepaid Expenses	0.00	0.00	532.24	230.20
Employee Advances	0.00	0.00	16.19	13.48
Balances with Statutory / Government Authorities	0.00	0.00	4,091.52	1,475.27
(D)	5,825.35	5,166.18	4,639.95	1,718.95
TOTAL (A +B+C+D)	6,072.24	5,617.83	4,884.51	2,248.97
# Secured against Bank Guarantee.				
			As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
14. INVENTORIES (At lower of cost and net realisable value)				
a) Stores, Spares and Packing Material		2,341.23		1,967.59
b) Raw Materials		1,684.97		2,268.33
c) Finished Goods		684.96		512.25
d) Stock in Transit - Finished Goods		2,198.02		1,884.30
e) Semi finished Goods		5,019.51		3,093.69
f) Stock in Transit - Semi finished Goods		25.60		0.00
		11,954.29		9,726.16
15. TRADE RECEIVABLES				
Unsecured, considered good, unless otherwise stated excluding Bills Receivable discounted (Refer Note No. 37(d))				
(a) Debts outstanding for a period exceeding six months.				
(i) Unsecured, Considered Good		0.60		0.72
(ii) Doubtful		514.18		514.18
		514.78		514.90
Less: Provision for doubtful receivables		514.18		514.18
		0.60		0.72

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
(b) Other Receivables		
Unsecured, Considered Good	<u>2,010.96</u>	<u>3,018.19</u>
	2,010.96	3,018.19
TOTAL (a+b)	<u>2,011.56</u>	<u>3,018.91</u>
Trade Receivables Include :-		
Due from Associate Company	<u>0.00</u>	<u>556.29</u>
Due from Subsidiary Companies	<u>64.01</u>	<u>618.04</u>
	<u>64.01</u>	<u>1,174.33</u>
16. CASH AND CASH EQUIVALENTS		
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
a) Cash on hand	<u>10.88</u>	<u>15.72</u>
b) Balances with Bank :-		
In Current Accounts	<u>2,064.84</u>	<u>1,494.65</u>
In Fixed Deposit	<u>4,200.00</u>	<u>1,636.39</u>
In Unclaimed Dividend Accounts	<u>67.26</u>	<u>30.36</u>
Margin Money Deposit	<u>21.05</u>	<u>172.89</u>
TOTAL	<u>6,364.03</u>	<u>3,350.01</u>
(Fixed Deposit with Bank includes Rs. 4.00 Lakhs (Previous year Rs. 4.00 Lakhs) with maturity of more than 12 Months)		
17. OTHER CURRENT ASSETS		
	Non-current	Current
	As at 31.03.2012 Rs. in Lakhs	As at 31.03.2011 Rs. in Lakhs
Interest Accrued on Fixed Deposit	<u>0.00</u>	<u>21.80</u>
Other Receivable	<u>0.00</u>	<u>99.90</u>
	<u>0.00</u>	<u>121.70</u>
	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
18. REVENUE FROM OPERATIONS :-		
Sales of Products		
Finished Goods	<u>78,539.46</u>	<u>90,576.66</u>
Traded Goods	<u>4,875.22</u>	<u>4,352.77</u>
Other operating Revenues		
Scrap Sales	<u>140.42</u>	<u>138.18</u>
Revenue from operation (Gross including Excise Duty)	<u>83,555.10</u>	<u>95,067.61</u>
Less : Excise Duty	<u>3,914.99</u>	<u>4,932.42</u>
Revenue from operation (Net)	<u>79,640.11</u>	<u>90,135.19</u>

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
19. OTHER INCOME		
Interest Income on :		
Bank Deposits	365.04	159.49
Income Tax and Sales Tax Refund	1.21	23.15
Others	3.26	1.25
Dividend Income on :		
Long Term Investment	11.66	167.05
Insurance Claims	91.67	11.97
Profit on Sales of Fixed Assets	41.68	41.83
Excess Provision / Sundry credit Balances Written Back	349.59	22.49
Rent	1.20	2.40
Sales Tax Refund	429.94	49.29
Gain on Exchange Rate Fluctuations	140.59	452.36
Net Income from Share Trading	0.00	45.38
TOTAL	1,435.84	976.66
20. COST OF RAW MATERIAL CONSUMED		
Inventory at the beginning of the year	2,268.33	1,002.01
Add : Purchases	44,270.28	38,194.89
	46,538.61	39,196.90
Less : Inventory at the end of the year	1,684.97	2,268.33
Cost of Raw Material Consumed	44,853.64	36,928.57
Details of Raw Material Consumed		
PTA	22,841.48	20,605.68
MEG	8,740.02	7,504.44
Chemicals and others	13,272.14	8,818.45
	* 44,853.64	36,928.57
*After adjusting sale of raw material amounting to Rs. 723.58 Lakhs (Previous year Rs.286.58 Lakhs).		
Details of Inventory :-		
PTA	129.51	238.64
MEG	76.48	217.72
Chemicals and others	1,478.98	1,811.97
	1,684.97	2,268.33
21. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS		
Inventories at the end of the year		
Work in Progress	5,045.11	3,093.69
Finished Goods	2,882.93	2,396.55
	7,928.04	5,490.24
Inventories at the beginning of the year		
Work in Progress	3,093.69	1,606.05
Finished Goods	2,396.55	801.94
	5,490.24	2,407.99
(Increase) / Decrease	(2,437.80)	(3,082.25)
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	4,689.45	4,411.85
Contribution to Provident Funds and Other Funds	803.56	621.56
Staff Welfare Expenses	306.63	274.07
	5,799.64	5,307.48

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	<u>2011-12</u> Rs. in Lakhs	<u>2010-11</u> Rs. in Lakhs
23. OTHER EXPENSES		
Stores, Spares and Packing Material Consumed	3,149.77	4,332.66
Power and Fuel	8,367.09	6,503.61
Processing Charges	1,200.44	1,723.77
Water Charges	55.04	76.21
Rent, Hire Charges and Compensation	93.88	66.03
Rates, Taxes and License Fees	111.42	118.76
Insurance	174.02	150.93
Freight and Forwarding (Net)	1,729.71	1,800.63
Research and Development Expenses	154.39	120.38
Advertisement Expenses	147.22	136.74
Repairs and Maintenance Expenses :-		
Plant and Machinery	683.44	752.47
Building	326.20	312.09
Other Assets	514.65	509.10
Sales Tax / VAT	136.53	156.70
Travelling and Conveyance	404.79	507.80
Postage, Telegrams and Telephones	120.99	138.24
Commission on Sales	129.52	213.49
Donations	141.22	140.25
Legal and Professional Charges (Refer Note No. 31)	756.10	631.46
Director Sitting Fees	1.67	1.08
Miscellaneous Expenses	1,370.88	1,221.04
Provision for Doubtful Debts	0.00	20.85
TOTAL	<u>19,768.97</u>	<u>19,634.29</u>
Auditors Remuneration:		
Audit Fees	21.52	20.60
Tax Audit Fees	5.00	4.10
For Certification / Others	12.13	3.75
Reimbursement of Out of Pocket Expenses	0.23	0.24
TOTAL	<u>38.88</u>	<u>28.69</u>
TOTAL OTHER EXPENDITURE	<u>19,807.85</u>	<u>19,662.98</u>
24 EXCEPTIONAL ITEMS :-		
1) Sales Tax Receivable written off Pursuant to amendment of MVAT Act by Govt. of Maharashtra with retrospective effect	0.00	1,128.22
2) Octroi Receivable written off Pursuant to amendment of MVAT Act, by Govt. of Maharashtra with retrospective effect	0.00	206.25
3) Sales Tax Deferral Liability to SICOM	0.00	42.75
4) Provision for Expenses on Amalgamation pursuant to scheme of Arrangement u/s 391 to 394 of the Act, between Company and Great Design Properties Pvt. Ltd.	0.00	259.00
5) Excess provision of commission	(134.00)	0.00
TOTAL	<u>(134.00)</u>	<u>1,636.22</u>
25. FINANCE COST		
Interest Expenses	549.31	748.11
Other Borrowing Cost	2,009.53	1,751.76
Applicable Loss (Gain) on Foreign Currency Transaction and Translation	313.90	(33.78)
TOTAL	<u>2,872.74</u>	<u>2,466.09</u>

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
26. EARNINGS PER SHARE (EPS)		
Profit after Tax	3,197.94	19,147.47
Less: Dividend on Preference Shares including Tax	0.63	0.63
Amount available for Equity Share holders	3,197.31	19,146.84
Weighted average number of Equity Shares (Basic and Diluted) including outstanding	23315150	23315150
Earning per share - Basic and Diluted (Rupees) (absolute)	13.71	82.12
27. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"		
A. Funded retirement benefit - Gratuity		
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	1,688.41	1,509.87
Service Cost	114.05	99.05
Interest Cost	135.41	114.67
Actuarial Loss / (Gain)	219.39	112.73
Benefits Paid	(93.82)	(147.91)
Defined benefit obligations at end of the year (a)	2,063.44	1,688.41
Change in plan assets		
Fair Value of plan assets as at beginning of the year	1,430.98	1,301.16
Expected return on plan assets	138.11	122.15
Contributions by employer	180.81	155.34
Actuarial Gain / (loss)	0.00	0.24
Benefits paid	(93.82)	(147.91)
Fair value of plan assets at end of the year (b)	1,656.08	1,430.98
Present Value of funded obligations (a-b)	407.36	257.43
The net amount recognized in the statement of profit and loss for the year ended 31st March 2012 is as follows:		
Current service cost	114.05	99.05
Interest cost	135.41	114.67
Expected return on plan assets	(138.11)	(122.15)
Net actuarial loss / (gain) recognized	219.39	112.49
Net amount recognized	330.74	204.06
The principal actuarial assumptions used as at 31st March 2012 are as follows:		
Discount Rate	8.50%	8.00%
<u>Expected rate of return on plan assets</u>		
Withdrawal rate	5%	5%
Rate of increase in compensation levels	5%	5%
B. Un-funded retirement benefit - Leave Encashment		
Change in the defined benefit obligations		
Defined benefit obligations at beginning of the year	935.46	905.92
Service Cost	43.99	56.10
Interest Cost	75.81	70.85
Actuarial Loss / (Gain)	(29.89)	(57.01)
Benefits Paid	(23.46)	(40.40)
Defined benefit obligations at end of the year (a)	1,001.91	935.46
Change in plan assets		
Contributions by employer	23.46	40.40
Benefits paid	(23.46)	(40.40)
Fair value of plan assets at end of the year (b)	0.00	0.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
Present Value of un funded obligations (a-b)	1,001.91	935.46
The net amount recognized in the statement of profit and loss for the year ended 31st March 2012 is as follows:		
Current Service Cost	43.99	56.10
Interest Cost	75.81	70.85
Net actuarial Loss / (Gain) recognized	(29.89)	(57.01)
Net amount recognized	89.91	69.94
The principal actuarial assumptions used as at 31st March 2012 are as follows:		
Discount Rate	8.50%	8.00%
Expected rate of return on plan assets		
Withdrawal rate	5%	5%
Rate of increase in compensation levels	5%	7%

28. The remuneration of Rs. 616.22 Lakhs paid to the Managing director and Joint Managing directors are subject to the sanction of the Central Government in respect of which applications have been made and are pending with Government.
29. The significant leasing arrangements of the company are in respect of operating leases for premises and vehicles. These leasing arrangements range between 11 months and 5 years and are usually renewable by mutual consent on mutually agreeable terms. The agreeable lease rental payable are charged to Profit and Loss account and shown under administrative, selling and general expenses in appropriate heads.
30. The break up of Expenses capitalized and shown under Capital Work in Progress (Pending Allocation) as on 31.03.2012 is as under:

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
Interest	42.27	1.84
Bank / Financial Charges	18.35	15.87
Insurance Premium	0.00	5.77
TOTAL	60.62	23.48

31. Legal and Professional Charges include Rs. 6.09 Lakh (Previous year Rs. 7.70 Lakh) paid to some of the Partners of the Auditors for other services and Rs. 74.46 Lakhs for Amalgamation Expenses (Previous year Rs. 14.27 Lakhs).
32. Export Benefits / Incentives are accounted on accrual basis. Accordingly, net estimated benefit aggregating to Rs. 1,273.82 Lakhs (Previous year Rs. 1,345.41 Lakhs) against export effected during the year has been credited to Export Benefits earned account which has been included in sales.
33. In accordance with Accounting Standard 28 (AS 28) issued by the Institute of Chartered Accountants of India on Impairment of Assets, the company had appointed professional consultancy firm as the Valuer's to assess impairment of each cash generating unit (CGU) by taking market value and its potential capacity to generate cash flows. According to the Valuer's report, there is no impairment to any of the assets as such no provision for impairment of assets is required to be made in the accounts.

34. SEGMENT REPORTING:

- a) The company is only in one line of business namely - Polyester film.
- b) The Segment Revenue in the Geographical segment considered for disclosure are as follows:-
- 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.

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
<u>Sales :-</u>		
Within India	43,651.14	56,115.98
Outside India (Including Export incentives)	39,903.96	38,951.63
TOTAL	83,555.10	95,067.61
<u>Amount of Segment Assets by location of Assets (Net Value)</u>		
Within India	29,172.27	30,221.55
Outside India	0.00	0.00

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

35. RELATED PARTY DISCLOSURES

a) List of Related Parties

Associate Companies	Garware Industries Ltd Garware Chemicals Ltd *
Key Management Personnel	Shri S.B. Garware Mrs. S.S. Garware Mrs. Monika Garware Modi Ms. Sarita Garware Miss Sonia Garware
Enterprises over which Key Managerial Person are able to exercise significant influence	S.B. Garware Family Trust Garware Charitable Trust

	2011-12 Rs. in Lakhs	2010-11 Rs. in Lakhs
b) Transaction with Related Parties		
1) Sales of Goods		
i) Subsidiaries	0.00	12,075.18
ii) Associate Companies	8,368.80	4,743.31
2) Purchase of Materials		
i) Associate Company	7,183.16	4,818.06
3) Service Received / Processing Charges		
i) Subsidiaries	0.00	118.67
ii) Associate Companies	1,243.38	1,579.50
4) Service Rendered		
i) Subsidiaries	0.00	0.00
ii) Associate Company	12.66	39.49
5) Purchase of Capital Assets from a Director	0.00	1,525.00
6) Sale of Capital Assets to a Director	250.00	0.00
7) Balances [Dr / (cr)]		
i) Subsidiaries	0.00	479.81
ii) Associate Companies	(107.88)	556.29
iii) (Due to) / Receivable from Director	30.00	(27.81)
8) Key Management Personnel and Relative Managerial Remuneration (Including Employee Benefits)	616.22	853.07
9) Rent Paid to Director	15.00	3.00
10) Donation to Garware Charitable Trust	135.00	140.00

* Subsidiary company in previous year.

Figures are on gross basis (Including Taxes and Duties)

36. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 5,169.49 Lakhs (Previous year Rs. 3,221.79 Lakhs) against which an advance of Rs. 81.26 Lakhs (Previous year Rs. 310.55 Lakhs) has been paid.

37. CONTINGENT LIABILITIES -

a) Contingent Liabilities not provided for -

	As at 31 March 2012 Rs. in Lakhs	As at 31 March 2011 Rs. in Lakhs
Disputed matters in appeal / contested in respect of:		
Income Tax	158.20	83.16
Excise Duty	43.94	43.94
Sales Tax	17.13	17.13
Maharashtra State Electricity Board (MSEB)	27.72	27.72
TOTAL	246.99	171.95

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

- b) The Company has given counter-guarantees for Rs. 906.52 Lakhs (Previous year Rs. 887.91 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for purchase of equipment, supply of goods, clearance of goods from Customs, Excise Bonds, etc.
- c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to Rs. 17,320.00 Lakhs (Previous year Rs. 9,314.21 Lakhs).
- d) Bills of Exchange discounted under Bill Marketing Scheme amount to Rs. 2,334.90 Lakhs (Previous year Rs. 1,851.66 Lakhs).

38. DEFERRAL / CAPITALIZATION OF EXCHANGE DIFFERENCES

In accordance with the amendment / earlier amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan / Creditors, amounting to Rs. 409.46 Lakhs (Previous year Rs. 19.27 Lakhs) to the cost of plant and equipments.

- 39. The previous year's figure have been re-grouped / reclassified to conform to this year's classification which is as per Revised Schedule VI. This adoption does not impact recognition and measurement principles followed for preparation of financial statement as at 31st March 2011.

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1. Basis of presentation of Financial Statements

The financial statements are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with applicable Accounting Standards and relevant presentation requirements of the Companies Act, 1956.

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

2. 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 upto the date of commercial production. When fixed assets were revalued, surplus on revaluation was credited to Capital / Revaluation Reserve Account.

Depreciation / Amortization is provided as follows:

- On Technical Know-how / Product Development Expenses @ 1/6th per annum.
- On Copyright Expenditure @ 1/5th per annum
- On Capital Expenditure on R&D and Assets other than Plant and Machinery on Written Down Value method as per rates prescribed under Schedule XIV of the Companies Act, 1956.
- On Plant and Machinery on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956, vide Notification GSR No.756(E) dated 16.12.1993.
- No write-off is being made in respect of leasehold land.
- Assets costing Rs.5000/- or Less is depreciated fully in the year of acquisition.
- Goodwill to be amortized @ 1/5th per annum or as per decision of Board of Directors.

In respect of Subsidiaries:

Garware Polyester International Ltd.(GPIL)

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

Land and buildings leasehold - Straight line over the life of the lease

Furniture, fittings and equipment - 25% Reducing balance

Global Pet Films, Inc. (GPF)

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

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

3. Investments

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

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

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

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

5. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non monetary foreign currency items are carried at cost.
- d) 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 Govt. 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.
- e) 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.
- f) In case of Garware Polyester International Ltd., monetary assets and liabilities denominated in foreign currencies are translated in to sterling at the rates of exchange ruling at the balance sheet date. The transactions in foreign currencies are recorded at the rate ruling at the date of transactions. All differences are taken to Profit and Loss account.

6. 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.

7. Employee Benefits:

- a) Short Term Employee Benefits:-
All benefits paid / payable wholly within 12 months of rendering the service are classified as short term. Benefits such as salaries, wages, short-term compensated absences, etc and the expected cost of bonus, ex-gratia, medical, LTA are recognized in the period in which the employee renders the related service and charged to Profit and Loss Account.
- b) Defined Contribution Plans:
Company contributes Provident Fund in accordance with EPF Act, 1952 and ESIC Schemes in accordance with ESIC Act, 1948 under Government administered schemes, however certain employees are covered under the contributory plans with the trust "Garware Polyester Limited Office Staff and Officer's Provident Fund". Contributions are accounted on accrual / paid basis and charged to statement of Profit and Loss.
- c) Defined Benefit Plans:
 - 1) 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.
 - 2) Leave encashment benefits are accounted on actuarial valuation basis.

8. Lease Rentals

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

In case of GPIL rentals payable under operating leases are charged against income on a straight line basis over the lease term.

9. Provisions, Contingent Liabilities and 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.

10. 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.

11. Revenue Recognition

a) Sales:

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

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

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

b) Export Benefits:

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

12. Taxation

a) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

b) Current tax is determined as the amount of tax payable in respect of taxable income for the period. The credit is taken as per entitlement for the tax liability provided under MAT based on taxable income as per the provisions of Income Tax Act, 1961.

c) In respect of subsidiary, Garware Polyester International Limited, the accounting policy in respect of deferred tax reflects the requirements of FRS19-Deferred Tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. On the basis of these financial statements no provision has been made for deferred tax.

13. Borrowing Cost:

Borrowing costs specifically relatable to the acquisition of fixed assets are capitalized as part of the cost of fixed assets, other borrowing costs are charged to revenue.

14. 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.

15. Purchases :

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

16. Use of Estimates:

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

17. In case of Global Pet Film Inc. Cash and cash equivalents include money market instruments.

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

Name of the company	Country of Incorporation	Percentage of voting Power	Financial Year
Direct Subsidiary			
Garware Polyester International Ltd.	United Kingdom	100%	April 11-March 12
Indirect Subsidiary			
Subsidiary of wholly owned Subsidiary Global Pet Films, Inc.	U.S.A.	100%	April 11-March 12

19. Principles of Consolidation:

- i. Consolidated financial statements are done in accordance with the AS-21 by consolidating financial statements of subsidiaries on the reporting period. The consolidation is based on the audited financial statement of Garware Polyester International Ltd. for the period ended 31st March, 2012.
- ii. 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.
- iii. In respect of subsidiaries, transactions of Profit and Loss account items have been translated at average rate and the assets and Liabilities items of the balance sheet have been translated into Indian Rupees at the closing exchange rate of respective currencies prevailing as at 31st March, 2012 except for subsidiary's share capital.

- 20.** Raw materials consumed includes expenses for clearing, warehousing and duty etc. on goods received from parent company by subsidiary and ultimate subsidiary.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended 31.03.2012 (Rs. in Lakhs)	Year ended 31.03.2011 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Profit before Exceptional items	3,173.67	23,078.31
Add: Depreciation	4,174.77	3,966.94
Finance Cost	2,872.74	2,466.09
Miscellaneous Expenses written off	0.00	5.83
Provision for Doubtful Debts	0.00	20.85
Loss on Exchange Rate Fluctuations	148.67	0.00
Provision for Leave and Gratuity Provision	205.36	78.26
SUB TOTAL	7,401.54	6,537.97
TOTAL	10,575.21	29,616.28
Less: Interest income	368.30	160.74
Gain on Exchange Rate Fluctuations	0.00	88.05
Profit on sale of fixed assets	41.68	41.83
Dividend received / Income from Investment	11.66	167.05
Sundry balances Written Back (Net)	349.59	22.49
Rent	1.20	2.40
SUB TOTAL	772.43	482.56
Operating profit before working capital changes.	9,802.78	29,133.72
Transfer to foreign currency translation reserve	23.32	278.19
Increase / (Decrease) in trade / other payable	(609.17)	2,448.29
Decrease / (Increase) in Trade / other receivable (net)	(1,391.39)	621.83
Decrease / (Increase) in Inventories	(2,228.13)	(3,748.46)
Cash generated from operations	5,597.41	28,733.57
Direct taxes refund/(paid)(Net)	(768.90)	(4,210.52)
Net cash inflow / (outflow) from operating activities	4,828.51	24,523.05
B. Cash flow from investing activities :		
Purchase of fixed assets	(2,759.50)	(4,833.40)
Shares purchased by Amalgamating Company and subsequently cancelled as per Scheme of Arrangement and Amalgamation	0.00	(1,016.10)
Proceeds from Sale of fixed assets	603.06	73.16
Interest received	368.30	160.74
Non current Investments	1.40	(1,545.85)
Dividend received / Income from Investment	11.66	167.05
Rent	1.20	2.40
Amalgamation Expenses	0.00	(29.29)
Net cash inflow / (outflow) from investing activities	(1,773.88)	(7,021.29)
C. Cash flow from financing activities		
Interest / Financial Charges	(2,872.74)	(2,466.09)
Proceeds (Repayment) of unsecured loans from SICOM	0.00	(12.73)
Proceeds (Repayments) from Long term borrowings (Net)	(4,525.21)	(5,145.26)
Proceeds (Repayment) from Short term borrowings (Net)	9,624.37	(8,651.39)
Dividend / Unclaimed Dividend paid including Dividend distribution Tax	(2,267.03)	(478.57)
Net cash inflow / (outflow) from financing activities	(40.61)	(16,754.04)
Net increase / (decrease) in cash and cash equivalents	3,014.02	747.72
Cash and cash equivalents as at opening		
Cash and bank balances	3,350.01	1,522.14
Add: Cash and bank balances taken over from Garware Chemicals Ltd and Great Design Properties Pvt. Ltd in terms of scheme of amalgamation	0.00	1,080.15
Cash and cash equivalents as at closing		
Cash and bank balances	6,364.03	3,350.01
	3,014.02	747.72

As per our report of even date

For **SHAH & CO.**
Chartered Accountants
(Registration No. 109430W)

P. N. SHAH
Partner
M.No. 001738

Mumbai, 29th June, 2012

For and on behalf of the Board of Directors

S. B. GARWARE – Chairman & Managing Director

A. B. BHALERAO – Director

M. S. ADSUL – Director – Technical

MANOJ KOUL – Company Secretary & Sr. General Manager

ANNUAL REPORT 2011-12

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

Rs. in Lakhs

Sr. No.	Particulars	Garware Polyester International Limited (GPIL) (100% wholly owned by the Company)	Global Pet Films, INC. (100% wholly owned by GPIL)
		2012	2012
1	Share Capital	200.88	50.68
2	Reserves	41.14	5.77
3	Total Assets	703.48	354.16
4	Total Liabilities	703.48	354.16
5	Details of Investment (Except investment in the subsidiaries)	Nil	Nil
6	Turnover and other Income	2,590.49	3,318.32
7	Profit / (Loss) Before Taxation	348.31	170.39
8	Provision for taxation	49.75	66.32
9	Profit / (Loss) after taxation	298.56	104.07
10	Proposed Dividend	451.76	152.04

Notes :-

1. The final Audited accounts of Garware Polyester International Limited are in Great Britain Pounds (GBP) and translated at closing rate as on 31.03.2012 (Rs. 80.35 = 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 31.03.2012 (Rs. 50.68 = 1 USD)



**55TH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

I / We hereby record my / our presence at the **55th Annual General Meeting** of the Company held at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad 431 133 on Wednesday, 5th September, 2012 at 11.30 a.m.

NAME OF THE SHAREHOLDER OR PROXY (IN BLOCK LETTERS)	REGD. FOLIO No.	DP-ID No.	CLIENT-ID No.

SIGNATURE OF THE SHAREHOLDER OR PROXY	
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PROXY FORM



I / We of in the District of being a member / members of **Garware Polyester Limited** hereby appoint in the District of or failing him of in the district of or failing him of in the district of as my / our proxy to attend and vote for me / us on my / our behalf at the **55th Annual General Meeting** of the Company to be held on Wednesday, 5th September, 2012 at 11.30 a.m. at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad 431 133 and at any adjournment thereof.

Signed this day of 2012.

Revenue Stamp

Signature

Proxy No.	Regd. Folio No.	DP-ID No.	CLIENT ID No.	No. of Shares

Note : This form duly completed and signed as per specimen signature registered with the Company should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the commencement of the Meeting.

