

Garware Polyester Ltd.

GARWARE HOUSE, 50 - A, SWAMI NITYANAND MARG,
VILE PARLE (EAST), MUMBAI-400 057.
TEL.: 91-22-6698 8000 (15 Lines) FAX: 2824 8155 / 66

22nd September, 2016

The General Manager
Corporate Relationship Department
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street.
Mumbai 400 001.

Dear Sir(s),

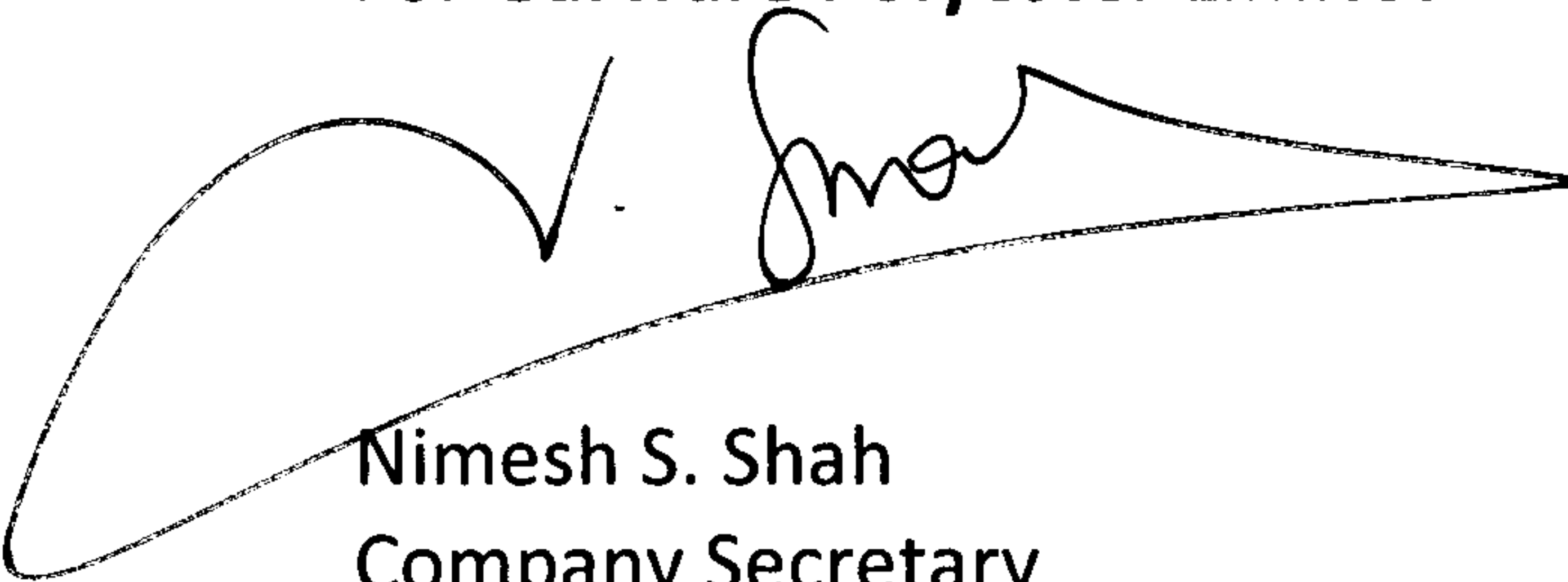
Script Code : 500655

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached please find Annual Report for the financial year 2015-16 (PDF File) duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

The aforesaid Annual Report is also uploaded on the website of the Company.
(www.garwarepoly.com).

Kindly take the above on your records and oblige.

For Garware Polyester Limited


Nimesh S. Shah
Company Secretary

Encl : as above



REGD. OFFICE : NAIGAON, POST WALUJ, AURANGABAD 431 133.
CIN No. : L10889MH1957PLC010889 Website : www.garwarepoly.com

GARWARE

Garware Polyester Limited

ANNUAL REPORT

2015-16

CORPORATE INFORMATION

BOARD OF DIRECTORS

S. B. Garware - Chairman & Managing Director

S. S. Garware (Mrs.)

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

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

Sonia Garware (Ms.)

N. P. Chapalgaonkar

B. Moradian

M. S. Adsul - Director (Technical)

M. C. Agarwal (Dr.)

Ramesh P. Makhija

T. M. Parikh

Nilesh R. Doshi

COMPANY SECRETARY & VICE PRESIDENT (LEGAL)

Nimesh S. Shah

CHIEF FINANCIAL OFFICER

Gokul D. Naik

AUDIT COMMITTEE

T. M. Parikh – Chairman

B. Moradian

M. S. Adsul

M. C. Agarwal

Nilesh R. Doshi

STAKEHOLDERS' RELATIONSHIP COMMITTEE

M. C. Agarwal – Chairman

Sarita Garware Ramsay

B. Moradian

NOMINATION & REMUNERATION COMMITTEE

M. C. Agarwal – Chairman

B. Moradian

T. M. Parikh

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sarita Garware Ramsay – Chairperson

B. Moradian

M. C. Agarwal

BANKERS

Indian Overseas Bank

Dena Bank

Bank of India

The Federal Bank Limited

AUDITORS

M/s. Manubhai & Shah, LLP

Chartered Accountants

M/s. Kirtane & Pandit, LLP

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

204, 2nd Floor, DLF Tower B, Near Apollo Hospital,
Jasola, New Delhi – 110 025.

37/1B, Hazra Road, Kolkata – 700 029.

Old No. 37, New No. 55,
Ambercrest, 4th Floor, Pantheon Road
Egmore, Chennai – 600 008.

OVERSEAS OFFICE

Unit 2-17, The Plaza,
535, Kings Road, London – SW10 OSZ.

101, Lake Forest Blvd.
Street No. 403, Gaithersburg
MD, 20887, U.S.A.

REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited, Mumbai.

WEBSITE

www.garwarepoly.com

CONTENTS	PAGE NO.
Notice	03
Directors' Report and Annexures	07
Management Discussion and Analysis.....	21
Corporate Governance Report	23
Secretarial Audit Report and Annexure	33
Auditors' Report and Annexure	35
Balance Sheet	38
Statement of Profit and Loss	39
Cash Flow Statement	40
Notes to the Financial Statements.....	43
Form AOC-1	60
Auditors Report on Consolidated Financial Statements.....	61
Consolidated Balance Sheet	64
Consolidated Statement of Profit and Loss	65
Consolidated Cash Flow Statement	66
Notes to the Consolidated Financial Statements	70
Route Map for AGM.....	84
Proxy Form and Attendance Slip.....	87

NOTICE**GARWARE POLYESTER LIMITED**

CIN: L10889MH1957PLC010889

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

Website: www.garwarepoly.com

Email: nimeshshah@garwarepoly.com

Tel. No.: 022 6698 8000.

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting of the members of GARWARE POLYESTER LIMITED will be held at the Registered Office of the Company on Wednesday, 21st September, 2016 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad – 431 133 to transact the following businesses:

Ordinary Business:

- To consider and adopt:
 - the Audited Financial Statements of the Company for the financial year ended March 31, 2016, with the reports of the Board of Directors and Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the report of the Auditors thereon.
- To appoint a Director in place of Mrs. Sarita Garware Ramsay (DIN: 00136048), who retires by rotation and being eligible, offers herself for re-appointment.
- To appoint a Director in place of Ms. Sonia Garware (DIN: 00135995), who retires by rotation and being eligible, offers herself for re-appointment.
- To consider the following resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee and approval by the Board of Directors, the appointment of M/s. Manubhai & Shah, LLP, (Earlier, Manubhai & Shah) Chartered Accountants (Firm Registration Number: 106041W/W100136) be and are hereby ratified as the Statutory Auditors of the Company, to hold office from the conclusion of the 59th Annual General Meeting till the conclusion of the 62nd Annual General Meeting of the Company, subject to ratification at every subsequent Annual General Meeting at such remuneration plus service tax, as may be mutually agreed upon between the Board of Directors of the Company and auditors, plus travelling and out of pocket expenses actually incurred by the auditors in connection with the audit work.”

Special Business:

- To consider the following resolution as an Ordinary Resolution:-
“RESOLVED THAT M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration Number : 105215W/W100057) be and are hereby appointed as the Joint Auditors of the Company together with M/s. Manubhai & Shah, LLP, Chartered Accountants from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration plus service tax as may be mutually agreed upon between the Board of Directors of the Company and the said M/s. Kirtane & Pandit LLP, plus traveling and out of pocket expenses actually incurred by the Auditors in connection with the audit work.”

- To consider the following resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus out-of-pocket expenses payable to M/s. M. R. Pandit & Co., Cost Accountants (Firm’s Registration No. 00268) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31st March, 2017.”

By Order of the Board of Directors
For **Garware Polyester Limited**

Place: Mumbai

Date: August 10, 2016

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

Registered Office

Naigaon, Post Waluj,
Aurangabad – 431 133

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the ‘Meeting’) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
 A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.
 The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Item No. 5 and 6 of the Notice is annexed hereto.
- Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 15 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 14th September, 2016 to Wednesday, 21st September, 2016 (both days inclusive).
- Members are requested to notify immediately any change in their addresses directly to their Depository Participant in case they hold shares in dematerialized form or to the Company’s Registrars & Share Transfer Agents, in case they hold shares in physical form.
- The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified about the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders to ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed Dividends for the financial years 2008-09, 2009-10, 2010-11 & 2011-12, as on the 58th Annual General Meeting (AGM) held on 29th September, 2015 on the website of IEPF viz. www.iepf.gov.in.

7. Unclaimed dividend for the Financial Years 2008-09, 2009-10, 2010-11 (Interim & Final) and 2011-12 are still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed the dividend warrants for the said financial years are requested to contact the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited at the address provided in point no. 14 - XIV below.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of PAN card to the Company for registration of transfer of securities.
10. Information required under Regulation 36(3) of the Listing Regulations (relating to Corporate Governance) with respect to the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. A route map showing directions to reach the venue of the 59th AGM is given alongwith this Annual Report as per the requirement of "Secretarial Standard-2" on General Meeting.
12. Electronic copy of the Annual Report for 2015-16 and Notice of the 59th Annual General Meeting of the Company *inter-alia* indicating the process and manner of electronic voting ('e-voting') along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 59th Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 59th Annual General Meeting, Attendance Slip, Proxy Form, Ballot Paper, Route Map and the Annual Report for the year 2016 will also be available on the Company's website www.garwarepoly.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Aurangabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
- For any communication, the shareholders may also send requests to the Company's investor email id: cs@garwarepoly.com
- 14. Voting through electronic means**
- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulations the Company is pleased to provide members facility to exercise their right to vote at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from place other than venue of the AGM ("remote-e-voting") will be provided by **National Securities Depository Limited (NSDL)**.
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. **The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.**
- IV. The remote e-voting period commences on Saturday, 17th September, 2016 (9:00 am) and ends on Tuesday, 20th September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 15th September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. **Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.**
- V. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- VI. The instructions for e-voting are as under:
- A) In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/Depository Participants(s)]:
- Open e-mail and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - Click on Shareholder – Login.
 - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - Password change menu appears. If you desire, then change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. **Please preserve your new password.** It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
 - Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - Select "EVEN" of Garware Polyester Limited.
 - Now you are ready for remote e-voting as Cast Vote page opens.
 - Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - Upon confirmation, the message "Vote cast successfully" will be displayed.
 - Once you have voted on the resolution, you will not be allowed to modify / change your vote.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in
- B) Members upon receiving physical copy of an Annual Report are requested to note down the following from attached e-voting form:
- Initial password is provided in the attached e-voting form.
 - EVEN** (Remote E-Voting Event Number)
 - USER ID**
 - PASSWORD/ PIN**

- (ii) Please follow all steps from Sl. No. 14 (VI)(A)(I) to (XII) above, to cast your vote.
- VII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no. 1800-222-990.
- VIII. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IX. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- X. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 15th September, 2016.
- XI. Mr. Nilesh G. Shah, Practicing Company Secretary (Membership No. FCS-4554, CP No. 2631), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XII. The Scrutinizer shall after the conclusion of voting at a AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours of the conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or in his absence to a person authorised by him in writing. who shall counter sign the Scrutinizer's Report and shall declare the result forthwith.
- XIII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.garwarepoly.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in this behalf. The results shall also be uploaded on the BSE Listing Portal.
- XIV. Members holding shares in physical form are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agents of the Company at the following address:
- LINK INTIME INDIA PRIVATE LIMITED**
 (Unit : Garware Polyester Limited)
 C-13, Pannalal Silk Mill Compound,
 L.B.S. Marg, Bhandup (West),
 Mumbai - 400 078.
 Tel. No. 022-2594 6970
 Fax : 022-2594 6969.

By Order of the Board of Directors
 For **Garware Polyester Limited**

Place: Mumbai
 Date: August 10, 2016

Registered Office
 Naigaon, Post Waluj,
 Aurangabad – 431 133

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
Item No. 5

In view of the substantial increase in activities of the Company, the Board of Directors consider that it is necessary to recommend re-appointment of M/s. Kirtane & Pandit, LLP, Chartered Accountants as Joint Auditor to hold the office along with the existing Statutory Auditors of the Company. M/s. Kirtane & Pandit, LLP, Chartered Accountants were appointed as Joint Auditor at the 58th Annual General Meeting of the Company held on 29th September, 2015.

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

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are in any way concerned or interested, in the said resolution as set out at the Item No. 5 of the Notice for approval by the members.

The Board recommends the Ordinary Resolution set out in Item No. 5 of the accompanying notice for approval by the shareholders.

Item No. 6

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. M. R. Pandit & Co., Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2017.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017, as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Board recommends this Ordinary Resolution as set out at Item No. 6 of the accompanying Notice for approval by the members.

By Order of the Board of Directors
For **Garware Polyester Limited**

Place: Mumbai
Date: August 10, 2016

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

Registered Office
Naigaon, Post Waluj,
Aurangabad – 431 133

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

Name of the Director	Mrs. Sarita Garware Ramsay	Ms. Sonia Garware
Date of Birth & Age	25.10.1967 49 years	24.07.1971 45 years
Date of Appointment on the Board	24.12.1993	31.01.2007
Qualifications	M. B. A. from European University in Switzerland	M. B. A. from Boston College USA.
Expertise in specific functional areas	Specialisation in Marketing	Finance, Marketing & Strategic Management
Directorship(s) held in other public companies	Garware Industriees Ltd.	Garware Industriees Ltd.
Chairmanship (s)/ Memberships of Committees across public companies	Garware Polyester Ltd. ➤ CSR Committee ➤ Stakeholders Relationship Committee	-
No. of shares held in the Company as on 31.03.2016.	2,67,653	2,68,595

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2016

TO THE MEMBERS,

Your Directors present the 59th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2016

1. Financial Results

(₹ in Crores)

	2015-16		2014-15	
Operating Profit before Interest & Depreciation		85.11		85.23
Less: Finance Cost	42.93		43.64	
Depreciation	16.84	59.77	15.08	58.72
Profit for the year before Exceptional Item		25.34		26.51
Provision for Income Tax		7.95		9.17
Profit After Tax		17.39		17.34
Add: Balance brought forward from previous year		268.86		308.26
Balance available for Appropriation		286.25		325.60
Appropriation:				
Transferred from Assets whose balance useful life is Nil as per Schedule II of the Companies Act, 2013 (Net of deferred tax of ₹ 117.50 Lakhs)		0.00		2.28
Transferred to Capital Redemption Reserve on Redemption of Preference Shares		0.00		54.46
Balance carried to Balance Sheet		286.25		268.86
Total		286.25		325.60

2. Dividend

Your Directors have not recommended any dividend on the equity share capital for the year under review with a view to conserve the resources and to plough back profits to strengthen the net working capital.

3. Company's Performance

On consolidated basis, a revenue from operations for the financial year 2015-16 at ₹ 863.53 Crores was lower by 6% over the last year (₹ 923.18 Crores in 2014-15). The Earnings before interest, tax, depreciation and amortization (EBITDA) was at ₹ 87.13 Crores against EBITDA of ₹ 86.56 Crores in 2014-15. The Profit after tax (PAT) for the year was ₹ 16.50 Crores against the PAT of ₹ 17.81 Crores in 2014-15.

On Standalone basis, a revenue from operations for the financial year 2015-16 was at ₹ 848.23 Crores, is lower by 7% over the last year (₹ 913.37 Crores in 2014-15) due to pressure on selling prices of THIN film. The Earnings before interest, tax, depreciation and amortisation (EBITDA) was ₹ 85.11 Crores against EBITDA of ₹ 85.23 Crores in 2014-15. The Profit after tax (PAT) for the year was ₹ 17.39 Crores against the PAT of ₹ 17.34 Crores in 2014-15.

4. Operations

The year 2015-16 has ended in line with the year 2014-15 at Profit after tax in spite of reduction in turnover due to pressure in selling prices of Thin Film. However, your company is able to maintain profitability because of better product mix. This was achieved irrespective of decrease in other income.

Your Company is making efforts to divert the spare capacity of Consumer Products Division (CPD Division) for exports. The said capacity has become spare, against the ban on use of Sun Control Film on motor car windows in Indian market since 2012, pursuant to the order of the Hon'ble Supreme Court of India.

5. Future Outlook

Due to the overcapacity situation that persists in the Polyester film Industry in Indian as well as in International Market, the prices will

still remain under pressure and will face tough competition and oversupply situation. Therefore your Company has shifted its focus to the Speciality films and has developed new products for the international market such as digital printable films, Films for solar PV application, films for Lidding application, coated films for label, Medium & High shrink films for Label and films with high Infrared heat rejection for Automobiles etc. These films will mainly cater to the export markets.

6. Research & Development

Your company is a leader in development of new products and new applications in the fields of Polyester film and solar control window film. Your Company's R&D Department is very much focusing on cost reduction measures by introducing cost effective alternative raw materials and processes in manufacturing method.

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

As on date, all the manufacturing plant /pilot plants and laboratories are upgraded with latest equipment to upgrade the product quality and to achieve the various quality requirements of regular customers.

7. Functioning of R & D Department

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

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

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

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

8. Information Technology (IT)

- Your Company has implemented CCTV security surveillance system in production mainly covering Chill roll & slitting areas to control and monitor manufacturing process.
- Your Company is in process to implement SAP HR Payroll to integrate HR process to the existing SAP ERP system.
- Your Company is in process to implement SAP BI system to facilitate KPI driven reporting and Dashboard to management by taking advantage of SAP ERP business database.
- Your Company has implemented Server Virtualization for its Windows and Linux based servers using VMWare Technology and virtualized its 16 Windows as well as Linux servers.
- Your Company is in the process to upgrade its existing SAP ERP EHP version from EHP4 to EHP7 including AIX operating system and DB2 database.

9. Awards and Recognitions

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

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

10. Human Resource Development

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

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

The focus on employee development through training modules that were created in-house continued. More than 182 training programs were conducted during the year, over 85% of them through in-house trainers and business leaders. The programs added up to over 12,000 man-hours / 1,500 man-days of training. This has been achieved by continuously investing in learning and development programs by arranging target oriented training programs, creating appropriate work environment and maintaining a structured recognition system.

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

11. Manufacturing and Quality Initiatives

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

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

12. Consolidated Financial Statement

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

13. Subsidiary Companies

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

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

14. Safety, Health & Environmental Protection

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

Some of the prominent activities include – Safety audits of Thermic Fluid system and Electrical System by external expertise (M/s Jacobs Engineering), Internal Safety survey of plants, Field Safety rounds after monthly Safety review meetings, EMS training and Field rounds, periodical SHE inspections and trainings, schemes on the efficient usage of energy and the conservation of natural resources, activities for the enhancement of employee participation in SHE and the support in emergency management operations at public places.

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

15. Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- b) 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively and
- f) the Directors have advised proper systems to ensure compliance with provisions of applicable laws and that such systems were adequate and operating effectively.

16. Directors and Key Managerial Personnel

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Sarita Garware Ramsay and Ms. Sonia Garware, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

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

Key Managerial Personnel

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

17. Number of Meetings of the Board

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

18. Board Evaluation

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

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

19. Policy on Directors' Appointment and Remuneration and Other Details

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

20. Internal Financial Control Systems and their Adequacy

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

21. Audit Committee

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

22. Statutory Auditors

M/s. Manubhai & Shah – Chartered Accountants, Statutory Auditors of the Company vide their letter dated April 01, 2016 addressed to the Board of Directors of the Company have informed about conversion of their firm from Partnership to Limited Liability Partnership (LLP) with effect from 1st April, 2016. Consequent to conversion of Manubhai & Shah into LLP, the name of the LLP will be “Manubhai & Shah, LLP”.

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Manubhai & Shah, (Now M/s. Manubhai & Shah, LLP) Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 57th Annual General Meeting (AGM) of the Company held on September 25, 2014 till the conclusion of the 62nd AGM to be held in the year 2019, subject to ratification of their appointment at ensuing AGM. Members are requested to ratify their appointment in ensuing 59th AGM. M/s. Manubhai & Shah - LLP, Chartered Accountants have conveyed their eligibility to act as auditors of the Company, subject to the ratification of their appointment as auditors of the Company at the ensuing 59th Annual General Meeting.

Further, the Company has received a special notice under Section 115 of the Company's Act, 2013 proposing the name of M/s. Kirtane & Pandit, LLP, Chartered Accountants as Joint Auditors, subject to member's approval at the ensuing 59th Annual General Meeting.

M/s. Kirtane & Pandit - LLP, Chartered Accountants have conveyed their eligibility and willingness to act as a joint auditors of the Company, if appointed at the ensuing 59th Annual General Meeting. Board recommends their appointment as Joint Auditors.

Cost Auditor:

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

The Board of Directors, on the recommendations of audit committee, has re-appointed M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad as cost auditors to audit the cost accounts of the company for financial year 2016-17. As required under the Companies Act, 2013 a resolution seeking member's approval for ratification of remuneration payable to the Cost Auditors forms a part of the notice convening the 59th Annual General Meeting.

Secretarial Auditor:

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on August 10, 2016 has appointed M/s. Nilesh Shah & Associates, Practicing Company Secretary (FCS: 4454 & C.P. 2631), as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2016-17.

Your Company has received consent from M/s. Nilesh Shah & Associates to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2017.

23. Auditors' report and Secretarial Auditors' Report

The observations made in the Auditor's Report and Secretarial Auditor's Report are self explanatory and therefore, do not call for any comments. The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report.

24. Risk Management

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

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

25. Particulars of Loans, Guarantees and Investments

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

26. Transactions with Related Parties

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

There were no material significant transactions with related parties during the financial year 2015-16 which were in conflict with the interest of the Company. The Directors would like to draw attention of the members to Note No. 33 to the financial statement which sets out related party disclosure.

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

27. Corporate Social Responsibility

The CSR expenditure incurred by your Company during the financial year 2015-16 was ₹ 60.00 Lakhs (around 3.39% of the average net profits of last three financial years) on CSR activities which does not include the expenses made on the activities carried out by the Garware Community Center and Garware Bal Bhawan.

The CSR initiatives of your Company were under the thrust areas of health & hygiene, education, water management and enhancement of vocational training.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2016, is in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report as **Annexure [I]**.

28. Extract of Annual Return

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

29. Adoption of new Articles of Association of your Company

During the financial year 2015-16, new Articles of Association of your Company were adopted in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder.

30. Particulars of Employees and Related Disclosures

Two Whole-time Directors/Employee employed throughout the year were in receipt of remuneration of ₹ 60 Lakhs per annum or more amounting to ₹ 4.29 Crore were relative(s) of Shri S. B. Garware Chairman & Managing Director of the Company. During the FY 2015-16, the Company had 1145 permanent employees.

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2016 is given in a separate **Annexure [III]** to the Report.

31. Other Laws

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

32. Corporate Governance

The Company is committed to maintain the highest standards of

corporate governance and adhere to the corporate governance requirements as set out by the SEBI Board. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing regulations forms an integral part of this Report.

The requisite certificate from the Practicing Company Secretary, confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

33. Vigil Mechanism

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

The Policy on vigil mechanism and whistle blower policy is available on the Company's website at the www.garwarepoly.com.

34. Deposits from Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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

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

36. Details on Internal Financial Controls related to Financial Statements

Your Company is having adequate internal financial control system with reference to the financial statements, some of which are outlined below.

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

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

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

Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

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

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever required.

Your Company has a code of conduct applicable to all its employees along with a Whistle Blower Policy which requires employees to update accounting information accurately and in a timely manner. Any non-compliance noticed is to be reported and actioned upon in line with the Whistle Blower Policy.

Your Company gets its Standalone accounts alongwith Limited Review Report reviewed every quarter by their Statutory Auditors.

37. 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.

38. 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 year under review.

For and on behalf of the Board of Directors

Place: Mumbai

Date: August 10, 2016

S. B. GARWARE

Chairman & Managing Director

ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

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

The CSR Policy was approved by the Board of Directors at its Meeting held on May 29, 2014 and has been uploaded on the Company's website www.garwarepoly.com. A gist of the programs that the Company can undertake under the CSR policy are mentioned below.

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

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

The Company had proposed to undertake activities relating to Art, Culture, Sports, health, education and safety. In addition to above, Company has actively implemented projects and initiatives for the betterment of society, Communities and environment through ensuring environmental sustainability and ecological balance, protecting, art and culture and rural development projects etc. for the Financial Year 2015-16.

The activities as mentioned below were funded internally by the Company.

2. **The Composition of the CSR Committee:** The Company has a CSR committee of directors comprising of Mrs. Sarita Garware Ramsay, Chairperson of the committee, Mr. B. Moradian and Dr. M. C. Agarwal as committee members.
3. Average net profit of the Company for last three Financial Years is ₹ 1,767.35 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): The Company is required to spend ₹ 35.35 lakhs towards CSR activities for the Financial Year 2015-16.
5. Details of CSR spent during the Financial Year:
- Total amount to be spent for the Financial Year: ₹ 35.35 Lakhs
 - Amount spent for the Financial Year: ₹ 60.00 Lakhs
 - Amount unspent, if any: ₹ NIL
 - Manner in which the amount spent : Through Garware Charitable Trust for the Financial Year as detailed below:

(Amount in ₹ Lakhs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Place, where the project is undertaken	Amount outlay	Amount Spent on the project	Cumulative expenditure up-to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting Education to women, Street Children and Others	Education Enhancement project	Mumbai, Pune and Sangali (Maharashtra)	31.00	31.00	31.00	Through Garware Charitable Trust.
2	Promoting Health Care Measures for poor people	Health Care project	Mumbai (Maharashtra)	6.00	6.00	6.00	Through Garware Charitable Trust.
3	Providing basic needs of elderly & deprived section of society	Elderly & differently abled and livelihood enhancement project	Mumbai & Thane (Maharashtra)	12.00	12.00	12.00	Through Garware Charitable Trust.
4	Old age home for disabled people	Donation paid for running old age home.	Mumbai (Maharashtra)	4.50	4.50	4.50	Through Garware Charitable Trust.
5	Rehabilitation of Distress/ Depressed people	Distress/ Depressed people care centre.	Mumbai (Maharashtra)	6.50	6.50	6.50	Through Garware Charitable Trust.
	TOTAL			60.00	60.00	60.00	

6. In case the Company has failed to spend the two percent, of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. : **Not applicable.**
7. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

Mrs. Sarita Garware Ramsay
Chairman of CSR Committee

Shri S. B. Garware
Chairman and Managing Director

Place: Mumbai
Date : August 10, 2016

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on Financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L10889MH1957PLC010889
2.	Registration Date	06.06.1957
3.	Name of the Company	Garware Polyester Limited
4.	Category/Sub- Category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered Office & Contact details	Naigaon, Post Waluj, Aurangabad 431 133. Maharashtra Tel: 0240 2567400 Fax : 0240 2554672
6.	Whether listed company	Yes
7.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400078 Tel: 022-25946970/022-25963838; Fax: 022-25946969

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**Foreign Subsidiaries**

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**I. Category-wise Share Holding**

Category of Shareholders	No. of Shares held of the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) individual/HUF	1873623	-	1873623	8.04	1873623	-	1873623	8.04	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1336391	-	1336391	5.73	1336391	-	1336391	5.73	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other(Trust)	10595401	-	10595401	45.44	10595401	-	10595401	45.44	-
Subtotal (A)(1):	13805415		13805415	59.21	13805415		13805415	59.21	-

Category of Shareholders	No. of Shares held of the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	268595	-	268595	1.15	268595	-	268595	1.15	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A)(2):	268595	-	268595	1.15	268595	-	268595	1.15	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2):	14074010		14074010	60.36	14074010		14074010	60.36	-
B. Public Shareholding									
1) Institutions									
a) Mutual Funds/UTI	376	14700	15076	0.06	376	14700	15076	0.06	-
b) Banks/FI	2326	979	3305	0.01	2326	979	3305	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	853756	200	853956	3.66	853756	200	853956	3.66	-
g) FIs	-	2355	2355	0.01	-	2355	2355	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Trust)	6011	-	6011	0.03	9011	-	9011	0.04	0.01
Sub-total (B)(1):-	862469	18234	880703	3.78	865469	18234	883703	3.78	0.01
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	946030	182808	1128838	4.84	870466	182808	1053274	4.51	-0.33
ii) Overseas	-	-	-	-	-	-	-	-	-
a) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	2527187	1093086	3620273	15.53	2287195	1064540	3351735	14.38	1.15
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	3428157	-	3428157	14.71	3557546	-	3557546	15.27	-0.56
c) Others (specify)									
Clearing Members	12554	-	12554	0.05	17514	-	17514	0.07	0.02
Hindu Undivided Family	-	-	-	-	215126	-	215126	0.92	0.92
Foreign Nationals									
Non Resident Indians (REPAT)	167986	2629	170615	0.73	159613	2629	162242	0.69	-0.04
Non Resident Indians (NON REPAT)	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	7081914	1278523	8360437	35.86	7107460	1249977	8357437	35.86	-
Total Public shareholding (B)=(B)(1)+(B)(2):	7944383	1296757	9241140	39.64	7972929	1268211	9241140	38.64	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	22018393	1296757	23315150	100	22046939	1268211	23315150	100.00	-

ii. Shareholding of Promoters:

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

iii. **Change in Promoters' Shareholding (please specify, if there is no change):** There are no changes in the Promoter's shareholding during the Financial year 2015-16.

iv. Shareholding Pattern of top ten shareholders:

(Other than Directors and Promoters.)

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding at the end of the year 31.03.2016	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Minal B. Patel	1159484	4.97	1164167	4.99
2.	Life Insurance Corporation of India Ltd.	853956	3.66	853956	3.66
3.	Hardik Bharat Patel	550544	2.36	643406	2.76
4.	PAT Financial Consultants Pvt. Ltd.	326277	1.40	327068	1.40
5.	Ruchit Bharat Patel	162073	0.69	307178	1.31
6.	Dalal & Broacha Stock Broking Pvt. Ltd.	272236	1.17	271836	1.16
7.	Nedhi Goel	146442	0.63	153083	0.66
8.	Garware Wall Ropes Ltd.	146350	0.63	146350	0.63
9.	Ramesh Bhalchandra Garware	100200	0.43	100200	0.43
10.	Nilima Upendra Mehta	98476	0.42	98576	0.42

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

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri S. B. Garware				
	At the beginning of the year	1163001	4.99	1163001	4.99
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	1163001	4.99	1163001	4.99

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

V. INDEBTNESS

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

(₹ in Lakhs)

Particulars	Secured Loans Executing Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	15,248.92	1,203.46	-	16,452.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	15,248.92	1,203.46	-	16,452.38
Change in indebtedness during the financial year				
• Addition	3,587.96	-	-	3,587.96
• Reduction	(3,055.61)	-	-	(3,055.61)
• Net Change	532.35	-	-	532.35
Indebtness at the end of the financial year				
i) Principal Amount	15,781.27	1,203.46	-	16,984.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	15,781.27	1,203.46	-	16,984.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		CMD	WTD			
		Shri. S. B. Garware	Mrs. M. Garware Modi	Mrs. Sarita Garware Ramsay	Mr. M. S. Adsul	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income tax, 1961 (c) Profits in lieu of salary u/s 17(3) of the income tax Act, 1961	355.50 0.40 0.00	191.40 0.61 0.00	171.59 0.40 0.00	36.00 0.40 0.00	754.49 1.81 0.00
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify (Retirement Benefits)	93.29	38.22	26.90	0.00	158.41
	Total (A)	449.19	230.23	198.89	36.40	914.71

B. Remuneration to other Directors

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		N. P. Chapalgaonkar	B. Moradian	R. P. Makhija	M. C. Agarwal	T. M. Parikh	N. R. Doshi	
1	Independent Directors							
	Fees for attending board/ committee meetings	0.10	0.58	0.50	1.04	0.34	0.56	3.12
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.10	0.58	0.50	1.04	0.34	0.56	3.12
2	Other Non-Executive Directors							
	Fees for attending board/ committee meetings	0.20	0.20					0.40
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	0.20	0.20					0.40
	Total Managerial Remuneration Total (B)=(1+2)							3.52

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

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	31.61 0.30 -	30.68 1.80 -	62.29 2.10 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of profit - Others, specify	-	-	-
5	Others, please specify			
	Total	31.91	32.48	64.39

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Annexure [III]

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

PART A

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your company for the Financial Year 2015-16 are as follow:

Name of Director(s)	Designation	Total Remuneration/ Sitting Fees paid Rs. in Lakhs (p.a.)	Ratio of remuneration of director to the Median remuneration
Shri. S. B. Garware	Chairman and Managing Director	449.19	124.78
Mrs. S. S. Garware	Non-Executive & Non-Independent	0.20	0.06
Mrs. Monika Garware Modi	Vice Chairperson & Jt. Managing Director	230.23	63.95
Mrs. Sarita Garware Ramsay	Jt. Managing Director	198.89	55.25
Ms. Sonia Garware	Non-Executive & Non-Independent	0.20	0.06
Mr. M. S. Adsul	Director-Technical	36.40	10.11
Mr. N. P. Chapalgaonkar	Non-Executive & Independent Director	0.10	N.A.
Mr. B. Moradian	Non-Executive & Independent Director	0.58	N.A.
Mr. Ramesh P. Makhija	Non-Executive & Independent Director	0.50	N.A.
Dr. M. C. Agarwal	Non-Executive & Independent Director	1.04	N.A.
Mr. T. M. Parikah	Non-Executive & Independent Director	0.34	N.A.
Mr. Nilesh R. Doshi	Non-Executive & Independent Director	0.56	N.A.

Notes:

- The information provided above is on standalone basis.
- The remuneration of Non-Executive Directors includes sitting fees paid to them for the Financial Year 2015-16.
- Median remuneration of the Company for all its employees is Rs. 3.60 Lakhs p.a. for the Financial Year 2015-16.

B. Details of percentage increase in the remuneration of Executive Directors, Chief Financial Officer and Company Secretary in the financial year 2015-16 are as follows:

Name	Designation	Remuneration (₹ in Lakhs)		Increase (in%)
		2015-16	2014-15	
Shri. S. B. Garware	Chairman and Managing Director	449.19	400.13	12.26
Mrs. S. S. Garware	Non-Executive & Non-Independent	0.20	0.30	(33.33)
Mrs. Monika Garware Modi	Vice Chairperson & Jt. Managing Director	230.23	236.40	(2.61)
Mrs. Sarita Garware Ramsay	Jt. Managing Director	198.89	210.23	(5.39)
Ms. Sonia Garware	Non-Executive & Non-Independent	0.20	82.76	(99.75)
Mr. M. S. Adsul	Director-Technical	36.40	36.40	0.00
Mr. Nimesh S. Shah	Company Secretary	31.91	27.86*	14.52
Mr. Gokul D. Naik	Chief Financial Officer	32.48	28.48	14.04

* Paid to ex-Company Secretaries

Notes:

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

C. Percentage increase in the median remuneration of all employees in the Financial Year 2015-16:

(Amount in ₹ Lakhs)

	2015-16	2014-15	Increase (in%)
Median remuneration of all employees per annum	3.60	3.31	8.76

D. The number of permanent employees on the rolls of the Company: 1145

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

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

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

Total Remuneration to Key Managerial Personnel (KMP) for the year 2015-16 (₹ in Lakhs)	
Income from Operations (₹ in Lakhs)	88,762.33
Total Remuneration of KMP as % to Revenue	1.07%
Profit Before Tax (PBT) (₹ in Lakhs)	2,533.43
Total Remuneration of KMP as % of PBT	37.63%

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

- G. a) Variations in the market capitalisation of the company:** The market capitalisation of the company as at the closing date of the current financial year and previous financial year has increased/decreased by -8%.
- b) Price Earnings Ratio of the Company:** ₹ 7.46 per Share on 31st March, 2016 and ₹ 7.44 per Share as at 31st March, 2015.
- c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** The closing share price of the Company at BSE Limited as on 31st March, 2016 being ₹ 93.55 per equity share of face value of ₹ 10 each has gone down by 51% since the last right issue by the Company, which was made in the year December 1995.
- H. Comparison of average percentage increase in salary of employees other than key managerial personnel and the percentage increase in the key managerial remuneration:**

	2015-16 (₹ in Lakhs)	2014-15 (₹ in Lakhs)	Increase (%)
Average salary of all employees (other than Key Managerial Personnel)	6,214.31	5404.16	14.99
Key Managerial Personnel			
- Salary of MD & Jt. MD	888.43	965.72	(8.00)
- Salary of CFO & CS	64.39	56.34	14.28

The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

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

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

J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of your Company.**K. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of your Company:** It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of your Company.**PART B**

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

ANNEXURE TO DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

Your Company is always focuses on energy conservation and also strives to improve efficiency. Studies are conducted on regular basis to analyze quantitative energy consumption pattern and to find ways and means to improve efficiency.

Following successful energy conservation efforts were made during the period under review-

Waluj Complex:

1. Replacement of discharge lamp and fluorescent fittings into LED type fitting. Saving : 100 kWh Per Day.
2. Efficiency improvement in pumping system. Saving : 52.45 kWh Per Day.

Chikalthana Complex:

1. Efficiency improvement in pumping system. Saving : 9.5 kWh Per Day.

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

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

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

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

- a. White opaque light barrier shrink film for dairy products.
- b. Polyester shrink film for replacement of PVC shrink film.
- c. In-line coated films for label application.
- d. Heat shrinkable film with low shrink force.
- e. Improved UV-stabilized heat sealable polyester film.

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

Value added products developed and production costs reduced.

3. Expenditure on R & D / Product Development

	(₹ in Lakhs)
a. Capital (Excl. CWIP)	13.65
b. Recurring	168.26
Total	<u>181.91</u>

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) Development of the chemical process for recycling of Polyester/co-polyester with enhanced properties and improved colour.

2. Benefits derived as a result of above efforts:

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

3. Technology imported during the last five years: Nil**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:****I. Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.**

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

II. Total Foreign Exchange used and earned

	(₹ in Crores)
Used:	59.77
Earned (FOB Basis):	425.81

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 10, 2016

S. B. GARWARE
Chairman & Managing Director

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview & Economic Environment

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

The Company manufactures Bi-axially oriented polyethylene terephthalate (BOPET) / Polyester Films, Sun Control Films, BOPP Films, Thermal Lamination Films and Specialty Polyester Films of high quality for a variety of end applications. GPL also manufactures the premium grade heat rejection films based on the latest 'Nano Technology' developed in its in-house R&D facility center.

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

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

1. Industry Structure and Developments

Polyester films has wide applications in a host of industries engaged in the manufacture of flexible packaging, shrink labels, electrical motor and cable insulation, sequin, magnetic media, imaging, metallic yarn, laminated films for glass tint, safety application etc. Sun Control films cater to the automobile and real estate sector. The Company has a well-developed marketing network throughout the world, some of the major regions being Europe, USA, Far East, Middle East, Africa, South America etc.

The Company has developed a wide network of dedicated customers in Europe, USA, Far East, Middle East, Brazil, Australia, China, Russia, New Zealand, Eastern Europe, Mexico and Africa. In order to expand the business and offer better services to the customers of Consumer products in overseas market, the Company has Subsidiary Companies situated in USA and UK. This ensures a cohesive global organization that can weave its operations in the above countries. The quality of GPL products is rated amongst the best in the world and the Company pays special attention on customer service and satisfaction due to which the customer base is consistent and increasing.

2. Opportunities and Threats

The supply demand situation for polyester films continues to be not favorable as the capacities are exceeding demand. The external environment is not conducive and supportive enough to meet the increased supply coming out of the developing and developed countries. This scenario is likely to continue for some more time until the Global economies and consumption picks up. Due to uncertainty in the advanced economies and continuing euro debt crisis, the Global economy is adversely impacted resulting in weak domestic and external demand. Furthermore, due to the commoditized nature of BOPET films, the Industry remains highly competitive with pressure on margins.

For the Company, the strategy is to focus on the specialty films, launch new products, strengthen network and Services and speed up brand building initiatives. Plans are afoot on a marketing

warpath, overhauling the product portfolio and penetrate newer markets, launch aggressive advertisement campaigns. The shrink label application film is very well stabilized in the market. With demand outlook for High Shrink films remaining robust, the Company has plans to shift to the specialty PET shrink Films, where it sees a tremendous opportunity. In thermal film, GPL has developed Gold & Feather feel films. The Company therefore hopes to rapidly grow its market share in various film segments. With foray into BOPP, GPL has now become the only company in the segment which will be manufacturing BOPET, Sun control Films, Thermal Lamination and BOPP.

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

The Company has stopped sale of Sun Control film in Domestic Market for automobile application since the ban imposed by the Judgment of the Hon Supreme Court of India on use of film on Car windows and hence diverted its capacity for international market to a large extent and developed some value added products for domestic building window glass for exterior as well as for interior application.

3. Outlook Exports

Plain Film:

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

Sun Control Film:

GPL is one of the premier window film manufacturers in the world. We manufacture Window Films for all applications (e.g: Automotive, Architectural, Safety, Anti-Graffiti etc.). GPL has distinct competitive advantage in terms of supreme control over product quality, material availability and also production costs due to backward integration. The Company has successfully launched multiple brands, new products with aggressive and innovative marketing strategies. The Company has introduced Infrared rejection films which can reduce infrared heat up to 92%. It has also developed the film to reduce the impact of mobile tower radiation. The growth in Sun Control films is expected to be sustained during the coming years. Sun Control films are presently being marketed throughout the world and our consistent quality and better customer orientation are highly valued in the market. The Company plans to market window films in the architectural segment aggressively and the thrust will continue to be for exports. The Sun Control films are marketed in Europe through its Subsidiary in UK and in the USA by Global Pet Films Inc. (GPF). We are also expanding our business in China and Brazil. The aim is to expand export base and catapult international operations into a major growth driver.

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

Thermal Film:

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

Domestic Market:

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

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

4. Review of Operation

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and the applicable accounting standards.

(₹ in Lakhs)

Particulars	2015-16	2014-15	% change
Net Sales	84,216.00	88,679.37	-5%
Other Income	606.68	2,657.69	-77%
Profit before Interest, Depreciation and Exceptional Items	8,511.06	8,523.08	0%
Interest & Financial Charges	4,293.34	4,364.22	-2%
Depreciation	1,684.29	1,508.15	12%
Profit before Tax	2,533.43	2,650.71	-4%
Provision for Tax	794.75	917.20	-13%
Profit after Tax	1,738.68	1,733.51	0%
Earnings per share (Basic and Diluted)	7.46	7.44	0%
Market Capitalization	21,811.32	23,804.77	-8%

5. Internal Control Systems and their Adequacy

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

6. Material Developments in HR / Industrial Relations

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

7. Risks and Concerns

The volatility of crude oil prices and depreciation / appreciation of Rupee vis-à-vis US dollar, the raw material prices has been exhibiting a volatile trend , demand for the Company's products is sensitive to changes in industry capacity and output levels, cyclical changes in regional and global economic conditions and changes in consumer demand. Significant addition in capacities by competitors has heated the competition. The Central and State tax scheme in India is extensive and subject to change from time to time. The Company is subject to risks arising from volatile foreign exchange market as well as interest rate fluctuations, which could adversely affect its business operational results. The Company will continue to focus on cost control and cost effective measures and give dedicated thrust to exports. The Company has endeavored to monitor and mitigate these risks.

8. Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

The Director Present the Company's Report on Corporate Governance for the Financial Year ended 31st March, 2016.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is a prerequisite for attaining sustainable growth in this competitive world. The Company's Management acknowledges that corporate governance is a set of laws, regulations and good practices that enable an organization to perform efficiently and effectively. The philosophy of the Company towards good corporate governance is to enhance the long-term economic value of the Company, its shareholders and other stakeholders at large by adopting better corporate practices in fair and transparent manner. The Company believes that Corporate Governance is an ongoing process and there is a need to view Corporate Governance as more than just a regulatory requirement as good governance, apart from business results, leads to enhanced shareholders value. In recent times, governance has been further strengthened within the organization by introduction of incremental changes to various policies and processes.

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

The Securities and Exchange Board of India (SEBI) on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with an aim to consolidate and streamline the provisions of the Listing Regulations for different segments of capital markets to ensure better enforceability. The Listing Regulations were effective from 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. Your Company has entered into Listing Agreement with BSE Limited during the month of February, 2016.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of Listing Regulations is given below:

GOVERNANCE STRUCTURE

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

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

The Report on Corporate Governance is divided into six parts:

- I. Board of Directors – Composition & Meetings
- II. Committees of the Board
- III. Remuneration of Directors
- IV. Disclosures
- V. Means of Communication
- VI. General Shareholder Information

I. BOARD OF DIRECTORS:

a) COMPOSITION OF THE BOARD OF DIRECTORS:

The Company has a broad based Board of Directors, constituted in compliance with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 and in accordance with the best practices for Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board.

Composition of Board and other Directorships held as on 31st March, 2016

Category	Name of the Director	No. of Shares held as on 31 st March 2016	No. of Board meetings attended during FY 2015-16	No. of Directorship(s) in Public Limited Companies as on 31 st March, 2016*	No. of Board Committee Membership held in Public Companies as on 31 st March, 2016 #		Attendance at previous AGM held on 29 th September, 2015.
					Chairman	Member	
Executive & Non-Independent	1. Shri S. B. Garware (P)	11,63,001	4	2	-	-	NO
	2. Mrs. Monika Garware Modi (P)	2,67,504	3	8	-	-	NO
	3. Mrs. Sarita Garware Ramsay (P)	2,67,653	2	3	1	1	YES
	4. Mr. M. S. Adsul	87	3	1	-	1	YES

Category	Name of the Director	No. of Shares held as on 31 st March 2016	No. of Board meetings attended during FY 2015-16	No. of Directorship(s) in Public Limited Companies as on 31 st March, 2016*	No. of Board Committee Membership held in Public Companies as on 31 st March, 2016 #		Attendance at previous AGM held on 29 th September, 2015.
					Chairman	Member	
Non-Executive & Independent	1. Mr. B. Moradian	-	2	2	1	3	NO
	2. Mr. N. P. Chapalgaonkar	-	1	1	-	-	YES
	3. Dr. M. C. Agarwal	-	4	1	1	1	NO
	4. Mr. Ramesh P. Makhija	-	4	2	-	-	NO
	5. Mr. T.M. Parikh	-	2	3	1	-	NO
	6. Mr. Nilesh R. Doshi	-	4	2	2	-	NO
Non-Executive & Non-Independent	1. Mrs. S. S. Garware (P)	1,75,465	2	2	-	-	NO
	2. Ms. Sonia Garware (P)	2,68,595	2	2	-	-	NO

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

For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Committee of Directors includes membership in Audit Committee, Stakeholders Relationship Committee. This includes membership in Committee of Directors of Garware Polyester Limited.

P Indicates Promoter Director(s)

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Listing Regulations. A letter of appointment to Independent Director as provided in Companies Act, 2013 and the Listing Regulation has been issued and disclosed on the website of the Company viz. www.garwarepoly.com

(b) MEETING OF BOARD OF DIRECTORS:

The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Chairman and Managing Director, Whole-time Director and other Departmental Heads and circulates the same in advance to all the Directors. The Company places before the Board all the relevant and necessary data/information at its meetings related to production, sales, exports, review of business, any legal proceedings by/against the Company, share transfers, quarterly financial results, minutes of: (a) previous Board Meetings, (b) Audit Committee Meetings, (c) Stakeholders Relationship Committee Meetings (d) Nomination and Remuneration Committee Meeting and such other relevant information is regularly made available to the Board for discussion and consideration.

The Board meets at least once every quarter, *inter-alia*, to review the quarterly results. During the year under review commencing w.e.f. April 1, 2015, four Board Meetings were held. The gap between any two Board Meetings did not exceed 120 days. The details of Board meetings held during financial year 2015-16 are given below:

Sr. No.	Date	Board Strength	No. of Directors Present
1	29.05.2015	12	8
2	06.08.2015	12	9
3	04.11.2015	12	7
4	09.02.2016	12	9

Post Meeting Mechanism

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

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

Board Support

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

FAMILIARISATION PROGRAMME FOR DIRECTORS

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

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

II COMMITTEES OF THE BOARD

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

The following are the various Committees of the Board:

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

(A) AUDIT COMMITTEE:

(i) Composition:

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

Mr. T. M. Parikh*	Chairman	Non-Executive & Independent Director
Mr. B. Moradian	Member	Non-Executive & Independent Director
Mr. M. S. Adsul	Member	Executive & Non-Independent Director
Dr. M. C. Agarwal	Member	Non-Executive & Independent Director
Mr. Nilesh R. Doshi#	Member	Non-Executive & Independent Director

* In place of Mr. B. Moradian, Mr. T. M. Parikh was appointed as Chairman of the Audit Committee w.e.f. 4th November, 2015. However, Mr. B. Moradian continues to be a member of the Audit Committee

Mr. Nilesh R. Doshi has been appointed as a member of Audit Committee w.e.f. 29.05.2015

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

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

The Audit Committee, during the financial year 2015-16, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

(ii) Terms of Reference:

The powers and terms of reference of the Audit committee are as mentioned in Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013.

The brief descriptions of terms of reference are:

- Overseeing and ensuring the adequacy and compliance of internal control systems.
- Reviewing the quarterly, half-yearly and annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements before submission to the Board.

- Reviewing the adequacy of the Audit and Compliance, including their policies, procedures, techniques and other regulatory requirements.
- Reviewing the statutory compliances from Company Secretary and Chief Financial Officer
- Undertaking periodical review of Internal Audit Reports and appraising and reviewing the scope of Internal Audit functions from time to time.
- Recommending appointment, remuneration and terms of appointment of Auditors
- Reviewing timely functioning of Vigil Mechanism and Whistle Blower Mechanism
- Interacting effectively with the Statutory Auditors, Secretarial Auditor and Cost Auditor from time to time and to discuss about finalisation of annual financial statements, secretarial and cost audit reports.
- Approval of appointment of CFO after assessing the qualifications, experience & background, etc. of the candidate.
- Considering any other matter, which may be referred to them by the Board of Directors of the Company.
- The Minutes of the Audit Committee Meetings are placed at the Meeting of the Board of Directors.
- Mandatorily Review of the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters/letters of internal control weakness issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness; and
 - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
 - The appointment of Statutory Auditors for services other than Statutory Audit.

(iii) Meetings and attendance during the year:

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

Sr. No.	Date	Strength	No. of Members Present
1	29.05.2015	4	3
2	06.08.2015	5	3
3	04.11.2015	5	3
4	09.02.2016	5	5

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

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

(B) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

The Board of the Company has constituted a Stakeholders Relationship Committee comprising of the following Directors:

(i) Composition:

Dr. M. C. Agarwal *	Chairman	Non- Executive & Independent Director
Mrs. Sarita Garware Ramsay	Member	Executive & Non-Independent Director
Mr. B. Moradian	Member	Non- Executive & Independent Director

* In place of Mr. B. Moradian, Dr. M. C. Agarwal was appointed as Chairman of Stakeholders Relationship Committee w.e.f. 09th February, 2016. However, Mr. B. Moradian continues to be a member of the Stakeholders Relationship Committee.

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

(ii) Terms of Reference:

Brief descriptions of terms of reference are:

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

(iii) Details of complaints received and redressed during the year from 1st April, 2015 to 31st March, 2016.

During the year under review, the Company has resolved investor grievances expeditiously. As per information received from Registrar M/s. Link Intime India Private Limited, during the year, the Company received 54 complaints from shareholders, which were resolved. The details are as under:

Nature of Complaint	No. of Complaints	No. of Complaints Resolved as on 31.03.2016	No. of Complaints Pending as on 31.03.2016
Transfer of Shares	09	09	Nil
Dividend	32	32	Nil
Others	13	13	Nil
Total	54	54	Nil

(iv) Meetings and attendance during the year:

During the year, the Committee met 26 times. As on 31st March, 2016, there were no requests pending for transfer of shares. The details of share transfers are reported to the Board of Directors along with the Minutes of the aforesaid Committee Meetings.

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

Name of Members	Meetings Attended
Dr. M. C. Agarwal	21
Mrs. Sarita Garware Ramsay	26
Mr. B. Moradian	10

(v) Investor's Grievances:

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

(C) NOMINATION AND REMUNERATION COMMITTEE:

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

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

(i) Composition:

Dr. M. C. Agarwal *	Chairman	Non-Executive Independent
Mr. B. Moradian	Member	Non-Executive Independent
Mr. T. M. Parikh	Member	Non-Executive Independent

* In place of Mr. B. Moradian, Dr. M. C. Agarwal was appointed as a Chairman of Nomination and Remuneration Committee w.e.f. 09th February, 2016. However, Mr. B. Moradian continues to be a member of Nomination and Remuneration Committee.

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

(ii) Terms of Reference:

Brief description of terms of reference are:

- Recommend to the board the set up and composition of the board and its committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the board the appointment or reappointment of directors.
- Devise a policy on board diversity.
- Recommend to the board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- This shall include "formulation of criteria for evaluation of independent directors and the board".

- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel.
- To review the overall compensation policy and remuneration payable to Managing / Wholetime Directors and Key Managerial Personnel.
- To make recommendations to the Board of Directors on the increments in the remuneration of the Directors and Key Managerial Personnel.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

(iii) Meeting and Attendance during the year:

The Nomination and Remuneration Committee met once during the year as per details given below.

Sr. No.	Date	Strength	No. of Members Present
1	29.05.2015	3	2

Mr. B. Moradian and Dr. M. C. Agarwal attended the meeting.

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

(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition:

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

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

The Company formulated CSR Policy, which is uploaded on the website of the Company www.garwarepoly.com

(ii) Terms of Reference:

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

(iii) Meeting and Attendance during the year:

During the year Corporate Social Responsibility Committee met once on February 09, 2016. The necessary quorum was present at the meeting. Mrs. Sarita Garware Ramsay – Chairperson of the Committee and Mr. B. Moradian and Dr. M. C. Agarwal, Members of the Committee were present at the Meeting.

(E) RISK MANAGEMENT COMMITTEE

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

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

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

(F) INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 09th February, 2016, *inter-alia*, to discuss:

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

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

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

(A) Remuneration to Non- Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2015-16 was Rs. 3,52,000/-. The Non-Executive Independent Directors do not have any material pecuniary relationship of transactions with the Company.

(B) Remuneration to Executive Director

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

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

(C) DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2016.

(i) For Non-Executive Directors:

Details of sitting fees paid to Non-Executive Directors during Financial Year 2015-16.

(Amount in ₹)

Names	Board Meeting	Audit Committee Meeting	Share Transaction Cum Investor Grievance Committee Meeting	Nomination & Remuneration Committee Meeting	Corporate Social Responsibility Committee Meeting	Independent Directors Committee Meeting
Mrs. S. S. Garware	20,000/-	-	-	-	-	-
Ms. Sonia Garware	20,000/-	-	-	-	-	-
Mr. B. Moradian	20,000/-	4,000/-	20,000/-	2,000/-	2,000/-	10,000/-
Dr. M. C. Agarwal	40,000/-	8,000/-	42,000/-	2,000/-	2,000/-	10,000/-
Mr. N. P. Chapalgaonkar	10,000/-	-	-	-	-	-
Mr. Ramesh P. Makhija	40,000/-	-	-	-	-	10,000/-
Mr. T. M. Parikh	20,000/-	4,000/-	-	-	-	10,000/-
Mr. Nilesh R. Doshi	40,000/-	6,000/-	-	-	-	10,000/-
TOTAL	2,10,000/-	22,000/-	62,000/-	4,000/-	4,000/-	50,000/-

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

(ii) For Executive Directors:

The aggregate remuneration paid to Executive Directors for the year ended 31st March, 2016 is as under:

(₹ In Lakhs)

Names	Salary	Perquisites & Allowances	Retirement Benefits	Performance linked Bonus	Stock Option
Shri S. B. Garware	237.50	118.40	93.29	NIL	NIL
Mrs. Monika Garware Modi	151.80	40.21	38.22	NIL	NIL
Mrs. Sarita Garware Ramsay	138.60	33.40	26.89	NIL	NIL
Mr. M. S. Adsul	36.00	0.40	0.00	NIL	NIL

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

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

(D) PERFORMANCE EVALUATION

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

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

IV. DISCLOSURES

(A) Compliances with Governance Framework

(i) The Company is in compliance with all mandatory requirement of Listing Regulations.

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

As required under Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company www.garwarepoly.com

(iii) None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.

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

(v) In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied are set out in the Notes to Financial Statements.

(vi) The company recognizes the "Risk Management" as an integrated, forward-looking process oriented approach for managing "Enterprise Wide Risks". The Company has in place a mechanism to inform the board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of properly defined frame work.

(vii) Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

(B) Code of Conduct

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2016. A Declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

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

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

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

(C) Vigil Mechanism

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

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

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

Telephone No: 0240-2567400.

(D) Subsidiary Companies

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

V. MEANS OF COMMUNICATION

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are published within forty-eight hours in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

- The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- In Compliance with Listing Regulations and other rules and regulations issued by the SEBI, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE Limited is filed electronically on BSE's online portal. The Company has complied with filing submissions through BSE's Online Portal (Listing Centre).
- The Board of Directors of the Company approves and takes on record the unaudited quarterly financial results in the format prescribed by the Stock Exchange, and discloses the said financial results to the Bombay Stock Exchange Limited, where the shares of the Company are listed.
- Further, the said results in the prescribed format are published in the leading newspapers. Periodic information relating to shareholding pattern and quarterly financial results are also made available on the Company's web-site immediately after the conclusion of respective Board Meeting. The Company's website is: www.garwarepoly.com
- Report on Management Discussion and Analysis forms part of this Annual Report.

VI. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting Date, time and venue:** Wednesday, September 21, 2016 at 11.30 a.m. at the Registered Office of the Company - Naigaon, Post Waluj, Aurangabad - 431 133.
- Financial Year :** 1st April to 31st March.
- Financial Calendar (tentative)**

Financial Year	1 st April, 2016 to 31 st March, 2017
Unaudited Financial Results for the Quarter ending: 1. 30 th June 2016; 2. 30 th September 2016; 3. 31 st December 2016 and 4. 31 st March 2017.	Within 45/60 days from the end of reporting quarter.
Annual General Meeting for year ending - 31 st March 2017.	Before the end of September 2017.
Date of Book Closure for the current financial year	14 th September, 2016 to 21 st September, 2016.
Email address for Investor Complaints	nimeshshah@garwarepoly.com and pranav@garwarepoly.com

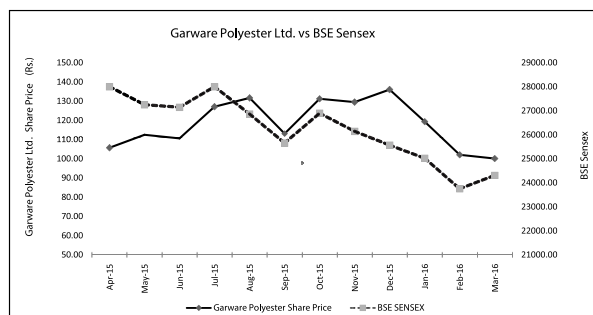
(iv) Listing on Stock Exchange

- Shares of the Company are listed on the Bombay Stock Exchange (BSE Ltd.), Mumbai, under Stock Code No.500655.
- ISIN No. for dematerialised shares is INE 291A01017.
- The Company has paid Annual Listing Fees for the year 2016- 17 to the above Stock Exchange.
- The Company has paid custodial charges to National Securities Depository Limited and Central Depository Services (India) Limited.

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

Month	Share Price Data		BSE Sensex	
	High (₹)	Low (₹)	High	Low
April 2015	121.30	90.10	29,094.61	26,897.54
May 2015	125.90	99.00	28,071.16	26,423.99
June 2015	118.20	103.00	27,968.75	26,307.07
July 2015	139.70	114.40	28,578.33	27,416.39
August 2015	158.00	105.20	28,417.59	25,298.42
September 2015	122.60	103.50	26,471.82	24,833.54
October 2015	152.00	110.40	27,618.14	26,168.71
November 2015	142.90	116.00	26,824.30	25,451.42
December 2015	153.90	118.00	26,256.42	24,867.73
January 2016	136.00	102.60	26,197.27	23,839.76
February 2016	120.00	84.10	25,002.32	22,494.61
March 2016	112.00	88.20	25,479.62	23,133.18

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



(vii) 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 : mt.helpdesk@linkintime.co.in
Contact Person: Mr. Mahesh Masurkar

(viii) Share Transfer System

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

(ix) Categories of shareholding as on 31st March, 2016.

Sr. No.	Category	No. of shares held	% shareholding
1	Promoters (Shri S. B. Garware, family and Associates)	1,40,74,010	60.36
2	Mutual Funds and UTI	15,076	0.06
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	8,57,261	3.68
4	Private Corporate Bodies	10,53,274	4.52
5	Foreign Institutional Investors	2,355	0.01

Sr. No.	Category	No. of shares held	% shareholding
6	NRIs	1,62,242	0.69
7	Indian Public	71,50,932	30.68
	Grand Total	2,33,15,150	100.00

(x) Distribution of Shareholdings as on 31st March, 2016

No. of Shares held	No. of Share-holders	% of Share-holders	No. of Shares	% of Share-holding
1 to 500	28726	96.95	2392274	10.26
501 to 1000	460	1.55	357221	1.53
1001 to 2000	220	0.74	339418	1.46
2001 to 3000	67	0.23	166699	0.71
3001 to 4000	24	0.08	85262	0.36
4001 to 5000	21	0.07	99888	0.43
5001 to 10000	40	0.14	302968	1.30
10001 and above	71	0.24	19571420	83.95
Total	29629	100	23315150	100

(xi) Dematerialisation of Shares and Liquidity

Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for which purpose the Company has entered into Agreements with the respective Institutions. The Shares of the Company are compulsorily to be delivered in the demat form to the Stock Exchanges by all investors. Nearly 94.56% of the equity shares of the Company have been dematerialised by investors and bulk of transfers take place in the demat form.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

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

Top 10 Shareholders as on March 31, 2016 other than Promoter/ Promoter Group.

Sr. No.	Name of the Shareholder	No. of Shares held	% of Holding
1.	Minal B. Patel	1164167	4.99
2.	Life Insurance Corporation of India	853756	3.66
3.	Hardik Bharat Patel	643406	2.76
4.	Pat Financial Consultants Pvt. Ltd.	327068	1.40
5.	Ruchit Bharat Patel	307178	1.32
6.	Dalal & Broacha Stock Broking Pvt. Ltd.	271836	1.17
7.	Nedhi Goel	153083	0.66
8.	Garware Wall Ropes Ltd.	146350	0.63
9.	Ramesh Bhalchandra Garware	100200	0.43
10.	Nilima Upendra Mehta	98576	0.42

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

(xii) **Plants Locations:** Waluj, Chikalthana and Nasik.

(xiv) **Address for Correspondence:**

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

(xv) **Reappointment / Appointment of Directors**

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

(xvi) **CMD/CFO CERTIFICATION**

The Chairman & Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board as required under Regulation 17 of the Listing Regulations. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of Listing Regulation.

(xvii) **Information on General Body Meetings**

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

	Date	Venue	Time
56 th AGM	26.09.2013	Registered Office: Naigaon, post Waluj, Aurangabad-431133	11.30 a.m.
57 th AGM	25.09.2014		11.30 a.m.
58 th AGM	29.09.2015		11.30 a.m.

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

Date of Meeting	Summary of Resolution
September 29 th , 2015	1) Adoption of new set of Articles of Association. 2) Loan and Investment by the Company.
September 25 th , 2014	1) Re-appointment and payment of remuneration to Shri S. B. Garware – Chairman and Managing Director of the Company. 2) Variation in payment of remuneration to Mrs. Monika Garware Modi – Vice Chair Person and Jt. Managing Director of the Company. 3) Variation in payment of remuneration to Mrs. Sarita Garware Ramsay – Jt. Managing Director of the Company. 4) Variation in payment of remuneration to Ms. Sonia Garware – Jt. Managing Director of the Company.
September 26 th , 2013	1) Appointment of auditors. 2) Re-appointment & payment of remuneration to Mrs. Monika Garware Modi – Jt. Managing Director of the Company. 3) Re-appointment & payment of remuneration to Mrs. Sarita Garware Ramsay – Jt. Managing Director of the Company. 4) Revision in payment of remuneration to Ms. Sonia Garware – Jt. Managing Director of the Company. 5) Re-appointment & payment of remuneration to Mr. M. S. Adsul as Whole-time Director.

All resolutions moved at the previous Annual General Meeting were passed by show of hands by the requisite majority of shareholders.

Postal Ballot

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

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

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

TO THE MEMBERS OF GARWARE POLYESTER LIMITED

Certification

I have examined the compliance of conditions of Corporate Governance by **GARWARE POLYESTER LIMITED** (the Company) for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 pursuant to the Listing Agreement entered into by the Company with the Bombay Stock Exchange.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 pursuant to the Listing Agreement entered into by the Company with the BSE.

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

Place: Mumbai
Date: July 15, 2016

ABBAS LAKDAWALLA
Practicing Company Secretary
FCS 2988
CP 4052

Declaration of Compliance with the Code of Conduct

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2016.

Place: Mumbai
Date: August 10, 2016

S. B. Garware
Chairman & Managing Director

The Board of Directors

Garware Polyester Limited

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

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

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

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

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

S. B. Garware
Chairman & Managing Director

Gokul D. Naik
Chief Financial Officer

Place: Mumbai
Date: August 10, 2016

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To
 The Members,
Garware Polyester Limited
 Naigaon, Post Waluj,
 Aurangabad-431133

Dear Sir / Madam,

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

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent and subject to the reporting made hereinafter:

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management including Key Managerial Personnel's (KMP) and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2016, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (to the extent applicable to the Company);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under restricted to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 15th May, 2015;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 w.e.f. 01st December, 2015.

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

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

- (1) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 w.e.f. 01st July, 2015.
- (2) The Listing Agreements entered into by the Company with Stock Exchange(s) (Including Provisions of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015).

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

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

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

We further report that:

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

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

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

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are

adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

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

Date: July 11, 2016
Place: Mumbai

'ANNEXURE A'

To
The Members,
Garware Polyester Limited
Naigaon, Post Waluj,
Aurangabad-431133

Dear Sir / Madam,

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

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

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

Date: July 11, 2016
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GARWARE POLYESTER LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Garware Polyester Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at London (United Kingdom).

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statement of one branch included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs.36.45 Lakhs as at 31st March 2016 and total revenues of Rs. NIL Lakhs for the year ended on that date,

as considered in the standalone financial statements. The financial statements of this branch has been audited by the branch auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such branch auditor.

Our Opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

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

P. N. Shah
Partner
Membership No. 001738

Place: Mumbai
Date: 25th May 2016

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

Suhas Deshpande
Partner
Membership No. 031787

Place: Mumbai
Date: 25th May 2016

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of the inventories at reasonable intervals. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has not granted secured or unsecured loans, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty, Value Added Tax, Cess as at 31st March 2016 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Financial Year for which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.57	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	5.85	2011-12	Assistant Commissioner
Central Excise Act, 1944	Excise Duty	38.87	1994-95 and 2001-02	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.92	2006-07	High Court
Central Excise Act, 1944	Service Tax	5.08	2015-16	Dy Commissioner (Audit), Central Excise, Customs & Service Tax

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

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

P. N. Shah
Partner
 Membership No. 001738

Place: Mumbai
 Date: 25th May 2016

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

Suhas Deshpande
Partner
 Membership No. 031787

Place: Mumbai
 Date: 25th May 2016

Annexure - B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Garware Polyester Limited** ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

P. N. Shah
Partner
Membership No. 001738

Place: Mumbai
Date: 25th May, 2016

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

Suhas Deshpande
Partner
Membership No. 031787

Place: Mumbai
Date: 25th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	2,325.31	2,325.31
Reserves and Surplus	3	56,116.81	54,378.13
		58,442.12	56,703.44
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	3,470.66	6,062.81
Deferred Tax Liabilities (Net)	5	4,043.70	3,162.81
Long Term Provisions	9	500.13	497.78
		8,014.49	9,723.40
CURRENT LIABILITIES			
Short Term Borrowings	6	24,607.48	26,752.37
Trade Payables	7		
a. Total outstanding dues of micro enterprises and small enterprises		292.60	374.81
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,096.69	4,151.77
Other Current Liabilities	8	4,077.65	4,495.58
Short Term Provisions	9	1,329.41	959.21
		34,403.83	36,733.74
TOTAL		100,860.44	103,160.58
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets	10	64,690.53	64,814.27
Intangible Assets	10	40.93	61.45
Capital Work-in-Progress	10	518.47	1,070.49
		65,249.93	65,946.21
Non-Current Investments	11	206.13	206.13
Long Term Loans and Advances	12	9,068.07	8,846.02
CURRENT ASSETS			
Inventories	13	13,143.11	13,370.96
Trade Receivables	14	4,456.95	4,811.32
Cash and Bank Balances	15	4,995.90	5,243.93
Short Term Loans and Advances	12	3,355.09	4,261.47
Other Current Assets	16	385.26	474.54
		26,336.31	28,162.22
TOTAL		100,860.44	103,160.58
Notes forming part of the financial statements	1 to 43		

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For Manubhai & Shah LLP

Chartered Accountants

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

For Kirtane & Pandit LLP

Chartered Accountants

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

S. B. GARWARE

Chairman &

Managing Director

M. S. ADSUL

Director (Technical)

P. N. SHAH

Partner

M.No.: 001738

SUHAS DESHPANDE

Managing Partner

M.No.: 031787

T. M. PARIKH

Director

NIMESH S. SHAH

Company Secretary &

Vice-President (Legal)

GOKUL D. NAIK

Chief Financial Officer

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
INCOME:			
Revenue from Operations (Gross including Excise Duty)	17	88,762.33	93,437.86
Less: Excise Duty		4,546.33	4,758.49
Revenue from Operations (Net)		84,216.00	88,679.37
Other Income	18	606.68	2,657.69
Total Revenue		84,822.68	91,337.06
EXPENDITURE:			
Cost of Raw Materials Consumed	19	45,208.24	53,237.18
Changes in Inventories of Finished Goods, Work-in-Progress & Traded Goods	20	(536.15)	360.90
Employee Benefits Expense	21	7,167.13	6,426.22
Other Expenses	22	24,472.40	22,789.68
Total Expenses		76,311.62	82,813.98
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)		8,511.06	8,523.08
Depreciation & Amortization Expenses	10	1,684.29	1,508.15
Finance Cost	24	4,293.34	4,364.22
Profit before Tax		2,533.43	2,650.71
Tax Expenses			
Current Tax		521.00	489.11
(Excess) / Short Provision of Tax of earlier years		(31.71)	36.66
Less: Mat Credit Entitlement includes Rs. 54.43 Lakhs of Previous Year (Previous Year Rs. (28.10) Lakhs)		(575.43)	(457.91)
Deferred Tax	5	880.89	849.34
Total Tax Expenses		794.75	917.20
Profit for the year		1,738.68	1,733.51
Earnings Per Share - Basic & Diluted (Rupees) (Face Value of Rs. 10/- each) Refer Note No. 25		7.46	7.44
Notes forming part of the financial statements	1 to 43		

As per our report of even date

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For and on behalf of the Board of Directors

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

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 Company Secretary &
 Vice-President (Legal)

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

GOKUL D. NAIK
 Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31.03.2016 Rs. in Lakhs	Year ended 31.03.2015 Rs. in Lakhs
A. Cash Flow from Operating Activities:		
Net Profit before tax as per Statement of Profit and Loss	2,533.43	2,650.71
Adjustments to reconcile profit before tax to cash provided by Operating Activities		
<i>Add:</i> Depreciation	1,684.29	1,508.15
Finance Cost	4,293.34	4,364.22
Provision for Leave & Gratuity Provision	459.48	352.61
Subtotal	<u>6,437.11</u>	<u>6,224.98</u>
Total	8,970.54	8,875.69
<i>Less:</i> Interest Income	422.98	682.69
Gain on Exchange Rate Fluctuations	10.89	33.02
Profit on Sale of Fixed Assets	14.75	113.20
Profit on Sale of Investment	67.15	36.71
Dividend received / Income from Investment	12.86	10.93
One Time Settlement (OTS) on Redemption of Preference Shares	0.00	1,446.00
Sundry balances Written Back (Net)	79.14	199.94
	<u>607.77</u>	<u>2,522.49</u>
Operating profit before working capital changes	8,362.77	6,353.20
Adjustments for:		
Trade Receivables	351.69	1,315.77
Inventories	227.85	1,184.79
Trade and Other Payables	(137.74)	(157.31)
Loans and Advances	1,296.07	826.50
Cash generated from Operations	10,100.64	9,522.95
Direct Taxes Refund / (Paid) (Net)	(418.81)	(732.05)
Net Cash Inflow / (outflow) from operating activities	9,681.83	8,790.90
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(964.46)	(2,998.56)
Proceeds from Sale of Fixed Assets	14.75	133.21
Interest Received	405.47	752.14
Proceeds from Sale of Investments	67.15	37.52
Dividend Received / Income from Investment	12.86	10.93
Net cash inflow / (outflow) from investing activities	(464.23)	(2,064.76)
C. Cash Flow from Financing Activities:		
Interest / Financial Charges	(4,293.34)	(4,364.22)
Proceeds from Long Term Borrowings	9.03	1,776.11
(Repayments) of Long Term Borrowings	(3,079.17)	(3,274.69)
Redemption of Preference Shares	0.00	(4000.00)
Proceeds (Repayment) from Short Term Borrowings (Net)	(2,101.90)	(745.11)
Dividend / Unclaimed Dividend paid including Dividend Distribution Tax	(0.25)	(0.33)
Net cash inflow / (outflow) from financing activities	(9,465.63)	(10,608.24)
Net increase / (decrease) in cash and cash equivalents	(248.03)	(3,882.10)
Cash and Cash Equivalents as at Opening		
Cash and Bank Balances	5,243.93	9,126.03
Cash and Cash Equivalents as at Closing		
Cash and Bank Balances	<u>4,995.90</u>	<u>5,243.93</u>
	(248.03)	(3,882.10)

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For Manubhai & Shah LLP

Chartered Accountants

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

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Company Secretary &
Vice-President (Legal)

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

GOKUL D. NAIK

Chief Financial Officer

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation of Financial Statements

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

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

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

C. Fixed Assets and Depreciation / Amortization

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

Depreciation / Amortization:

i) Tangible Assets:

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

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

ii) Intangible Assets:

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

D. Impairment of Assets

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

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

E. Investments

Investments are considered as non-current investments and are stated at cost of acquisition. Market value of Quoted Investments at the date of the Balance Sheet is disclosed. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management. On disposal of an investment, the difference between the carrying value and the net disposal proceeds is recognised in the statement of profit and loss.

F. Inventories

i) Raw Materials and Packing Materials are valued at the lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties & taxes, which are subsequently recoverable from the taxing authorities.

ii) Stores and Spares are valued at cost computed on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities.

iii) Semi-finished goods including those held for captive consumption is valued at factory cost including depreciation.

iv) Finished goods are valued at the lower of cost and net realizable value. Cost includes direct material & labour cost and a proportion of manufacturing overheads.

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

G. Cash and Cash equivalents

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

H. Foreign Currency Transactions

i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

ii) Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

iii) Non-monetary foreign currency items are carried at cost.

iv) In respect of branch, which is integral foreign operations, all transactions are translated at rates prevailing on the date of transactions or that approximates the actual rate at the date of transactions. Branch monetary assets and liabilities are restated at the year-end rates.

- v) The company has opted for accounting exchange rate differences arising on reporting of long term Foreign Currency Monetary Items in line with Companies (Accounting Standard) Amendment Rules, 2009 on Accounting Standard-11 (AS-11) notified by the 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.
- vi) Investments in shares of foreign subsidiary company are expressed in Indian Currency at the rate of exchange prevailing at the time when the original investments were made.

I. Duties

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

J. Employee Benefits**i) Short Term Employee Benefits:**

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

ii) Defined Contribution Plans:

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

iii) Defined Benefit Plans:

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

b. Leave encashment benefits are accounted on actuarial valuation basis.

K. Lease Rentals

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

L. Research & Development

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

M. Revenue Recognition:**i) Sale of Products**

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

ii) Export Benefits

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

iii) Others

Revenue from services is recognised on rendering of services.

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

Interest income is recognised on the time proportion basis.

N. Taxation

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

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

O. Borrowing Cost

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

P. Measurement of EBITDA

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

Q. Provisions, Contingent Liabilities & Contingent Assets

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

R. Earnings Per Share

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

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

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
2. SHARE CAPITAL		
Authorised:		
40,000,000 (Previous Year 40,000,000) Equity Shares of Rs. 10/- each	4,000.00	4,000.00
6,000,000 (Previous Year 6,000,000) Preference Shares of Rs. 100/- each	6,000.00	6,000.00
	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up:		
23,315,150 (Previous Year 23,315,150) Equity Shares of Rs. 10/- each	2,331.52	2,331.52
Less: Unpaid Allotment / Call Money (from Others)	6.21	6.21
	2,325.31	2,325.31
0 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each (Refer Notes below)	0.00	5,446.00
0 Less: Redeemed in the previous the year (Refer Notes below)	0.00	5,446.00
	0.00	0.00
TOTAL	2,325.31	2,325.31

Out of the above:

254,764 Equity Shares of Rs. 10/- each fully paid-up issued to the shareholders of Garware Chemicals Limited (GCL) as per the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 on 14th November, 2011 (Previous Year 2,54,764).

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 if and proposed by the board of directors is subject to approval of shareholders in the ensuing Annual General Meeting.

As per the Companies Act, 2013, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. The distribution will be in proportion to the number of equity shares held by the shareholder.

Preference Shares:

The company has fully redeemed the Preference Shares amounting to Rs. 5,446.00 Lakhs by paying Rs. 4,000.00 Lakhs in the Financial Year 2014-15 as One Time Settlement in full and final payment. The difference of Rs. 1,446.00 Lakhs has been credited in the Statement of Profit and Loss under Other Income in Financial Year 2014-15.

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

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	23,315,150	2,331.52	23,315,150	2,331.52
Add: Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	23,315,150	2,331.52	23,315,150	2,331.52

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

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. B. Garware Family Trust	10,592,401	45.43	10,592,401	45.43

Preference Shares

	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	0	0.00	5,446,000	5,446.00
Issued during the year	0	0.00	0	0.00
Redeemed during the year	0	0.00	5,446,000	5,446.00
Outstanding at the end of the year	0	0.00	0	0.00

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

3. RESERVES AND SURPLUS	As at 31.03.2016		As at 31.03.2015	
	Rs. in Lakhs		Rs. in Lakhs	
Capital Reserve:				
Balance as per last Balance Sheet		4,439.48		4,439.48
Capital Redemption Reserve:				
Balance as per last Balance Sheet	5,446.00		0.00	
Add: Transferred from Surplus in the statement of Profit and Loss Account on Redemption of Preference Shares	0.00		5446.00	
		5,446.00		5446.00
Securities Premium Reserve:				
Balance as per last Balance Sheet		592.14		592.14
Revaluation Reserve:				
Balance as per last Balance Sheet		10,105.40		10,105.40
General Reserve:				
Balance as per last Balance Sheet		6,909.91		6,909.91
Surplus in the Statement of Profit and Loss:				
Balance as per last Balance Sheet		26,885.20		30,825.84
Less: Transferred from Assets whose balance useful life was Nil as per Schedule II of the Companies Act, 2013 (Net of Deferred Tax of Rs. 117.50 Lakhs)		0.00		228.15
Less: Transferred to Capital Redemption Reserve on Redemption of Preference Shares in previous year		0.00		5446.00
Add: Profit for the year		1,738.68		1,733.51
		28,623.88		26,885.20
TOTAL		56,116.81		54,378.13

4. LONG TERM BORROWINGS	Non-Current		Current	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Secured Loans				
Term Loans:				
Indian Rupee Loan from banks	2,266.41	4,657.47	2,398.80	2,398.80
Foreign Currency Loan from banks	0.00	0.00	0.00	548.67
Fixed Asset Under Finance Lease Obligation	145.33	201.88	57.93	108.24
Unsecured Loans				
Interest Free Sales Tax / VAT Deferral Loan from SICOM	1,058.92	1,203.46	144.54	0.00
TOTAL	3,470.66	6,062.81	2,601.27	3,055.71

- 1) Term Loan of Rs. 4,665.21 Lakhs (Previous Year Rs. 7,604.94 Lakhs) are secured by first pari-passu charge on Fixed Assets of the company both present and future except Land and Building at Vile Parle, Mumbai, and also by way of second pari-passu charge on current assets of the company. The loans are repayable in 20 quarterly installments from quarter ended March 2011 till December 2018.
- 2) Fixed Assets Finances of Rs. 203.26 Lakhs (Previous Year Rs. 310.12 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 60 monthly / 20 quarterly installments. The installments are payable from December 2011 till January 2020 covering all loans taken at various dates.
- 3) Deferral Loan from SICOM is payable from April 2016 to April 2026.
- 4) The rate of interest on Rupee Loan @ 12.75% to 14.05% p.a. and on Fixed Assets Loan @ 11.80% to 12.30% p.a.

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

9. PROVISIONS

	Long Term		Short Term	
	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Provisions for Employee Benefits: (Refer Note No. 27)				
Provision for Gratuity	0.00	0.00	264.87	58.46
Provision for Leave Encashment	500.13	497.78	1,064.54	895.08
	500.13	497.78	1,329.41	953.54
Other Provisions:				
Provision for Wealth Tax	0.00	0.00	0.00	5.67
	0.00	0.00	0.00	5.67
TOTAL	500.13	497.78	1,329.41	959.21

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

10. FIXED ASSETS:

Description	Gross Block			Depreciation / Amortisation				Impairment		Net Block		
	As at 01.04.2015	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2016	Up to 01.04.2015	Charge for the year (a)	Transferred to Retained earnings whose balance useful life is Nil (b)	Net Charge for the year (a-b)	Disposal during the year	Up to 31.03.2016	As at 01.04.2015	As at 31.03.2016
TANGIBLE ASSETS:												
Land (Freehold)	25,476.92			25,476.92	0.00			0.00		0.00		25,476.92
Land (Leasehold)	6,740.94			6,740.94	0.00			0.00		0.00		6,740.94
Buildings	11,037.06	360.65		11,397.71	6,122.59	205.28		205.28		6,327.87	101.25	4,988.59
Plant & Machinery	83,015.23	1,053.52		84,068.75	47,532.18	1,180.88		1,180.88		48,713.06	8,722.52	26,633.17
Electrical Installations	3,019.04	4.07	96.51	2,926.60	2,975.18	23.09		23.09	96.51	2,901.76		24.84
Moulds	287.54			287.54	287.54					287.54		0.00
Laboratory Equipments	582.07	57.81		639.88	359.06	42.66		42.66		401.72	10.90	227.26
Furniture & Fixtures	742.47	13.50		755.97	538.94	25.67		25.67		564.61		191.36
Office Equipments	678.37	13.16		691.53	590.20	33.16		33.16		623.36		68.17
Vehicles	258.65			258.65	233.90	5.24		5.24		239.14		19.51
Vehicles on Finance Lease	667.25			667.25	481.82	50.85		50.85		532.67		134.58
Capital Expenditure On Research & Development	220.93	13.65		234.58	218.56	1.42		1.42		219.98		14.60
Data Processing Equipments	1,435.55	20.24	123.68	1,332.11	1,374.75	25.63		25.63	123.68	1,276.70		55.41
Data Processing Equipments on Finance Lease	216.64	1.39		218.03	15.00	67.85		67.85		82.85		135.18
TOTAL (A)	134,378.66	1,537.99	220.19	135,696.46	60,729.72	1,661.73	0.00	1,661.73	220.19	62,171.26	8,834.67	64,690.53
INTANGIBLE ASSETS:												
Software	272.52	2.04		274.56	211.07	22.56		22.56		233.63		40.93
Copyrights	157.46			157.46	157.46	0.00		0.00		157.46		0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76	0.00		0.00		1,430.76		0.00
Goodwill	4,400.36			4,400.36	0.00	0.00		0.00		-	4400.36	0.00
TOTAL (B)	6,261.10	2.04	0.00	6,263.14	1,799.29	22.56	0.00	22.56	0.00	1,821.85	4,400.36	40.93
TOTAL (A+B)	140,639.76	1,540.03	220.19	141,959.60	62,529.01	1,684.29	0.00	1,684.29	220.19	63,993.11	13,235.03	64,731.46
Previous Year (Refer Note 10A)	130,199.35	10,592.97	152.56	140,639.76	60,807.76	1,853.80	345.65	1,508.15	132.55	62,529.01	13,235.03	64,875.72
Capital Work-in-Progress (Refer Note No. 26)												518.47

NOTES:

- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by the Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011; the company has capitalised Rs. 23.01 Lakhs to Plant and Machinery (Previous Year Rs. 45.52 Lakhs) on account of exchange rate difference on Foreign Currency Loans.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

10A. FIXED ASSETS:

Description	Gross Block			Depreciation / Amortisation				Impairment		Net Block As at 31.03.2015		
	As at 01.04.2014	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2015	Up to 01.04.2014	Charge for the year (a)	Transferred to Retained earnings whose balance useful life is Nil (b)	Net Charge for the year (a-b)	Disposal during the year		Up to 31.03.2015	As at 01.04.2014
TANGIBLE ASSETS:												
Land (Freehold)	25,476.92			25,476.92	0.00			0.00		0.00		25,476.92
Land (Leasehold)	6,719.00	21.94		6,740.94	0.00			0.00		0.00		6,740.94
Buildings	8,311.58	2,766.45	40.97	11,037.06	5,989.42	168.38		168.38	35.21	6,122.59	101.25	4,813.22
Plant & Machinery	75,871.74	7,143.49		83,015.23	46,476.22	1,055.96		1,055.96		47,532.18	8,722.52	26,760.53
Electrical Installations	3,019.27		0.23	3,019.04	2,743.85	231.50		199.91	0.17	2,975.18		43.86
Moulds	287.54			287.54	287.54	0.00		0.00		287.54		0.00
Laboratory Equipments	430.13	151.94		582.07	301.05	58.01		17.76		359.06	10.90	212.11
Furniture & Fixtures	566.53	175.94		742.47	506.63	32.31		16.30		538.94		203.53
Office Equipments	615.62	62.75		678.37	480.64	109.56		38.82		590.20		88.17
Vehicles	259.42		0.77	258.65	214.47	20.18		5.30		233.90		24.75
Vehicles on Finance Lease	753.83		86.58	667.25	497.50	56.73		56.73	72.41	481.82		185.43
Capital Expenditure On Research & Development	220.93			220.93	217.46	1.10		1.00		218.56		2.37
Data Processing Equipments	1,433.30	26.26	24.01	1,435.55	1,345.93	52.83		26.58		1,374.75		60.80
Data Processing Equipments on Finance Lease	0.00	216.64		216.64	0.00	15.00		15.00		15.00		201.64
TOTAL (A)	123,965.81	10,565.41	152.56	134,378.66	59,060.71	1,801.56	345.65	1,455.91	132.55	60,729.72	8,834.67	64,814.27
INTANGIBLE ASSETS:												
Software	244.96	27.56		272.52	158.83	52.24		52.24		211.07		61.45
Copyrights	157.46			157.46	157.46			0.00		157.46		0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76			0.00		1,430.76		0.00
Goodwill	4,400.36			4,400.36	0.00			0.00		0.00	4,400.36	0.00
TOTAL (B)	6,233.54	27.56	0.00	6,261.10	1,747.05	52.24	0.00	52.24	0.00	1,799.29	4,400.36	61.45
TOTAL (A+B)	130,199.35	10,592.97	152.56	140,639.76	60,807.76	1,853.80	345.65	1,508.15	132.55	62,529.01	13,235.03	64,875.72
Previous Year (Refer Note 10A)	126,202.87	4,046.59	50.11	130,199.35	57,509.99	3,347.51	0.00	3,347.51	49.74	60,807.76	13,235.03	56,156.56
Capital Work-in-Progress (Refer Note No. 26)												1,070.49

NOTES:

- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 Lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by the Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011; the company has capitalised Rs. 45.52 Lakhs to Plant and Machinery (Previous Year Rs. 221.97 Lakhs) on account of exchange rate difference on Foreign Currency Loans.
- In accordance with the provisions of Schedule II of the Companies Act, 2013, in case of fixed assets whose useful life as at 1st April, 2014 is Nil, the carrying value (Net of Residual Value) amounting to Rs. 228.15 Lakhs (Net of Deferred Tax of Rs. 117.50 Lakhs) as transitional provision has been recognised in the retained earnings.

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

11. NON-CURRENT INVESTMENTS

	As at 31.03.2016		As at 31.03.2015	
	Rs. in Lakhs		Rs. in Lakhs	
Non-Trade Investments in Shares:				
Quoted Equity Instruments				
50 (Previous Year 50) Equity Shares of M. M. Rubber Ltd., of the face value of Rs. 2/- each, fully paid-up.	0.01		0.01	
Nil (Previous Year 2,09,000) Equity Shares of Garware Marine Industries Ltd., of the face value of Rs. 10/- each, fully paid-up.	0.00		-	
4,00,300 (Previous Year 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	
		56.99		56.99
Unquoted Equity Instruments				
<u>In Subsidiary Companies:</u>				
2,50,000 (Previous Year 2,50,000) Ordinary Shares of Garware Polyester International Limited, London, of the face value of Pound 1/- each, fully paid-up.	133.57		133.57	
<u>In other than Subsidiary Companies:</u>				
2,500 (Previous Year 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 (Previous Year 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 (Previous Year 500) Equity 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 (Previous Year 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 (Previous Year 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 (Previous Year 4,000) Equity Shares of Vaidyanath Urban Co-Operative Bank Ltd., of the face value of Rs. 25/- each fully paid-up.	1.00		1.00	
1,000 (Previous Year 1,000) Equity Shares of Poornawadi Co-Operative Bank Ltd., of the face value of Rs. 100/- each fully paid-up.	1.00		1.00	
100 (Previous Year 100) Equity Shares of Cosmos Co-Operative Bank Ltd. of the face value of Rs. 10/- each fully paid-up.	0.02		0.02	
		15.57		15.57
TOTAL		206.13		206.13
	Cost	Market Value	Cost	Market Value
Aggregate amount of Company's Investment				
Quoted	56.99	1,348.22	56.99	796.04
Unquoted	149.14		149.14	
TOTAL	206.13	1,348.22	206.13	796.04

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

12. LOANS & ADVANCES	Non-Current		Current	
	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Capital Advances				
Secured, considered good	16.26	0.00	0.00	0.00
Unsecured, considered good	10.83	27.19	0.00	0.00
(A)	27.09	27.19	0.00	0.00
Security Deposit				
Unsecured, considered good	239.26	203.62	0.00	0.00
Rs. 64.50 Lakhs due from a Director (Previous Year Rs. 36.00 Lakhs) (Rent Deposit) and				
Rs. 43.50 Lakhs due from company in which directors are Director / Member (Previous Year Rs. 36 Lakhs) (Rent Deposit)				
(B)	239.26	203.62	0.00	0.00
Advances Recoverable in Cash or Kind				
Unsecured, considered good	0.00	0.00	291.54	254.84
(C)	0.00	0.00	291.54	254.84
Other Loans & Advances (Unsecured and considered good)				
Advance Income Tax (Net of Provision for Taxation)	144.45	214.93	0.00	0.00
MAT Credit Entitlement	7,200.69	6,625.26	0.00	0.00
Prepaid Expenses	0.00	0.00	553.17	718.39
Loan and Advances to Employee	0.00	0.00	26.67	42.59
Balances with Statutory / Government Authorities	1,456.58	1,775.02	2,483.71	3,245.65
(D)	8,801.72	8,615.21	3,063.55	4,006.63
TOTAL (A+B+C+D)	9,068.07	8,846.02	3,355.09	4,261.47
13. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)			As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
a) Stores, Spares & Packing Materials			2,226.97	2,472.79
b) Raw Materials			1,981.75	2,499.93
c) Finished Goods			514.66	412.80
d) Semi-Finished Goods			8,419.73	7,985.44
TOTAL			13,143.11	13,370.96
14. TRADE RECEIVABLES			As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Unsecured, considered good unless otherwise stated excluding bills receivable discounted [Refer Note No. 35(d)]				
A) Debts outstanding for a period exceeding six months from the date they are due for payment				
i) Unsecured, considered good			0.00	4.03
ii) Doubtful			258.85	258.85
			258.85	262.88
Less: Provision for doubtful receivables			258.85	258.85
			0.00	4.03
B) Other Receivables				
Unsecured, considered good			4,456.95	4,807.29
			4,456.95	4,807.29
TOTAL (A+B)			4,456.95	4,811.32
Other Receivables Include:				
Due from company in which the Directors are Director / Member			439.59	359.26
Due from subsidiary companies			830.94	592.00
			1,270.53	951.26

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

15. CASH & BANK BALANCES	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Cash & Cash Equivalents		
a) Balances with Bank:		
in Current Accounts	201.70	467.27
in Fixed Deposits *	4,669.72	4,648.46
b) Cash on hand	33.07	38.36
Other Bank Balances:		
in Unclaimed Dividend Accounts	66.46	66.71
Margin Money Deposit	24.95	23.13
TOTAL	4,995.90	5,243.93
* (Fixed Deposits with Bank includes Rs. 48.58 Lakhs (Previous Year Rs. 43.24 Lakhs) with maturity of more than 12 months)		
16. OTHER CURRENT ASSETS	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Interest accrued on Fixed Deposit & Others	65.80	48.29
Other Receivables	319.46	426.25
TOTAL	385.26	474.54
17. REVENUE FROM OPERATIONS	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Sale of Products	86,833.67	91,979.50
Other Operating Revenue:		
Export Incentives	1,691.40	1,187.84
Sale of Scrap and Others	237.26	270.52
Revenue from Operations (Gross including Excise Duty)	88,762.33	93,437.86
Details of Products sold:		
Polyester Film	86,833.67	91,979.50
18. OTHER INCOME	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Interest Income On:		
Bank Deposits	376.62	681.39
Income Tax & Sales Tax Refund	43.77	0.34
One Time Settlement (OTS) on Redemption of Preference Shares (Refer Note No. 28)	0.00	1446.00
Others	2.59	1.30
Dividend Income on:		
Non-Current Investments	12.86	10.93
Insurance Claims	5.70	55.09
Profit on Sale of Fixed Assets	14.75	113.20
Profit on Sale of Investments	67.15	36.71
Bad Debts Recovered	4.10	0.00
Excess Provision / Sundry Credit Balances Written Back	79.14	202.44
Sales Tax Refund	0.00	9.04
Gain on Exchange Rate Fluctuations	0.00	101.25
TOTAL	606.68	2,657.69

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

19. COST OF RAW MATERIALS CONSUMED	2015-16	2014-15
	Rs. in Lakhs	Rs. in Lakhs
Inventory at the beginning of the year	2,499.93	2,825.23
Add: Purchases	45,274.61	54,818.83
Less: Sales	(584.55)	(1,906.95)
	<u>47,189.99</u>	<u>55,737.11</u>
Less: Inventory at the end of the year	1,981.75	2,499.93
Cost of Raw materials consumed	<u>45,208.24</u>	<u>53,237.18</u>
Details of Raw Materials Consumed		
PTA	13,450.10	18,352.03
MEG	5,885.56	7,363.68
REPOL 34 SG	8,401.98	6,727.06
Chemicals & Others	17,470.60	20,794.41
TOTAL	<u>45,208.24</u>	<u>53,237.18</u>
Details of Inventory		
PTA	0.00	0.00
MEG	0.00	146.75
REPOL 34 SG	0.00	105.90
Chemicals & Others	1,981.75	2,247.28
TOTAL	<u>1,981.75</u>	<u>2,499.93</u>
20. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS		
	2015-16	2014-15
	Rs. in Lakhs	Rs. in Lakhs
Inventories at the end of the year		
Semi-Finished Goods	8,419.73	7,985.44
Finished Goods	514.66	412.80
	<u>8,934.39</u>	<u>8,398.24</u>
Inventories at the beginning of the year		
Semi-Finished Goods	7,985.44	9,091.31
Finished Goods	412.80	561.93
	<u>8,398.24</u>	<u>9,653.24</u>
	(536.15)	1,255.00
(Increase) / Decrease in Stock of Finished and Semi-Finished Goods out of Trial Run Production	0.00	894.10
(Increase) / Decrease	<u>(536.15)</u>	<u>360.90</u>
21. EMPLOYEE BENEFITS EXPENSE (Refer Note No. 29)		
	2015-16	2014-15
	Rs. in Lakhs	Rs. in Lakhs
Salaries, Wages and Bonus	5,874.30	5,350.38
Contribution to Provident Fund and Other Funds	894.06	711.15
Staff Welfare Expenses	398.77	364.69
TOTAL	<u>7,167.13</u>	<u>6,426.22</u>

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

22. OTHER EXPENSES	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Stores, Spares & Packing Materials Consumed	4,433.26	4,332.74
Power and Fuel	8,238.93	8,840.96
Processing Charges	1,833.12	150.74
Water Charges	92.07	54.88
Rent, Hire Charges and Compensation	470.50	137.81
Rates, Taxes and License Fees	70.59	60.52
Insurance	273.41	224.21
Freight & Forwarding (Net)	2,733.56	2,703.21
Research and Development Expenses	168.26	138.37
Advertisement Expenses	15.27	14.92
Repairs and Maintenance Expenses:		
Plant and Machinery	1,008.74	1,011.23
Building	451.41	508.32
Others	915.22	773.62
Sales Tax / VAT	10.57	28.58
Travelling & Conveyance	345.04	507.99
Postage, Telegrams & Telephones	103.52	109.48
Commission on Sales	454.60	556.78
Donations	60.00	60.00
Legal and Professional Charges (Refer Note No. 31)	886.38	692.69
Auditors Remuneration (Refer Note No. 23)	37.52	29.52
Director Sitting Fees	3.53	3.74
Miscellaneous Expenses	1,852.58	1,849.37
Loss on Swap / Exchange Rate Fluctuation	14.32	0.00
TOTAL	24,472.40	22,789.68
23. PAYMENT TO AUDITORS AS:	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Audit Fees (including Branch Audit)	22.94	15.15
Tax Audit Fees	5.03	6.00
For Certification / Others	7.11	7.75
Reimbursement of Out of Pocket Expenses	2.44	0.62
TOTAL	37.52	29.52
24. FINANCE COST	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Interest Expenses	1,279.32	1,222.99
Other Borrowing Cost	2,633.45	3,109.21
Applicable Loss on Foreign Currency Transactions and Translations	380.57	32.02
TOTAL	4,293.34	4,364.22
25. EARNINGS PER SHARE (EPS)	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Profit after Tax	1,738.68	1,733.51
Amount available for Equity Shareholders	1,738.68	1,733.51
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	23,315,150	23,315,150
Earnings Per Share - Basic & Diluted (Rupees) (Absolute)	7.46	7.44

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

26. The break-up of expenses shown under Capital Work-in-Progress (Pending Allocation) as on 31 st March, 2016 is as under:	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Particulars		
Opening Balance	1,070.49	8,619.38
Capital Work-in-Progress	621.53	1,739.83
Less: Capitalised during the year	(1,164.60)	(7,750.32)
Pre-Operative Expenditure incurred during the year		
Raw Material Consumed	0.00	3,983.71
Power and Fuel	0.00	405.07
Stores, Spares and Packing Material Consumed	0.00	107.66
Freight and Forwarding	0.00	81.35
Employee Benefits	0.00	191.71
Travelling and Conveyance	0.00	11.24
Legal and Professional Charges	0.00	19.35
Others	0.00	28.80
Finance Charges	23.01	445.83
Less: Sales	0.00	(4,625.50)
(Net of Excise Duty Rs. Nil. Previous Year Rs. 492.89 Lakhs)		
Pre-Operative Expenses Capitalised during the year	(31.96)	(2187.62)
Closing Balance #	518.47	1,070.49
[# includes Intangible Assets in progress Rs. 48.96 Lakhs (Previous Year Rs.19.95 Lakhs)]		
27. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"	2015-16	2014-15
A. Funded retirement benefit - Gratuity	Rs. in Lakhs	Rs. in Lakhs
Description		
Changes in present value of obligations:		
Present Value of Obligations at beginning of the year	1,996.08	1,768.32
Service Cost	168.48	136.50
Interest Cost	149.06	155.24
Actuarial Loss / (Gain)	129.66	79.51
Benefits Paid	(145.39)	(143.49)
Defined benefit obligations at end of the year (a)	2,297.89	1,996.08
Changes in fair value of plan assets:		
Fair Value of Plan Assets as at beginning of the year	1,937.62	1,724.49
Expected Return on Plan Assets	159.11	155.00
Contributions by Employer	81.25	197.23
Actuarial Gain / (Loss)	0.43	4.40
Benefits Paid	(145.39)	(143.49)
Fair value of Plan Assets at end of the year (b)	2,033.02	1,937.62
Present Value of Funded Obligations (a-b)	264.87	58.46
The net amount recognized in the statement of Profit and Loss for the year ended 31 st March, 2016 is as follows:		
Current Service Cost	168.48	136.50
Interest Cost	149.06	155.24
Expected Return on Plan Assets	(159.11)	(155.00)
Net Actuarial Loss / (Gain) Recognized	129.23	75.11
Net Amount Recognized	287.66	211.85
The principal actuarial assumptions used as at 31 st March, 2016 are as follow:		
Discount Rate	8.00%	7.75%
Expected Rate of Return on Plan Assets:		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	4%	5%

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

Other Disclosures:

(Rs. in Lakhs)

	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Present value of Defined Benefit Obligation	2,297.90	1,996.08	1,768.32	1,702.64	2,063.44
Fair Value of Plan Assets	2,033.02	1,937.62	1,724.49	1,560.11	1,656.08
(Deficit) / Surplus of the Plan	264.87	58.46	43.83	142.53	407.36
Experience Adjustment on Plan Liabilities Loss / (Gain)	129.67	79.50	(49.12)	(222.68)	*
Experience Adjustment on Fair Value of Plan Assets	(0.43)	(4.40)	2.29	3.53	0.01
* Not available in the valuation report hence not furnished.					

B. Un-funded Retirement Benefit: Leave Encashment

Description	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Changes in present value of obligations:		
Present Value of Obligations at beginning of the year	1,392.86	1,252.10
Service Cost	114.43	103.28
Interest Cost	106.46	113.94
Actuarial Loss / (Gain)	(10.77)	(62.82)
Benefits Paid	(38.31)	(13.65)
Defined benefit Obligations at end of the year (a)	1,564.67	1,392.86
Changes in fair value of plan assets:		
Contributions by Employer	38.31	13.65
Benefits Paid	(38.31)	(13.65)
Fair value of Plan Assets at end of the year (b)	0.00	0.00
Present Value of Un-funded Obligations (a-b)	1,564.67	1,392.86
The net amount recognized in the Statement of Profit and Loss for the year ended 31 st March, 2016 is as follow:		
Current Service Cost	114.43	103.28
Interest Cost	106.46	113.94
Net Actuarial Loss / (Gain) recognized	(10.77)	(62.82)
Net amount recognized	210.12	154.41
The principal actuarial assumptions used as at 31 st March, 2016 are as follow:		
Discount Rate	8.00%	7.75%
Expected Rate of Return on Plan Assets:		
Withdrawal Rate	5%	5%
Rate of increase in Compensation Levels	4%	5%

28. The company has redeemed during the Financial Year 2014-15, 54,46,000, 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 5,446.00 Lakhs issued and allotted to the IDBI Bank Ltd., by paying Rs. 4,000.00 Lakhs as One Time Settlement in full and final settlement of the above-mentioned Preference Shares. The difference of Rs. 1,446.00 Lakhs has been treated as Other Income in the year 2014-15.
29. The remuneration of Rs. 888.43 Lakhs paid to the Managing Director, Joint Managing Directors and Director is as per the sanction received from the Central Government. (Previous Year Rs. 965.72 Lakhs which was subject to sanction of the Central Government for which approval of Rs. 957.08 Lakhs has been received during the year and balance Rs. 8.64 Lakhs has been recovered. Rs. 89.61 Lakhs for the Financial Year 2013-14 which was pending under approval Rs. 75.11 Lakhs approval has been received during the year and balance Rs. 14.50 Lakhs has been recovered).
30. **LEASES**

The company has entered into Finance and Operating Lease Agreements. As required under the Accounting Standard - 19 on 'Leases', the future minimum lease payments on account of each type of lease are as follow:

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

A. Hire Purchase / Finance Lease (Fixed Assets)

(Rs. in Lakhs)

Particulars	Future Lease payments		Present Value of Minimum Future Minimum Lease Payments		Finance Charges	
	2016	2015	2016	2015	2016	2015
As at 31st March						
Not later than one year	78.94	137.51	57.93	108.24	21.01	29.27
Later than one year and not later than five years	172.30	249.86	145.33	201.88	26.97	47.98
Later than five years	0.00	0.00	0.00	0.00	0.00	0.00

B. Operating Lease

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

31. Legal and Professional Charges include Rs. 6.97 Lakhs (Previous Year Rs. 6.25 Lakhs) paid to some of the Partners of the Auditors and Rs. 5.37 Lakhs (Previous Year Rs. 5.56 Lakhs) paid to a firm in which one of the Director is a proprietor for Corporate Law and Tax Services.

32. SEGMENT REPORTING

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

	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Sales:		
Within India	42,262.51	44,576.51
China (including Export incentives)	9,360.58	9,810.92
Rest of world (including Export incentives)	37,139.24	39,050.43
TOTAL	88,762.33	93,437.86

33. RELATED PARTY DISCLOSURES

- a) List of Related Parties

Subsidiary	Garware Polyester International Limited
Step down Subsidiary	Global Pet Films Inc.
Key Management Personnel	Shri. S. B. Garware - Chairman and Managing Director Mrs. S. S. Garware - Director Mrs. Monika Garware Modi - Vice Chairperson & Joint Managing Director Mrs. Sarita Garware Ramsay - Joint Managing Director Ms. Sonia S. Garware - Director Mr. M. S. Adsul - Director - Technical
Entities in which some of the Directors are interested	Garware Industries Ltd. Great View Real Estates Pvt. Ltd. Shashvat Investments Consultancy & Properties Pvt. Ltd.

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

b) Transactions with Related Parties:

Particulars	Relationship	2015-16	2014-15
		Rs. in Lakhs	Rs. in Lakhs
1) Sale of Goods:			
Garware Polyester International Ltd.	Subsidiary	3,770.43	1,050.61
Global Pet Films Inc.	Step-down Subsidiary	6,918.95	5,168.31
Garware Industries Ltd.	Entities in which some of the directors are interested	1,716.70	4,915.32
2) Purchase of Materials:			
Garware Industries Ltd.	Entities in which some of the directors are interested	4,976.83	9,345.08
3) Service Received / Processing / Commission / Rent Paid / Reimbursement of Expenses:			
Garware Polyester International Ltd.	Subsidiary	346.20	404.41
Garware Industries Ltd.	Entities in which some of the directors are interested	1,829.56	105.78
Great View Real Estates Pvt. Ltd.	Entities in which some of the directors are interested	82.00	80.90
Shashvat Investments Consultancy & Properties Pvt. Ltd.	Entities in which some of the directors are interested	22.55	0.00
Mrs. Monika Garware Modi	Key Management Personnel	54.00	0.00
Mrs. Sarita Garware Ramsay	Key Management Personnel	31.50	0.00
Ms. Sonia S. Garware	Key Management Personnel	72.00	72.00
4) Services Rendered / Reimbursement of Expenses:			
Garware Industries Ltd.	Entities in which some of the directors are interested	107.78	324.74
Global Pet Films Inc.	Step-down Subsidiary	20.81	0.00
5) Rent Deposit Paid:			
Mrs. Monika Garware Modi	Key Management Personnel	18.00	0.00
Mrs. Sarita Garware Ramsay	Key Management Personnel	10.50	0.00
Shashvat Investments Consultancy & Properties Pvt. Ltd.	Entities in which some of the directors are interested	7.50	0.00
6) Managerial Remuneration:			
Shri. S. B. Garware	Key Management Personnel	449.19	400.13
Mrs. Monika Garware Modi	Key Management Personnel	230.23	236.40
Mrs. Sarita Garware Ramsay	Key Management Personnel	198.89	210.23
Ms. Sonia S. Garware	Key Management Personnel	(26.28)	82.56
Mr. M. S. Adsul	Key Management Personnel	36.40	36.40
7) Director Sitting Fees:			
Mrs. S. S. Garware	Key Management Personnel	0.20	0.30
Ms. Sonia S. Garware	Key Management Personnel	0.20	0.20
8) Net Balances (Dr/Cr):			
Garware Polyester International Ltd.	Subsidiary	(12.89)	19.73
Global Pet Films Inc.	Step-down Subsidiary	717.21	438.15
Garware Industries Ltd.	Entities in which some of the directors are interested	439.59	359.26
Shashvat Investments Consultancy & Properties Pvt. Ltd. (Rent Deposit)	Entities in which some of the directors are interested	7.50	0.00
Great View Real Estates Pvt. Ltd. (Rent Deposit)	Entities in which some of the directors are interested	36.00	36.00
Ms. Sonia S. Garware (Rent Deposit)	Key Management Personnel	36.00	36.00
Mrs. Monika Garware Modi (Rent Deposit)	Key Management Personnel	18.00	0.00
Mrs. Sarita Garware Ramsay (Rent Deposit)	Key Management Personnel	10.50	0.00

The above figures are net of taxes and duties

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

34. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 222.06 Lakhs (Previous Year Rs. 279.46 Lakhs) against which an advance of Rs. 27.09 Lakhs (Previous Year Rs. 27.19 Lakhs) has been paid.

35. CONTINGENT LIABILITIES

- a) Contingent Liabilities not provided for -

Disputed matters in appeal / contested in respect of:

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Income Tax	10.59	1,404.81
Excise Duty and Service Tax	48.87	44.20
Sales Tax	1,178.30	1,178.30
Local Body Tax	0.00	383.06
Maharashtra State Electricity Board (MSEB)	27.72	27.72
TOTAL	1,265.48	3,038.09

- b) The Company has given counter-guarantees for Rs. 4,342.99 Lakhs (Previous Year Rs. 6,606.34 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for Purchase of Equipments, Supply of Goods, Clearance of Goods from Customs, Excise Bonds, etc.
- c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to Rs. 14,797.71 Lakhs (Previous Year Rs. 22,506.53 Lakhs).
- d) Bills of Exchange discounted under Bill Marketing Scheme amount to Rs. 2,947.15 Lakhs (Previous Year Rs. 3,174.72 Lakhs).

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

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Principal amount remaining unpaid	292.60	374.81
Interest due thereon	NIL	NIL
Interest paid by the Company in term of Section 16	NIL	NIL
Interest due and payable for the period of delay in payment	NIL	NIL
Interest accrued and remaining unpaid	NIL	NIL
Interest remaining due and payable even in succeeding years	NIL	NIL

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

37. FINANCIAL AND DERIVATIVES INSTRUMENTS

- a) Derivatives contracts entered into by the company and outstanding as on 31st March, 2016: i) Forward Contract is Rs. 2,079.05 Lakhs (Previous Year Rs. 1,864.86 Lakhs).
- b) Foreign Currency Exposure that are not hedged by derivatives instruments as on 31st March, 2016 amounts to Rs. 8,696.81 Lakhs (Previous Year Rs. 7,323.28 Lakhs). The unhedged exposures are naturally hedged by future foreign currency earning and earnings linked to foreign currency.
38. The company is required to spend an amount of Rs. 35.35 Lakhs (Previous Year Rs. 41.05 Lakhs) during the year on CSR expenditure as per the Section 135 of the Companies Act, 2013 read with Schedule VII thereof and company has spent Rs. 60 Lakhs (Previous Year Rs. 60 Lakhs) during the year by way of contribution to the fund of Garware Charitable Trust.

39. VALUE OF IMPORTS ON CIF BASIS

	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Raw Materials	4,795.12	5,647.43
Packing Material	83.15	93.21
Components and Spares	253.84	391.92
Capital Goods	42.71	460.99

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

40. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
(i) Commission	438.23	540.16
(ii) Traveling Expenses	67.67	228.75
(iii) Books, Periodicals & Subscriptions	1.66	6.92
(iv) Technical / Engg. Services / Professional / Testing Charges	230.82	190.86
(v) Exhibition Expenses	8.52	0.00
(vi) Interest and Bank Charges	39.54	105.37
(vii) Others	15.73	310.64

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

Particulars	2015-16		2014-15	
	Value Rs. in Lakhs	% of Total	Value Rs. in Lakhs	% of Total
(i) Raw Materials:				
- Imported	5,109.04	11	5,118.67	10
- Indigenous	40,099.20	89	48,118.51	90
TOTAL	45,208.24	100	53,237.18	100
(ii) Stores, Spares and Packing Material:				
- Imported	320.66	7	312.78	7
- Indigenous	4,112.60	93	4,019.96	93
TOTAL	4,433.26	100	4,332.74	100

42. EARNING IN FOREIGN EXCHANGE (ACCRUAL BASIS)

	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Exports (F.O.B. Basis)	42,558.72	45,532.62
Others Misc. Income	22.07	11.54

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

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For Manubhai & Shah LLP

Chartered Accountants

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

For Kirtane & Pandit LLP

Chartered Accountants

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

S. B. GARWARE

Chairman &

Managing Director

M. S. ADSUL

Director (Technical)

P. N. SHAH

Partner

M.No.: 001738

SUHAS DESHPANDE

Managing Partner

M.No.: 031787

T. M. PARIKH

Director

NIMESH S. SHAH

Company Secretary &

Vice-President (Legal)

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

GOKUL D. NAIK

Chief Financial Officer

Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, with Rule 5 of the Companies (Accounts) Rules, 2014 in the prescribed FORM AOC - 1 relating to subsidiary companies

(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)
		2016	2016
1	Reporting Currency	GBP	USD
2	Exchange Rate considered at the close of the year	95.47	66.26
3	Share Capital	238.68	66.26
4	Reserves & Surplus	387.24	213.62
5	Total Assets	1,045.37	729.87
6	Total Liabilities	1,045.37	729.87
7	Investment	0.00	0.00
8	Turnover & Other Income	4,713.51	7,321.33
9	Profit / (Loss) Before Taxation	106.55	563.53
10	Provision for Taxation	0.00	221.95
11	Profit / (Loss) after Taxation	106.55	341.58
12	Dividend Proposed / Paid	0.00	165.64
13	Country	UK	USA

Notes :-

- 1 The final audited accounts of Garware Polyester International Limited are in Great Britain Pounds (GBP) and translated at closing rate as on 31.03.2016 (Rs. 95.47 = 1 GBP).
- 2 The final audited accounts of Global Pet Films Inc. are in US Dollars (USD) and translated at closing rate as on 31.03.2016 (Rs. 66.26 = 1 USD).

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF GARWARE POLYESTER LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Garware Polyester Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries incorporated outside India whose financial statements reflects total assets of Rs. 1,752.45 Lakhs as at 31st March, 2016, total revenue of Rs. 12,556.03 Lakhs and net cash flows amounting to Rs. 268.80 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of Sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, taken on record by the Board of Directors of the Holding Company, none of the Directors of the Holding Company is disqualified as on 31st March, 2016, from being appointed as a Director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note No. 35 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts in respect of such items as it relates to the Group. Refer Note No. 36 to the consolidated financial statements; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

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

P. N. Shah
Partner
Membership No.: 001738

Suhas Deshpande
Partner
Membership No.: 031787

Place: Mumbai
Date : 25th May, 2016

Place: Mumbai
Date : 25th May, 2016

Annexure - A to the Independent Auditors' Report

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

In conjunction with our audit on financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Garware Polyester Limited as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

P. N. Shah
Partner
 Membership No.: 001738

Place: Mumbai
 Date : 25th May, 2016

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

Suhas Deshpande
Partner
 Membership No.: 031787

Place: Mumbai
 Date : 25th May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	2,325.31	2,325.31
Reserves and Surplus	3	56,221.59	54,545.68
		58,546.90	56,870.99
NON-CURRENT LIABILITIES			
Long Term Borrowings	4	3,470.66	6,062.81
Deferred Tax Liabilities (Net)	5	4,043.70	3,162.81
Long Term Provisions	9	501.64	497.78
		8,016.00	9,723.40
CURRENT LIABILITIES			
Short Term Borrowings	6	25,431.87	27,672.60
Trade Payables	7		
a. Total outstanding dues of micro enterprises and small enterprises		292.60	374.81
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		4,199.80	4,049.64
Other Current Liabilities	8	4,180.16	4,538.44
Short Term Provisions	9	1,329.41	959.21
		35,433.84	37,594.70
TOTAL		1,01,996.74	1,04,189.09
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets:			
Tangible Assets	10	64,727.51	64,849.92
Intangible Assets	10	40.93	61.45
Capital Work-in-Progress	10	518.47	1,070.49
		65,286.91	65,981.86
Non-Current Investments	11	72.56	72.56
Long Term Loans and Advances	12	8,923.62	8,823.85
CURRENT ASSETS			
Inventories	13	13,607.25	13,717.89
Trade Receivables	14	4,336.32	4,844.06
Cash and Bank Balances	15	6,021.38	6,000.53
Short Term Loans and Advances	12	3,363.44	4,273.80
Other Current Assets	16	385.26	474.54
		27,713.65	29,310.82
TOTAL		1,01,996.74	1,04,189.09
Notes forming part of the financial statements	1 to 38		

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For Manubhai & Shah LLP

Chartered Accountants

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

For Kirtane & Pandit LLP

Chartered Accountants

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

S. B. GARWARE

Chairman &
Managing Director

M. S. ADSUL

Director (Technical)

P. N. SHAH

Partner

M.No.: 001738

SUHAS DESHPANDE

Managing Partner

M.No.: 031787

T. M. PARIKH

Director

NIMESH S. SHAH

Company Secretary &
Vice-President (Legal)

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

GOKUL D. NAIK

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
INCOME:			
Revenue from Operations (Gross Including Excise Duty)	17	90,291.66	94,387.35
Less: Excise Duty		4,546.33	4,758.49
Revenue from Operations (Net)		85,745.33	89,628.86
Other Income	18	607.26	2,688.79
Total Revenue		86,352.59	92,317.65
EXPENDITURE:			
Cost of Raw Materials Consumed	19	45,569.98	53,702.46
Changes in Inventories of Finished Goods, Work-in-Progress & Traded Goods	20	(653.36)	347.51
Employee Benefits Expense	21	7,907.79	6,761.44
Other Expenses	22	24,815.45	22,849.89
Total Expenses		77,639.86	83,661.30
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)		8,712.73	8,656.35
Depreciation & Amortization Expenses	10	1,696.40	1,520.14
Finance Cost	24	4,351.61	4,413.19
Profit before Tax		2,664.72	2,723.02
Tax Expenses			
Current Tax		741.23	513.49
(Excess) / Short Provision of Tax of earlier years		(31.71)	36.66
Less: Mat Credit Entitlement includes Rs. 54.43 Lakhs of Previous Year (Previous Year Rs. (28.10) Lakhs)		(575.43)	(457.91)
Deferred Tax	5	880.89	849.34
Total Tax Expenses		1,014.98	941.58
Profit for the year		1,649.74	1,781.44
Earnings Per Share - Basic & Diluted (Rupees)		7.08	7.64
(Face Value of Rs. 10/- each) Refer Note No.: 25			

Notes forming part of the financial statements

1 to 38

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**

Chartered Accountants

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

For **Kirtane & Pandit LLP**

Chartered Accountants

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

S. B. GARWARE

Chairman &

Managing Director

M. S. ADSUL

Director (Technical)

P. N. SHAH

Partner

M.No.: 001738

SUHAS DESHPANDE

Managing Partner

M.No.: 031787

T. M. PARIKH

Director

NIMESH S. SHAH

Company Secretary &

Vice-President (Legal)

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

GOKUL D. NAIK

Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31.03.2016 Rs. in Lakhs	Year ended 31.03.2015 Rs. in Lakhs
A. Cash Flow from Operating Activities:		
Net Profit before tax as per Statement of Profit and Loss Account	2,664.72	2,723.02
Adjustments to reconcile profit before tax to cash provided by operating activities		
<i>Add:</i> Depreciation	1,696.40	1,520.14
Finance Cost	4,351.61	4,413.19
Provision for Leave & Gratuity Provision	459.48	352.61
Subtotal	<u>6,507.49</u>	6,285.94
Total	<u>9,172.21</u>	9,008.96
<i>Less:</i> Interest Income	423.56	683.62
Gain on Exchange Rate Fluctuations	10.89	33.02
Profit on Sale of Fixed Assets	14.75	113.20
Profit on Sale of Investment	67.15	36.71
Dividend Received / Income from Investment	12.86	10.93
One Time Settlement (OTS) on Redemption of Preference Shares	0.00	1,446.00
Sundry balances Written Back (Net)	79.14	231.75
Subtotal	<u>608.35</u>	2,555.23
Operating profit before working capital changes	8,563.86	6,453.73
Adjustments for:		
Transfer to Foreign Currency Translation Reserve	26.17	(28.66)
Trade and Other Payables	349.03	233.93
Trade Receivables	506.10	1,205.55
Inventories	(110.64)	1,171.40
Loans and Advances	1,300.05	791.76
Cash generated from operations	10,634.58	9,827.71
Direct taxes refund / (paid) (Net)	(516.90)	(757.25)
Net cash inflow / (outflow) from operating activities	10,117.68	9,070.46
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(977.90)	(2,918.71)
Proceeds from Sale of Fixed Assets	14.75	133.21
Interest Received	406.05	753.06
Proceeds from Sale of Investments	67.15	37.52
Dividend Received / Income from Investment	12.86	10.93
Net cash inflow / (outflow) from investing activities	(477.09)	(1,983.99)
C. Cash Flow from Financing Activities:		
Interest / Financial Charges	(4,351.61)	(4,413.19)
Proceeds from Long term borrowings	9.03	1,776.11
(Repayments) of Long term borrowings	(3,079.17)	(3,274.69)
Redemption of Preference Shares	0.00	(4,000.00)
Proceeds (Repayment) from Short term borrowings (Net)	(2,197.74)	(745.11)
Dividend / Unclaimed Dividend paid including Dividend Distribution Tax	(0.25)	(0.33)
Net cash inflow / (outflow) from financing activities	(9,619.74)	(10,657.21)
Net increase / (decrease) in cash and cash equivalents	20.85	(3,570.74)
Cash and cash equivalents as at opening		
Cash and bank balances	6,000.53	9,571.27
Cash and cash equivalents as at closing		
Cash and bank balances	<u>6,021.38</u>	6,000.53
	<u>20.85</u>	(3,570.74)

As per our report of even date

As per our report of even date

For and on behalf of the Board of Directors

For **Manubhai & Shah LLP**

Chartered Accountants

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

For **Kirtane & Pandit LLP**

Chartered Accountants

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Partner

M.No.: 001738

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Managing Partner

M.No.: 031787

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Director

NIMESH S. SHAHCompany Secretary &
Vice-President (Legal)

Mumbai, 25th May, 2016

Mumbai, 25th May, 2016

GOKUL D. NAIK

Chief Financial Officer

1. SIGNIFICANT ACCOUNTING POLICIES OF THE CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of presentation of Financial Statements

The Consolidated financial statements of Garware Polyester Ltd. ("the Holding Company") and its subsidiary companies viz. Garware Polyester International Ltd. and Global Pet Films Inc. ("together the group") are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with prescribed Accounting Standards under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act on accrual basis. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

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

Name of the Company	Country of Incorporation	Percentage of Voting Power	Financial Year
Subsidiary Garware Polyester International Ltd.	United Kingdom	100%	April 15 - March 16
Step down Subsidiary Global Pet Films Inc.	U.S.A.	100%	April 15 - March 16

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

Name of Entities	2015-16				2014-15			
	Net Assets i.e. Total Assets minus Liabilities		Share in Profit / (Loss)		Net Assets i.e. Total Assets minus Liabilities		Share in Profit / (Loss)	
	As a % of Consolidated net assets	Amount (Rs. in Lakhs)	As a % of Consolidated Profit	Amount (Rs. in Lakhs)	As a % of Consolidated net assets	Amount (Rs. in Lakhs)	As a % of Consolidated Profit	Amount (Rs. in Lakhs)
Parent								
- Garware Polyester Ltd.	99.82%	58,442.12	105.39%	1,738.68	99.71%	56,703.44	97.31%	1,733.51
Foreign Subsidiary								
- Global Pet Films Inc.	0.48%	280.54	20.54%	338.92	0.17%	98.07	0.40%	7.11
- Garware Polyester International Ltd.	1.03%	600.73	6.45%	106.33	0.84%	479.79	4.03%	71.71
Subtotal	101.33%	59,323.39	132.38%	2,183.93	100.72%	57,281.30	101.74%	1,812.33
Inter Company Elimination & Consolidated Adjustment	(1.33)%	(776.49)	(32.38)%	(534.19)	(0.72)%	(410.31)	(1.74)%	(30.89)
Grand total	100%	58,546.90	100%	1,649.74	100%	56,870.99	100%	1,781.44

D. Principles of Consolidation

- Consolidated financial statements are done in accordance with the AS-21 by consolidating financial statements of subsidiaries on the reporting period. The consolidation is based on the audited financial statement of Garware Polyester International Ltd and Global Pet Films Inc. for the year ended 31st March, 2016.
- The financial statements of the company and the subsidiaries have been combined to the extent possible on a line-by-line basis, by adding together like items of assets, liabilities, income and expenses. All significant intra-group balances and transactions have been eliminated on consolidation.
- In respect of subsidiaries, transactions of statement of Profit and Loss items have been translated at exchange average rate and the assets and liabilities items of the balance sheet have been translated into Indian Rupees at the closing exchange rate of respective currencies prevailing as at 31st March, 2016 except for subsidiary's share capital.

E. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates.

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

F. Fixed Assets and Depreciation / Amortization

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

Depreciation / Amortization:

i) Tangible Assets:

Depreciation on Fixed assets is provided as per use life specified in Part-C of Schedule II of the Companies Act, 2013. No write-off is being made in respect of leasehold land.

ii) Intangible Assets:

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

In respect of Subsidiaries:

- **Garware Polyester International Ltd. (GPIL)**

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

And

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

- **Global Pet Films Inc. (GPF)**

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

G. Impairment of Assets

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

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

H. Investments

Investments are considered as non-current investments and are stated at cost of acquisition. Market value of Quoted Investments at the date of the Balance Sheet is disclosed. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management. On disposal of an investment, the difference between the carrying value and the net disposal proceeds is recognised in the statement of profit and loss.

I. Inventories

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

J. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c) Non-monetary foreign currency items are carried at cost.
- d) In respect of branch, which is integral foreign operations, all transactions are translated at rates prevailing on the date of transactions or that approximates the actual rate at the date of transactions. Branch monetary assets and liabilities are restated at the year-end rates.
- e) The company has opted for accounting exchange rate differences arising on reporting of long term Foreign Currency Monetary Items in line with Companies (Accounting Standard) Amendment Rules, 2009 on Accounting Standard-11 (AS-11) notified by the 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.
- f) Investments in shares of foreign subsidiary company are expressed in Indian Currency at the rate of exchange prevailing at the time when the original investments were made.

K. Duties

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

L. Employee Benefits

i) Short Term Employee Benefits:

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

ii) Defined Contribution Plans:

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

iii) Defined Benefit Plans:

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

M. Lease Rentals

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

N. Research and Development

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

O. Revenue Recognitioni) **Sale of Products**

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

ii) **Export Benefits**

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

iii) **Others**

Revenue from services is recognised on rendering of services.

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

Interest income is recognised on the time proportion basis.

P. Taxation

- i) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- ii) Current tax is determined as the amount of tax payable in respect of taxable income for the period.
- iii) 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.

Q. Borrowing Cost

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

R. Measurement of EBITDA

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

S. Provisions, Contingent Liabilities & Contingent Assets

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

T. Earnings Per Share

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

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

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
2. SHARE CAPITAL		
Authorised:		
4,00,00,000 (Previous Year 40,000,000) Equity Shares of Rs. 10/- each	4,000.00	4,000.00
60,00,000 (Previous Year 6,000,000) Preference Shares of Rs. 100/- each	6,000.00	6,000.00
	10,000.00	10,000.00
Issued, Subscribed and Fully Paid-up:		
2,33,15,150 (Previous Year 23,315,150) Equity Shares of Rs. 10/- each	2,331.52	2,331.52
Less: Unpaid Allotment / Call Money (from Others)	6.21	6.21
	2,325.31	2,325.31
0 (Previous Year 5,446,000) 0.01% Cumulative Redeemable Preference Shares of Rs. 100/- each (Refer Notes below)	0.00	5,446.00
0 Less: Redeemed during the year (Refer Notes below)	0.00	5446.00
	0.00	0.00
TOTAL	2,325.31	2,325.31

Out of the above:

2,54,764 Equity Shares of Rs. 10/- each fully paid-up issued to the shareholders of Garware Chemicals Limited (GCL) as per the scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 on 14th November, 2011 (Previous Year 2,54,764).

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 if and proposed by the board of directors is subject to approval of shareholders in the ensuing Annual General Meeting.

As per the Companies Act, 2013 the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in the event of liquidation of the company. The distribution will be in proportion to the number of equity shares held by the shareholder.

Preference Shares

The company has fully redeemed the Preference Shares amounting to Rs. 5,446.00 Lakhs by paying Rs. 4,000.00 Lakhs in the Financial Year 2014-15 as One Time Settlement in full and final payment. The difference of Rs. 1,446.00 Lakhs has been credited in the Statement of Profit and Loss under Other Income in Financial Year 2014-15.

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

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	2,33,15,150	2,331.52	2,33,15,150	2,331.52
Add: Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	2,33,15,150	2,331.52	2,33,15,150	2,331.52

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

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. B. Garware Family Trust	1,05,92,401	45.43	1,05,92,401	45.43

Preference Shares:

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	0	0.00	54,46,000	5,446.00
Issued during the year	0	0.00	0	0.00
Redeemed during the year	0	0.00	54,46,000	5,446.00
Outstanding at the end of the year	0	0.00	0	0.00

3. RESERVES AND SURPLUS

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Capital Reserve:		
Balance as per last Balance Sheet	4,439.48	4,439.48
Capital Redemption Reserve:		
Balance as per last Balance Sheet	5,446.00	0.00
Add: Transferred from Surplus in the Statement of Profit and Loss Account on Redemption of Preference Shares	0.00	5446.00
	5,446.00	5,446.00
Securities Premium Reserve:		
Balance as per last Balance Sheet	592.14	592.14
Revaluation Reserve:		
Balance as per last Balance Sheet	10,105.40	10105.40
General Reserve:		
Balance as per last Balance Sheet	6,909.91	6,909.91
Surplus in the statement of Profit and Loss:		
Balance as per last Balance Sheet	26,587.79	30,480.50
Less: Transferred from Assets whose balance useful life is Nil as per Schedule II of the Companies Act, 2013.	0.00	228.15
Less: Transferred to Capital Redemption Reserve on Redemption of Preference Shares.	0.00	5,446.00
Add: Profit for the year	1649.74	1,781.44
	28,237.53	26,587.79
Foreign Currency Translation Reserve:		
Balance as per last Financial Statements	464.96	493.62
Addition (Deduction) during the year	26.17	(28.66)
	491.13	464.96
TOTAL	56,221.59	54,545.68

4. LONG TERM BORROWINGS

	Current		Non-Current	
	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Secured Loans				
Term Loans:				
Indian Rupee Loan from Banks	2,266.41	4,657.47	2,398.80	2,398.80
Foreign Currency Loan from Banks	0.00	0.00	0.00	548.67
Fixed Asset Under Finance Lease Obligation	145.33	201.88	57.93	108.24
Unsecured Loans				
Interest Free Sales tax / VAT Deferral Loan of SICOM (Unsecured)	1,058.92	1,203.46	144.54	0.00
TOTAL	3,470.66	6,062.81	2,601.27	3,055.71

- 1) Term Loan of Rs. 4,665.21 Lakhs (Previous Year Rs. 7,604.94 Lakhs) are secured by first pari-passu charge on Fixed Assets of the company both present and future except Land and Building at Vile Parle, Mumbai, and also by way of second pari-passu charge on current assets of the company. The loans are repayable in 20 quarterly installments from quarter ended March 2011 till December 2018.
- 2) Fixed Assets Finances of Rs. 203.26 Lakhs (Previous Year Rs. 310.12 Lakhs) are secured by hypothecation of specific assets. The loans are repayable in 60 monthly / 20 quarterly installments. The installments are payable from December 2011 till January 2020 covering all loans taken at various dates.
- 3) Deferral Loan from SICOM is payable from April 2016 to April 2026.
- 4) The rate of interest on Rupee Loan @ 12.75% to 14.05% p.a. and on Fixed Assets Loan @ 11.80% to 12.30% p.a.

5. DEFERRED TAX LIABILITY (NET):

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Major components of Deferred Tax (Liabilities) / Assets arising on account of timing differences as at 31st March, 2016 are as follow:		
Deferred Tax Assets:		
Disallowance u/s 43B of the Income Tax Act, 1961	295.15	231.48
Unabsorbed Business Losses & Depreciation	531.13	810.27
Others	296.15	339.02
	1,122.43	1,380.77

(i)

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Less: Deferred Tax Liability		
Excess of Net Block over WDV as per the Income Tax Act, 1961	(ii) 5,166.13	4,543.58
Deferred Tax Asset / (Liability) (Net)	(i - ii) (4,043.70)	(3,162.81)
Deferred Tax Asset / (Liability) as per Balance Sheet (Previous Year)	(3,162.81)	(2,430.97)
Deferred Tax Expense / (Income)	880.89	731.84
Add : Deferred tax Expenses pertaining to assets transferred to retained earnings whose balance useful life was Nil as on 01.04.2014 as per Schedule II of Companies Act, 2013	0.00	117.50
Deferred Tax Expense / (Income) Recognised in Profit & Loss	880.89	849.34
6. SHORT TERM BORROWINGS	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Cash / Packing Credit from Banks:		
Indian Rupees (Secured)	980.88	194.20
Foreign Currency (Secured)	8,728.46	7,139.66
Working Capital Loans	15,722.53	20,338.74
TOTAL	25,431.87	27,672.60
a) Cash / Packing Credit Loans are secured by hypothecation of all the current assets including all stocks, book debts etc. of the Company and further secured by a second charge on fixed assets of the company excluding property at Vile Parle.		
b) Interest on Working Capital (Rupee) Loans ranges between 10.45% to 16.70% p.a. and Foreign Currency Loans LIBOR + 2.5% to LIBOR + 3.50% p.a.		
7. TRADE PAYABLES	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Due to Micro, Small & Medium Enterprises	292.60	374.81
Others	4,199.80	4,049.64
TOTAL	4,492.40	4,424.45
8. OTHER CURRENT LIABILITIES	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Current maturities of Long Term Borrowing (Refer Note No. 4)	2,601.27	3,055.71
Unclaimed Dividend #	66.46	66.71
Deposit & Advances from Customers & Vendors	796.81	759.54
Creditors for Capital Expenditure	153.81	164.20
Payable to Employees	126.24	54.19
Statutory Liabilities	263.28	224.77
Provision For Expenses	172.29	213.32
TOTAL	4,180.16	4,538.44
# These Figures do not include any amount due and outstanding to be credited to the Investor Education and Protection Fund.		
9. PROVISIONS	Long Term	Short Term
	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
	As at 31.03.2015 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Provisions for Employee Benefits: (Refer Note No. 27)		
Provision for Gratuity	0.00	0.00
Provision for Leave Encashment	500.13	497.78
	500.13	497.78
Other Provisions		
Provision for Tax	1.51	0.00
Provision for Wealth Tax	0.00	0.00
	1.51	0.00
TOTAL	501.64	497.78
		1,329.41
		959.21

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

10. FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation			Impairment		Net Block			
	As at 01.04.2015	Additions/ Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2016	Up to 01.04.2015	Charge for the year (e)	Transferred to Retained earnings whose balance useful life is Nil (b)	Net Charge for the year (a-b)	Disposal/ Transfers/ Adjustments during the year	Up to 31.03.2016	As at 01.04.2015	As at 31.03.2016
TANGIBLE ASSETS:												
Land (Freehold)	25,476.92			25,476.92	0.00			0.00		0.00		25,476.92
Land (Leasehold)	6,745.08			6,745.08	0.00			0.00		0.00		6,745.08
Buildings	11,037.84	360.65		11,398.49	6,129.16	205.28		205.28		6,334.44	101.25	4,962.80
Plant & Machinery	83,015.64	1,053.52		84,069.16	47,532.20	1,180.88		1,180.88		48,713.08	8,722.52	26,633.56
Electrical Installations	3,019.04	4.07		2,926.60	2,975.18	23.09		23.09	96.51	2,901.76		24.84
Moulds	287.54			287.54	287.54	-		0.00		287.54		0.00
Laboratory Equipments	582.07	57.81		639.88	359.06	42.66		42.66		401.72	10.90	227.26
Furniture & Fixtures	826.67	26.94		853.61	579.57	37.76		37.76		617.33		236.28
Office Equipments	681.83	13.16		694.99	599.83	33.16		33.16		632.99		62.00
Vehicles	258.65			258.65	233.90	5.24		5.24		239.14		19.51
Vehicles on Finance Lease	667.25			667.25	481.82	50.85		50.85		532.67		134.58
Capital Expenditure On Research & Development	220.93	13.65		234.58	218.56	1.42		1.42		219.98		14.60
Data Processing Equipments	1,438.34	20.24		1,334.90	1,378.03	25.65		25.65	123.68	1,280.00		54.90
Data Processing Equipments on Finance Lease	216.64	1.39		218.03	15.00	67.85		67.85		82.85		135.18
TOTAL (A)	1,34,474.44	1,551.43	220.19	1,35,805.68	60,789.85	1,673.84	0.00	1,673.84	220.19	62,243.50	8,834.67	64,727.51
INTANGIBLE ASSETS:												
Software	273.13	2.04		275.17	211.68	22.56		22.56		234.24		40.93
Copyrights	157.46			157.46	157.46			0.00		157.46		0.00
Expenditure on Technical Know-how/ Product Development	1,430.76			1,430.76	1,430.76			0.00		1,430.76		0.00
Goodwill	4,400.36			4,400.36	0.00			0.00		0.00	4,400.36	0.00
TOTAL (B)	6,261.71	2.04	0.00	6,263.75	1,799.90	22.56	0.00	22.56	0.00	1,822.46	4,400.36	40.93
TOTAL (A+B)	1,40,736.15	1,553.47	220.19	1,42,069.43	62,589.75	1,696.40	0.00	1,696.40	220.19	64,065.96	13,235.03	64,768.44
Capital Work-in-Progress (Refer Note No. 26)												518.47

NOTES:

- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 lakhs respectively; the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 Lakhs and Rs. 6,719.00 Lakhs respectively.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by the Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011; the company has capitalised Rs. 23.01 Lakhs to Plant and Machinery (Previous Year Rs. 45.52 Lakhs) on account of exchange rate difference on Foreign Currency Loans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

10A. FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation				Impairment		Net Block As at 31.03.2015		
	As at 01.04.2014	Additions / Adjustments during the year	Disposal/ Transfers/ Adjustments during the year	As at 31.03.2015	Up to 01.04.2014	Charge for the year (a)	Transferred to Retained earnings whose balance useful life is Nil (b)	Net Charge for the year (a-b)	Disposal/ Transfers/ Adjustments during the year		Up to 31.03.2015	As at 01.04.2014
TANGIBLE ASSETS:												
Land (Freehold)	25,476.92			25,476.92	0.00			0.00		0.00		25,476.92
Land (Leasehold)	6,723.14	21.94		6,745.08	0.00			0.00		0.00		6,745.08
Buildings	8,312.36	2,766.45	40.97	11,037.84	5,995.99	168.38		168.38	35.21	6,129.16	101.25	4,807.43
Plant & Machinery	75,872.15	7,143.49		83,015.64	46,476.24	1,055.96		1,055.96		47,532.20	8,722.52	26,760.92
Electrical Installations	3,019.27		0.23	3,019.04	2,743.85	231.50		199.91	0.17	2,975.18		43.86
Moulds	287.54			287.54	287.54			0.00		287.54		0.00
Laboratory Equipments	430.13	151.94		582.07	301.05	58.01		17.76		359.06	10.90	212.11
Furniture & Fixtures	631.80	194.87		826.67	535.31	44.26		16.01		579.57		247.10
Office Equipments	619.08	62.75		681.83	490.27	109.56		70.74		599.83		82.00
Vehicles	259.42		0.77	258.65	214.47	20.18		14.88		233.90		24.75
Vehicles on Finance Lease	753.83		86.58	667.25	497.50	56.73		56.73		481.82		185.43
Capital Expenditure On Research & Development	220.93			220.93	217.46	1.10		0.10		218.56		2.37
Data Processing Equipments	1,436.09	26.26	24.01	1,438.34	1,349.17	52.87		26.25		1,378.03		60.31
Data Processing Equipments on Finance Lease		216.64		216.64		15.00		15.00		15.00	0.00	201.64
TOTAL (A)	1,24,042.66	10,594.34	152.56	1,34,474.44	59,108.85	1,813.55	345.65	1,467.90	132.55	60,789.85	8,834.67	64,849.92
INTANGIBLE ASSETS:												
Software	245.57	27.56		273.13	159.44	52.24		52.24		211.68		61.45
Copyrights	157.46			157.46	157.46	0.00		0.00		157.46		0.00
Expenditure on Technical Know-how / Product Development	1,430.76			1,430.76	1,430.76	0.00		0.00		1,430.76		0.00
Goodwill	4,400.36		0.00	4,400.36	0.00	0.00		0.00		0.00	4,400.36	0.00
TOTAL (B)	6,234.15	27.56	0.00	6,261.71	1,747.66	52.24	0.00	52.24	0.00	1,799.90	4,400.36	61.45
TOTAL (A+B)	1,30,276.81	10,611.90	152.56	1,40,736.15	60,856.51	1,865.79	345.65	1,520.14	132.55	62,589.75	13,235.03	64,911.37
Capital Work-in-Progress (Refer Note No. 26)												1,070.49

NOTES:

- Freehold Land and Leasehold Land is revalued on 31st March, 2013 with reference to the then current market prices, amount added on revaluation is Rs. 13,900.30 Lakhs and Rs. 4,855.64 lakhs respectively, the revalued amount substituted for historical cost on 31st March, 2013 is Rs. 25,476.92 lakhs and Rs. 6,719.00 Lakhs respectively.
- In accordance with Accounting Standard (AS-11) and Amendment Rules, 2009 on AS-11 Notified by the Government of India on 31.03.2009 and subsequent amendment dtd. 29th December, 2011; the company has capitalised Rs. 45.52 Lakhs to Plant and Machinery (Previous Year Rs. 221.97 Lakhs) on account of exchange rate difference on Foreign Currency Loans.
- In accordance with the provisions of Schedule II of the Companies Act, 2013, in case of fixed assets whose useful life is at 1st April, 2014 is Nil, the carrying value (Net of Residual Value) amounting to Rs. 228.15 Lakhs (Net of Deferred Tax of Rs. 117.50 Lakhs) as transitional provision has been recognised in the retained earnings.

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

11. NON-CURRENT INVESTMENTS

	As at 31.03.2016		As at 31.03.2015	
	Rs. in Lakhs		Rs. in Lakhs	
Non-Trade Investments in Shares:				
Quoted Equity Instruments				
50 (Previous Year 50) Equity Shares of M. M. Rubber Ltd. of the face value of Rs. 2/- each, fully paid-up.	0.01		0.01	
Nil (Previous Year 2,09,000) Equity Shares of Garware Marine Industries Ltd. of the face value of Rs.10/- each, fully paid-up.	0.00		-	
4,00,300 (Previous Year 400,300) Equity Shares of Garware Wall Ropes Limited, of the face value of Rs.10/- each, fully paid-up.	56.98		56.98	
		56.99		56.99
Unquoted Equity Instruments				
2,500 (Previous Year 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 (Previous Year 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 (Previous Year 500) Equity 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 (Previous Year 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 (Previous Year 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 (Previous Year 4,000) Equity Shares of Vaidyanath Urban Co-Operative Bank Ltd. of the face value of Rs. 25/- each, fully paid-up.	1.00		1.00	
1,000 (Previous Year 1,000) Equity Shares of Poornawadi Co-Operative Bank Ltd. of the face value of Rs. 100/- each, fully paid-up.	1.00		1.00	
100 (Previous Year 100) Equity Shares of Cosmos Co-Operative Bank Ltd. of the face value of Rs. 10/- each, fully paid-up.	0.02		0.02	
		15.57		15.57
TOTAL		72.56		72.56
	Cost	Market Value	Cost	Market Value
Aggregate amount of company's Investment				
Quoted	56.99	1,348.22	56.99	796.04
Unquoted	15.57		15.57	
TOTAL	72.56	1,348.22	72.56	796.04

12. LOANS & ADVANCES

	Non-Current		Current	
	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Capital Advances				
Secured, considered good	16.26	0.00	0.00	0.00
Unsecured, considered good	10.83	27.19	0.00	0.00
(A)	27.09	27.19	0.00	0.00
Security Deposit				
Unsecured, considered good	239.26	203.62	0.00	0.00
Rs. 64.50 Lakhs due from Director (Previous Year Rs. 36.00 Lakhs) (Rent Deposit) and				
Rs. 43.50 Lakhs due from company in which directors are Director / Member (Previous Year Rs. 36 Lakhs) (Rent Deposit)				
(B)	239.26	203.62	0.00	0.00

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

	Non-Current		Current	
	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Advances Recoverable in Cash or Kind				
Unsecured, considered good	0.00	0.00	291.54	254.84
	(C) 0.00	0.00	291.54	254.84
Other Loans & Advances				
Advance Income-Tax (Net of provision for Taxation)	0.00	192.76	0.00	0.00
MAT Credit Entitlement	7,200.69	6,625.26	0.00	0.00
Prepaid Expenses	0.00	0.00	561.52	730.72
Employee Advances	0.00	0.00	26.67	42.59
Balances with Statutory/Government Authorities	1,456.58	1,775.02	2,483.71	3,245.65
	(D) 8,657.27	8,593.04	3,071.90	4,018.96
TOTAL (A+B+C+D)	8,923.62	8,823.85	3,363.44	4,273.80
13. INVENTORIES (Valued at Lower of Cost and Net Realisable Value)			As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
a) Stores, Spares & Packing Materials			2,226.97	2,472.79
b) Raw Materials			1,981.75	2,499.93
c) Finished Goods			515.60	437.10
d) Stock in Transit - Finished Goods			463.20	322.63
e) Semi Finished Goods			8,419.73	7,985.44
TOTAL			13,607.25	13,717.89
14. TRADE RECEIVABLES			As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Unsecured, considered good unless otherwise stated excluding bills receivable discounted [Refer Note No. 35 (d)]				
Debts outstanding for a period exceeding six months from the date they are due for payment				
i) Unsecured, considered good			0.00	4.03
ii) Doubtful			258.85	258.85
			258.85	262.88
Less: Provision for doubtful receivables			258.85	258.85
			(A) 0.00	4.03
Other Receivables				
Unsecured, considered good			4,336.32	4,840.03
			(B) 4,336.32	4,840.03
TOTAL (A+B)			4,336.32	4,844.06
15. CASH & BANK BALANCES			As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Cash & Cash Equivalents				
a) Balances with Bank:				
in Current Accounts			1,227.18	1,223.87
in Fixed Deposits *			4,669.72	4,648.46
b) Cash on hand			33.07	38.36
Other Bank Balances:				
in Unclaimed Dividend Accounts			66.46	66.71
Margin Money Deposit			24.95	23.13
TOTAL			6,021.38	6,000.53

*(Fixed Deposit with Bank includes Rs. 43.24 Lakhs (Previous Year Rs. 1.49 Lakhs) with maturity of more than 12 Months).

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

16. OTHER CURRENT ASSETS	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Interest accrued on Fixed Deposit & Others	65.80	48.29
Other receivable	319.46	426.25
TOTAL	385.26	474.54
17. REVENUE FROM OPERATIONS	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Sale of Products:	87,779.95	92,928.99
Other operating Revenue		
Export Incentives	1,691.40	1,187.84
Others	820.31	270.52
Revenue from Operations (Gross including excise duty)	90,291.66	94,387.35
Details of products sold:		
Polyester Film	87,779.95	92928.99
18. OTHER INCOME	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Interest Income on:		
Bank Deposits	376.79	681.53
Income Tax & Sales Tax Refund	43.77	1.20
One Time Settlement (OTS) on redemption of preference shares (Refer Note No. 28)	0.00	1,446.00
Others	3.00	2.09
Dividend Income on:		
Long term investment	12.86	10.93
Insurance Claims	5.70	55.09
Profit on Sales of Fixed Assets	14.75	113.20
Profit on Sales of Investment	67.15	36.71
Excess Provision / Sundry Credit Balances Written Back	79.14	231.75
Bad Debts Recovered	4.10	0.00
Sales Tax Refund	0.00	9.04
Gain on Exchange Rate Fluctuations	0.00	101.25
TOTAL	607.26	2,688.79
19. COST OF RAW MATERIALS CONSUMED	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Inventory at the beginning of the year	2,499.93	2,825.23
Add: Purchases	45,636.35	55,284.11
Less: Sales	(584.55)	(1,906.95)
	47,551.73	56,202.39
Less : Inventory at the end of the year	1,981.75	2,499.93
Cost of Raw materials consumed	45,569.98	53,702.46
Details of Raw Materials Consumed		
PTA	13,450.10	18,352.03
MEG	5,885.56	7,363.68
Chemicals & Others	26,234.32	27,986.75
TOTAL	45,569.98	53,702.46
Details of Inventory		
PTA	0.00	0.00
MEG	0.00	146.75
REPOL 34 SG	0.00	105.90
Chemicals & Others	1,981.75	2,247.28
TOTAL	1,981.75	2,499.93

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

20. (INCREASE) / DECREASE IN FINISHED AND SEMI-FINISHED GOODS	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Inventories at the end of the year		
Semi-Finished Goods	8,419.73	7,985.44
Finished Goods	978.80	759.73
	9,398.53	8,745.17
Inventories at the beginning of the year		
Semi-Finished Goods	7,985.44	9,091.31
Finished Goods	759.73	895.47
	8,745.17	9,986.78
(Increase) / Decrease in Stock of Finished and Semi-Finished Goods out of Trial Run Production	0.00	894.10
(Increase) / Decrease	(653.36)	347.51
21. EMPLOYEE BENEFITS EXPENSE (Refer Note No. 29)		
	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Salaries, Wages and Bonus	6,614.61	5,684.34
Contribution to Provident Fund and Other Funds	894.06	711.15
Staff Welfare Expenses	399.12	365.95
TOTAL	7,907.79	6,761.44
22. OTHER EXPENSES		
	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Stores, Spares & Packing Materials Consumed	4,433.26	4,332.74
Power and Fuel	8,240.57	8,842.02
Processing Charges	1,833.12	150.74
Water Charges	92.07	54.88
Rent, Hire Charges and Compensation	506.68	168.02
Rates, taxes and license fees	70.79	60.52
Insurance	286.20	231.54
Freight & Forwarding (Net)	2,930.89	2,779.83
Research and Development Expenses	168.26	138.37
Advertisement Expenses	48.82	37.95
Repairs and Maintenance Expenses:		
Plant and Machinery	1,008.74	1,021.68
Building	451.41	502.58
Other Assets	934.87	781.07
Sales Tax / VAT	10.57	28.58
Travelling & Conveyance	596.62	705.19
Postage, Telegrams & Telephones	132.58	134.26
Commission on Sales	114.65	182.20
Contribution towards Corporate Social Responsibilities (Donations)	70.85	63.68
Legal and Professional Charges (Refer Note No. 31)	915.88	705.79
Auditors Remuneration (Refer Note No. 23)	50.84	42.05
Director Sitting Fees	3.53	3.74
Miscellaneous Expenses	1,899.93	1,882.46
Loss on Swap/Exchange Rate Fluctuation	14.32	0.00
TOTAL	24,815.45	22,849.89
23. PAYMENT TO AUDITORS AS:		
	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Audit Fees	36.26	27.68
Tax Audit Fees	5.03	6.00
For Certification / Others	7.11	7.75
Reimbursement of Out of Pocket Expenses	2.44	0.62
TOTAL	50.84	42.05

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

24. FINANCE COST	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Interest Expenses	1,279.32	1,222.99
Other Borrowing Cost	2,691.72	3,158.18
Applicable Loss on Foreign Currency Transactions and Translations	380.57	32.02
TOTAL	4,351.61	4,413.19
25. EARNINGS PER SHARE (EPS)	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Profit After Tax	1,649.74	1,781.44
Amount available for Equity Shareholders	1,649.74	1,781.44
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	2,33,15,150	2,33,15,150
Earnings Per Share - Basic & Diluted (Rupees) (absolute)	7.08	7.64
26. The break-up of expenses shown under Capital Work-in-Progress (Pending Allocation) as on 31st March, 2016 is as under:	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Particulars		
Opening Balance	1,070.49	8619.38
Capital Work-in-Progress	621.53	1739.83
Less: Capitalised during the year	(1,164.60)	(7750.32)
Pre-Operative Expenditure Incurred during the year:		
Raw Material Consumed	0.00	3983.71
Power and Fuel	0.00	405.07
Stores, Spares and Packing Material Consumed	0.00	107.66
Freight and Forwarding	0.00	81.35
Employee Benefits	0.00	191.71
Travelling and Conveyance	0.00	11.24
Legal and Professional Charges	0.00	19.35
Others	0.00	28.80
Finance Charges	23.01	445.83
Less: Sales	0.00	(4625.50)
(Net of Excise duty Rs. 492.89 Lakhs. Previous Year Rs. 278.41 Lakhs)		
Capitalised during the year	(31.96)	(2187.62)
Closing Balance #	518.47	1070.49
[# includes Intangible Assets in Progress Rs. 48.96 Lakhs (Previous Year Rs.19.95 Lakhs)]		
27. DISCLOSURE AS PER AS-15 (REVISED) ON "EMPLOYEE BENEFITS"	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
A. Funded retirement benefit - Gratuity		
Description		
Change in the Defined Benefit Obligations		
Defined Benefit Obligations at beginning of the year	1,996.08	1,768.32
Service Cost	168.48	136.50
Interest Cost	149.06	155.24
Actuarial Loss / (Gain)	129.66	79.51
Benefits Paid	(145.39)	(143.49)
Defined Benefit Obligations at end of the year (a)	2,297.90	1,996.08
Change in Plan Assets		
Fair Value of Plan Assets as at beginning of the year	1,937.62	1,724.49
Expected Return on Plan Assets	159.11	155.00
Contributions by Employer	81.25	197.23
Actuarial Gain / (Loss)	0.43	4.40
Benefits Paid	(145.39)	(143.49)
Fair Value of Plan Assets at end of the year (b)	2,033.02	1,937.62
Present Value of funded obligations (a-b)	264.87	58.46

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

	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
The net amount recognized in the statement of Profit and Loss for the year ended 31st March, 2016 are as follow:		
Current Service Cost	168.48	136.50
Interest Cost	149.06	155.24
Expected Return on Plan Assets	(159.11)	(155.00)
Net actuarial Loss / (Gain) Recognized	129.23	75.11
Net Amount Recognized	287.66	211.85
The principal actuarial assumptions used as at 31st March, 2016 are as follow:		
Discount Rate	8.00%	7.75%
Expected Rate of Return on Plan Assets:		
Withdrawal Rate	5%	5%
Rate of increase in compensation levels	4%	5%

Other Disclosures:

(Rs. in Lakhs)

	31.03.16	31.03.15	31.03.14	31.03.13	31.03.12
Present value of Defined benefit obligation	2,297.90	1,996.08	1,768.32	1,702.64	2,063.44
Fair value of plan Assets	2,033.02	1,937.62	1,724.49	1,560.11	1,656.08
(Deficit) / Surplus of the plan	264.87	58.46	43.83	142.53	407.36
Experience Adjustment on Plan Liabilities Loss / (Gain)	127.67	79.50	(49.12)	(222.68)	*
Experience Adjustment on Fair Value of Plan Assets	(0.43)	(4.40)	2.29	3.53	0.01

* Not available in the valuation report hence are not furnished.

B. Un-funded retirement benefit - Leave Encashment

Description	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Change in the Defined Benefit Obligations:		
Defined Benefit Obligations at beginning of the year	1,392.86	1,252.10
Service Cost	114.43	103.28
Interest Cost	106.46	113.94
Actuarial Loss / (Gain)	(10.77)	(62.82)
Benefits Paid	(38.31)	(13.65)
Defined Benefit Obligations at end of the year (a)	1,564.67	1,392.86
Change in Plan Assets:		
Contributions by Employer	38.31	13.65
Benefits Paid	(38.31)	(13.65)
Fair Value of Plan Assets at end of the year (b)	0.00	0.00
Present Value of Un-funded obligations (a-b)	1,564.67	1,392.86
The net amount recognized in the statement of profit and loss for the year ended 31st March, 2016 are as follow:		
Current Service Cost	114.43	103.28
Interest Cost	106.46	113.94
Net Actuarial Loss / (Gain) Recognized	(10.77)	(62.82)
Net Amount Recognized	210.12	154.41
The Principal Actuarial Assumptions used as at 31st March, 2016 are as follow:		
Discount Rate	8.00%	7.75%
Expected Rate of Return on Plan Assets:		
Withdrawal Rate	5%	5%
Rate of increase in compensation levels	4%	5%

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

28. The company has redeemed during the Financial Year 2014-15, 54,46,000, 0.01% Cumulative Redeemable Preference - Shares of Rs. 100/- each aggregating to Rs. 5,446.00 Lakhs issued and allotted to the IDBI Bank Ltd., by paying Rs. 4,000.00 Lakhs as One Time Settlement in full and final settlement of the above-mentioned Preference Shares. The difference of Rs. 1,446.00 Lakhs has been treated as Other Income in the year 2014-15.
29. The remuneration of Rs. 888.43 Lakhs paid to the Managing Director, Joint Managing Directors and Director is as per the sanction received from the Central Government. (Previous Year Rs. 965.72 Lakhs which was subject to sanction of the Central Government for which approval of Rs. 957.08 Lakhs has been received during the year and balance Rs. 8.64 Lakhs has been recovered. Rs. 89.61 Lakhs for the Financial Year, 13-14 which was pending under approval, Rs. 75.11 Lakhs approval has been received during the year and balance Rs. 14.50 Lakhs has been recovered).

30. LEASES

The company has entered into Finance and Operating Lease Agreements. As required under the Accounting Standard-19 on 'Leases', the future minimum lease payments on account of each type of lease are as follow:

A. Hire Purchase / Finance Lease (Vehicle)

(Rs. in Lakhs)

Particulars	Future Lease payments		Present Value of Future Minimum Lease Payments		Finance Charges	
	2016	2015	2016	2015	2016	2015
As at 31st March						
Not later than one year	78.94	137.51	57.93	108.24	21.01	29.27
Later than one year and not later than five years	172.30	249.86	145.33	201.88	26.97	47.98
Later than five years	0.00	0.00	0.00	0.00	0.00	0.00

B. Operating Leases

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

31. Legal and Professional Charges include Rs. 6.97 Lakhs (Previous Year Rs. 6.25 Lakhs) paid to some of the Partners of the Auditors and Rs. 5.37 Lakhs (Previous Year Rs. 5.56 Lakhs) paid to a firm in which one of the Director is a proprietor for Corporate Law and Tax Services.

32. SEGMENT REPORTING:

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

	2015-16 Rs. in Lakhs	2014-15 Rs. in Lakhs
Sales:		
Within India	42,262.51	44,576.51
China (including Export Incentives)	9,360.58	9,810.92
Rest of world (including Export incentives)	38,668.57	39,999.92
TOTAL	90,291.66	94,387.35

33. RELATED PARTY DISCLOSURES

a) List of Related Parties	
Key Management Personnel	Shri. S. B. Garware Mrs. S. S. Garware Mrs. Monika Garware Modi Mrs. Sarita Garware Ramsay Ms. Sonia S. Garware Mr. M. S. Adsul
Enterprises over which Key Managerial Person are able to exercise significant influence	Garware Industriees Ltd. Great View Real Estates Pvt. Ltd. Shashvat Investments Consultancy & Properties Pvt. Ltd.

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

b) Transactions with Related Parties

Particulars	Relationship	2015-16	2014-15
		Rs. in Lakhs	Rs. in Lakhs
1) Sale of Goods:			
Garware Industries Ltd.	Entities in which some of the directors are interested	1,716.70	4,915.32
2) Purchase of Materials:			
Garware Industries Ltd.	Entities in which some of the directors are interested	4,976.83	9,345.08
3) Service Received / Processing / Commission / Rent Paid / Reimbursement of Expenses:			
Garware Industries Ltd.	Entities in which some of the directors are interested	1,829.56	105.78
Great View Real Estates Pvt. Ltd.	Entities in which some of the directors are interested	82.00	80.90
Shashvat Investments Consultancy & Properties Pvt. Ltd.	Entities in which some of the directors are interested	22.55	0.00
Mrs. Monika Garware Modi	Key Management Personnel	54.00	0.00
Mrs. Sarita Garware Ramsay	Key Management Personnel	31.50	0.00
Ms. Sonia S. Garware	Key Management Personnel	72.00	72.00
4) Services Rendered / Reimbursement of Expenses:			
Garware Industries Ltd.	Entities in which some of the directors are interested	107.78	324.74
5) Rent Deposit Paid:			
Mrs. Monika Garware Modi	Key Management Personnel	18.00	0.00
Mrs. Sarita Garware Ramsay	Key Management Personnel	10.50	0.00
Shashvat Investments Consultancy & Properties Pvt. Ltd.	Entities in which some of the directors are interested	7.50	0.00
6) Managerial Remuneration:			
Shri. S. B. Garware	Key Management Personnel	449.19	400.13
Mrs. Monika Garware Modi	Key Management Personnel	230.23	236.40
Mrs. Sarita Garware Ramsay	Key Management Personnel	198.89	210.23
Ms. Sonia S. Garware	Key Management Personnel	270.14	82.56
Mr. M. S. Adsul	Key Management Personnel	36.40	36.40
7) Director Sitting Fees:			
Mrs. S. S. Garware	Key Management Personnel	0.20	0.30
Ms. Sonia S. Garware	Key Management Personnel	0.20	0.20
8) Net Balances (Dr/Cr):			
Garware Industries Ltd.	Entities in which some of the directors are interested	439.59	359.26
Shashvat Investments Consultancy & Properties Pvt. Ltd. (Rent Deposit)	Entities in which some of the directors are interested	7.50	0.00
Great View Real Estates Pvt. Ltd. (Rent Deposit)	Entities in which some of the directors are interested	36.00	36.00
Ms. Sonia S. Garware (Rent Deposit)	Key Management Personnel	36.00	36.00
Mrs. Monika Garware Modi (Rent Deposit)	Key Management Personnel	18.00	0.00
Mrs. Sarita Garware Ramsay (Rent Deposit)	Key Management Personnel	10.50	0.00

The above figures are net of Taxes and Duties

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

34. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 222.06 Lakhs (Previous Year Rs. 279.46 Lakhs) against which an advance of Rs. 27.09 Lakhs (Previous Year Rs. 27.19 Lakhs) has been paid.

35. CONTINGENT LIABILITIES

a) Contingent Liabilities not provided for -

	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
Disputed matters in appeal / contested in respect of:		
Income Tax	10.59	1,404.81
Excise Duty	48.87	44.20
Sales Tax	1,178.30	1,178.30
Local Body Tax	0.00	383.06
Maharashtra State Electricity Board (MSEB)	27.72	27.72
TOTAL	1,265.48	3,038.09

- b) The Company has given counter-guarantees for Rs. 4,342.99 Lakhs (Previous Year Rs. 6,606.34 Lakhs) to Banks in respect of guarantees given by the Banks to third parties for Purchase of Equipments, Supply of Goods, Clearance of Goods from Customs, Excise Bonds, etc.
- c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to Rs. 14,797.71 Lakhs (Previous Year Rs. 22,506.53 Lakhs).
- d) Bills of Exchange discounted under Bill Marketing Scheme amount to Rs. 2,947.15 Lakhs (Previous Year Rs. 3,174.72 Lakhs).

36. FINANCIAL AND DERIVATIVES INSTRUMENTS

- a) Derivatives contracts entered into by the company and outstanding as on 31st March, 2016: i) Forward Contract is Rs. 2,079.05 Lakhs (Previous Year Rs. 1,864.86 Lakhs).
- b) Foreign Currency Exposure that are not hedged by derivatives instruments as on 31st March, 2016 amounts to Rs. 8,696.81 Lakhs (Previous Year Rs. 7,323.28 Lakhs). The unhedged exposures are naturally hedged by future foreign currency earning and earnings linked to foreign currency.

37. The company is required to spend an amount of Rs. 35.35 Lakhs (Previous Year Rs. 41.05 Lakhs) during the year on CSR expenditure as per the Section 135 of the Companies Act, 2013 read with Schedule VII thereof and company has spent Rs. 60 Lakhs (Previous Year Rs. 60 Lakhs) during the year by way of contribution to the fund of Garware Charitable Trust.

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

As per our report of even date

For **Manubhai & Shah LLP**

Chartered Accountants

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

P. N. SHAH

Partner

M.No.: 001738

Mumbai, 25th May, 2016

As per our report of even date

For **Kirtane & Pandit LLP**

Chartered Accountants

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

SUHAS DESHPANDE

Managing Partner

M.No.: 031787

Mumbai, 25th May, 2016

For and on behalf of the Board of Directors

S. B. GARWARE

Chairman &
Managing Director

T. M. PARIKH

Director

GOKUL D. NAIK

Chief Financial Officer

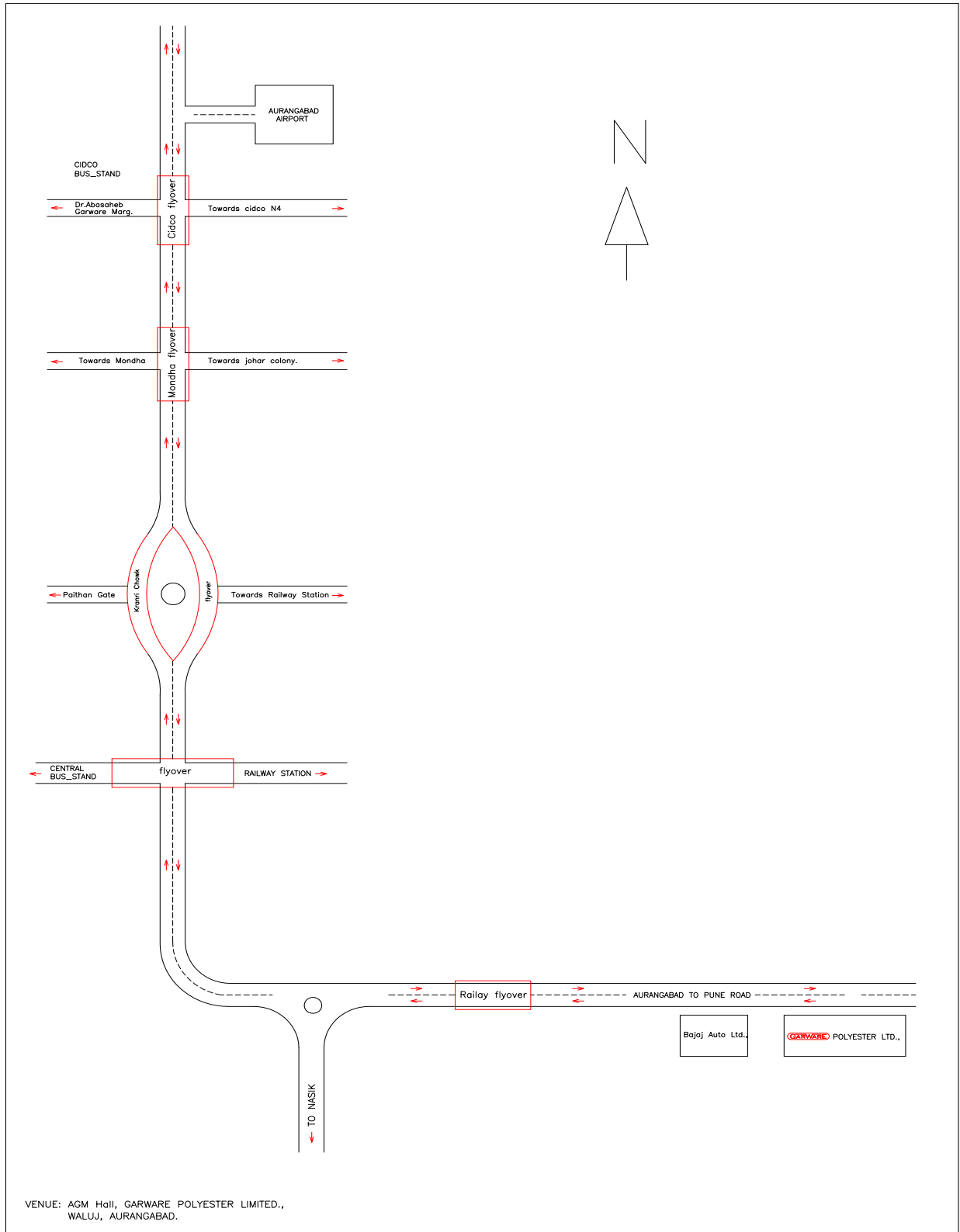
M. S. ADSUL

Director (Technical)

NIMESH S. SHAH

Company Secretary &
Vice-President (Legal)

ROUTE MAP FOR AGM





GARWARE POLYESTER LIMITED

CIN: L10889MH1957PLC010889

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

ATTENDANCE SLIP (To be presented at the entrance)

Name of the Shareholder or Proxy _____

DP ID _____ Folio No. / Client ID _____

I / We hereby record my / our presence at the 59th ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad – 431 133 on Wednesday, September 21, 2016 at 11.30 a.m.

Signature of the Member/Proxy

PROXY FORM

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

GARWARE POLYESTER LIMITED

CIN: L10889MH1957PLC010889

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

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No./Client ID No./DP ID No. :

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

1. Name : E-mail Id :

Address : Signature :

or failing him/her

2. Name : E-mail Id :

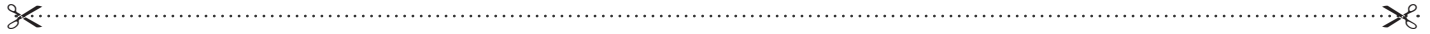
Address : Signature :

or failing him/her

3. Name : E-mail Id :

Address : Signature :

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 59th Annual General Meeting of the Company, to be held on Wednesday, September 21, 2016 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad – 431 133 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	RESOLUTIONS	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements for the year ended 31 st March, 2016 with reports.		
2.	Re-appointment of Mrs. Sarita Garware Ramsay, who retires by rotation.		
3.	Re-appointment of Ms. Sonia Garware, who retires by rotation.		
4.	Ratification of appointment of M/s. Manubhai & Shah, LLP, Chartered Accountants, as Statutory Auditors of the Company.		
Special Business			
5.	Appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants, as Joint Statutory Auditor of the Company.		
6.	Ratification of Cost Auditor Remuneration.		

Signed thisday of2016

Signature of shareholder

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

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 59th Annual General Meeting.
3. *It is optional to put a ' X ' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of members(s) in above box before submission.
5. Appointment of Proxy does not prevent a member from personally attending in person if he/she so wishes.
6. In case of joint holder, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

