



Garware Polyester Limited

ANNUAL REPORT 2017-18

CORPORATE INFORMATION

BOARD OF DIRECTORS

S. B. Garware - Chairman & Managing Director
 Monika Garware Modi (Mrs.) - Vice Chairperson & Jt. Managing Director
 Sarita Garware Ramsay (Mrs.) - Jt. Managing Director
 Sonia Garware (Ms.)
 B. Moradian
 M. C. Agarwal (Dr.)
 Ramesh P. Makhija
 T. M. Parikh
 Nilesh R. Doshi
 B. D. Doshi (Appointed w. e. f. 16th October, 2017)
 C. J. Pathak (Appointed w. e. f. 16th October, 2017)
 M. S. Adsul - Director (Technical) (Resigned w. e. f. 16th October, 2017)
 N. P. Chapalgaonkar (Resigned w. e. f. 29th May, 2018)
 Vivekanand Heroor Kamath (Appointed w.e.f. 08th August, 2018)

COMPANY SECRETARY & VICE PRESIDENT (LEGAL)

Nimesh S. Shah

CHIEF FINANCIAL OFFICER

Manoj Gupta (Appointed w. e. f. 15th January, 2018)
 Sunil Dalmia (Resigned w. e. f. 07th September, 2017)

AUDIT COMMITTEE

T.M.Parikh - Chairman
 B. Moradian
 M. C. Agarwal
 Nilesh R. Doshi
 B. D. Doshi (Appointed w. e. f. 16th October, 2017)
 C. J. Pathak (Appointed w. e. f. 16th October, 2017)

STAKEHOLDERS' RELATIONSHIP COMMITTEE

M. C. Agarwal - Chairman
 Sarita Garware Ramsay (Resigned w.e.f. 16th October, 2017)
 B. Moradian
 B. D. Doshi (Appointed w. e. f. 16th October, 2017)

NOMINATION & REMUNERATION COMMITTEE

M. C. Agarwal - Chairman
 B. Moradian
 T. M. Parikh
 B. D. Doshi (Appointed w. e. f. 16th October, 2017)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sarita Garware Ramsay - Chairperson
 B. Moradian
 M. C. Agarwal
 B. D. Doshi (Appointed w. e. f. 16th October, 2017)

BANKERS

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

AUDITORS

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

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

SOLICITORS & ADVOCATES

Crawford Bayley & Co.
 Mumbai

REGISTERED OFFICE

Naigaon, Post Waluj,
 Aurangabad - 431 133.

CORPORATE OFFICE

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

WORKS

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

OFFICES

- 1) 527 - 528 Somdutt Chamber - II, Bhikaji Cama Place
 New Delhi - 110 066.
- 2) 37/1B, Hazra Road, Kolkata - 700 029.
- 3) Old No. 37, New No. 55,
 Ambercrest, 4th Floor, Pantheon Road Lane
 Egmore, Chennai - 600 008.

OVERSEAS OFFICE

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

REGISTRARS & TRANSFER AGENTS

Link Intime India Private Limited, Mumbai.

WEBSITE

www.garwarepoly.com

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NOTICE**GARWARE POLYESTER LIMITED**

CIN: L10889MH1957PLC010889

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

Website: www.garwarepoly.comEmail: cs@garwarepoly.com

Tel. No.: 022 6698 8000.

NOTICE IS HEREBY GIVEN THAT the 61st Annual General Meeting of the members of GARWARE POLYESTER LIMITED will be held on Friday, 28th September, 2018 at 11.30 a.m. at the Registered Office of the Company situated at Naigaon, Post Waluj, Aurangabad – 431 133 to transact the following businesses:

Ordinary Business:

1. To consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018, with the reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the report of the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. 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.
4. To appoint a Director in place of Ms. Sonia Garware (DIN: 00135995), who retires by rotation and being eligible, offers herself for re-appointment.
5. To consider the following resolution as an **Ordinary Resolution**: -
“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee and approval by the Board of Directors of the Company, the appointment of M/s. Manubhai & Shah, LLP, Chartered Accountants (Firm Registration Number: 106041W/W100136) be and is hereby ratified as the Statutory Auditors of the Company, to hold office from the conclusion of the 61st Annual General Meeting till the conclusion of the 62nd Annual General Meeting of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the auditors, and other out of pocket expenses if any, payable to them in connection with the audit work.”
6. To consider the following resolution as an **Ordinary Resolution**: -
“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee and approval by the Board of Directors, M/s. Kirtane & Pandit LLP, Chartered Accountants (Firm Registration Number: 105215W/W100057) be and are hereby appointed as the Joint Auditors of the Company for a period of two years i.e. from the conclusion of 61st Annual General Meeting till the conclusion of the 63rd Annual General Meeting at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the said M/s. Kirtane & Pandit LLP, and other out of pocket expenses if any, payable to them in connection with the audit work.”

Special Business:

7. To consider the following resolution as an **Ordinary Resolution**: -
“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, as may be amended from time to time, the remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) and other out-of-pocket expenses if any, payable to M/s. M. R. Pandit & Co., Cost Accountants (Firm's Registration No. 00268) who have been appointed by the

Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31st March, 2019 be and is hereby ratified.”

8. To consider the following resolution as a **Special Resolution**: -
“RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Chandrashekhar J. Pathak (DIN: 00601668), who was appointed by the Board of Directors, as an Additional Director pursuant to Section 161 of the Act and the Articles of Association of the Company, w.e.f. October 16, 2017 till this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of an Executive & Non Independent Director liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the Articles 90(1) and (2) of the Articles of Association of the Company and subject to other approvals as may be required, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Chandrashekhar J. Pathak to the office of Whole-Time Director of the Company for a tenure of three years i.e. from 16th October, 2017 to 15th October, 2020 upon the terms and conditions, including payment of remuneration, perquisites and benefits as set out in the agreement, with further liberty and power to the Board of Directors to grant annual increments and to alter and vary the said terms and conditions from time to time, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Chandrashekhar J. Pathak, in such manner as may be agreed upon between the Board of Directors and Mr. Chandrashekhar J. Pathak in the best interest of the Company but subject to the provisions contained in Schedule V of the Companies Act, 2013, as amended from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office as Whole-Time Director of Mr. Chandrashekhar J. Pathak, the remuneration and perquisites as set out in aforesaid agreement be paid to him as remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Schedule V to the Companies Act, 2013 as amended from time to time.”

9. To consider the following resolution as a **Special Resolution**: -
“RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Bhupat D. Doshi (DIN: 02950198), who was appointed by the Board of Directors, as an Additional Director pursuant to Section 161 of the Act and the Articles 90(1) (2) of the Articles of Association of the Company, w.e.f. October 16, 2017 till the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive & Non-Independent Director liable to retire by rotation.”

10. To consider the following resolution as a **Special Resolution**:-
“RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vivekanand Heroor Kamath (DIN:07260441), who was appointed by the Board of Directors, as an Additional Director pursuant to Section 161 of the Act and the Articles 90(1) (2) of the Articles of Association of the Company, w.e.f. August 08, 2018 till the date of this Annual General Meeting and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive & Independent Director of the Company.”

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vivekanand Heroor Kamath, Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for a first term of five consecutive years w.e.f. 8th August, 2018 to 7th August, 2023, and he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

11. To consider the following resolution as a **Special Resolution**:-
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Tushar M. Parikh (DIN:00049287), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years w.e.f. 1st April, 2019 to 31st March, 2024 and he shall not be liable to retire by rotation hereinafter in accordance with the provisions of the Companies Act, 2013.”

12. To consider the following resolution as a **Special Resolution**:-
“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approvals of Central Government (Ministry of Corporate Affairs – Delhi), as may be required, approval of the Members of the Company be and is here accorded to re-appoint Mrs. Monika Garware Modi (DIN: 00143400) as a Joint Managing Director of the Company for a period of three years w.e.f. 1st November, 2018 to 31st October, 2021, on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay

to Mrs. Monika Garware Modi the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration.”

13. To consider the following resolution as a **Special Resolution**:-
“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approvals of Central Government (Ministry of Corporate Affairs – Delhi), as may be required, approval of the Members of the Company be and is here accorded to re-appoint Mrs. Sarita Garware Ramsay (DIN: 00136048) as a Joint Managing Director of the Company for a period of three years w.e.f. 1st November, 2018 to 31st October, 2021, on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting.

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

14. To consider the following resolution as an **Ordinary Resolution**:-
“RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”) of the Company to contribute, from time to time, to charitable and other funds not relating to the business of the Company or the welfare of the employee, any amount, the aggregate of which will not in any financial year exceed ₹ 12,00,00,000/- (Rupees Twelve Crore Only) or 5% of the Company’s average net profits, as determined in accordance with the provisions of Section 198 of the Companies Act, 2013 during the three financial years immediately preceding, whichever is higher, notwithstanding that the aggregate of such contributions may be in excess of the limits laid down in the said Section 181 of the Companies Act, 2013.”

By Order of the Board of Directors
For Garware Polyester Limited

Place: Mumbai
 Date: August 08, 2018

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the ‘Meeting’) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.

If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, if the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before the

- commencement of the meeting i.e. by 11.30 a.m. on Wednesday, 26th September, 2018.
- A Proxy Form is attached herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
- 2 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Item No. 6 to 14 of the Notice is annexed hereto.
 - 3 Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 15 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
 - 4 The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 17th September, 2018 to Saturday, 22nd September, 2018 (both days inclusive).
 - 5 If dividend on Equity Shares, as recommended by the Board, is declared at the AGM, it will be paid on Saturday, 06th October, 2018 as under:
 - (i) To all Beneficial Owners in respect of shares held in electronic form, as per details furnished by the Depositories for this purpose as on the beginning of Saturday, 15th September, 2018.
 - (ii) To all the Members in respect of shares held in physical form, whose names are on the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company as of the close of business hours on Saturday, 15th September, 2018.
 - 6 **Payment of dividend through electronic means:**
 - (i) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents, Link Intime India Pvt. Ltd. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
 - (ii) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
 - 7 Members are requested to notify immediately any change in their addresses directly to their Depository Participant in case they hold shares in dematerialized form or to the Company's Registrars & Share Transfer Agents, in case they hold shares in physical form.
 - 8 The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders to ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post, etc.
The Company has uploaded the information in respect of the Unclaimed Dividends for the financial years 2009-10, 2010-11 & 2011-12, as on the 60th Annual General Meeting (AGM) held on 27th September, 2017 on the website of IEPF viz. www.iepf.gov.in.
 - 9 Unclaimed dividend for the Financial Years 2010-11 (Final), 2011-12 and 2016-17 are still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed the dividend warrants for the said financial years are requested to contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited at the address provided in Point No. 15 - XIV below.
 - 9 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company at its Mumbai Office.
 - 10 SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of PAN card to the Company.
 - 11 Information required under Regulation 36(3) of the Listing Regulations (relating to Corporate Governance) and Secretarial Standard-2 on the General Meeting with respect to the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
 - 12 A route map showing directions to reach the venue of the 61st AGM is given along with this Annual Report as per the requirement of "Secretarial Standard-2" on General Meeting.
 - 13 Electronic copy of the Annual Report for 2017-18 and Notice of the 61st 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 physical copy of the same. For members who have not registered their email address, physical copies of the Notice of the 61st 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 by the permitted mode.
 - 14 Members may also note that the Notice of the 61st Annual General Meeting, Attendance Slip, Proxy Form, Poll Paper, Route Map and the Annual Report for the year 2018 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
 - 15 **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 61st 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 poll paper shall be made available at the venue of 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 poll 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 Monday, 24th September, 2018 (9:00 am) and ends on Thursday, 27th September, 2018 (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 Friday, 21st September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 21st September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

- V. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- VI. *The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "**Forgot User Details/Password?**"
(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nilesh@ngshah.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

- 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.
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + ClientID).
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).
- IX You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- X The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of Friday, 21st September, 2018.
- XI Mr. Nilesh G. Shah, Practicing Company Secretary (Membership No. FCS-4554, CP No. 2631) or failing him Mr. Mahesh Darji, Practicing Company Secretary (Membership No. FCS-7175, CP No. 7809) Representing Nilesh Shah and Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XII The Scrutinizer shall after the conclusion of voting at an AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours of the conclusion of an AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, submit it 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 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai - 400 083.
Tel. No. 022- 491 86000; Fax : 022-49186060.

16 Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Share Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this annual report. Members holding shares in physical form are requested to submit the filled in form to the Company or Link Intime India Pvt. Ltd. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

- 17 Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

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

Place: Mumbai
Date: August 08, 2018

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

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

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

The Board of Directors of the Company consider that it is necessary to re-appoint of M/s. Kirtane & Pandit, LLP, Chartered Accountants (Firm Registration Number:105215W/W100057) as Joint Auditor to hold the office along with the existing Statutory Auditors of the Company for next two years i.e. from the conclusion of 61st Annual General Meeting till the Conclusion of 63rd Annual General Meeting of the Company. M/s. Kirtane & Pandit, LLP, Chartered Accountants were first appointed as Joint Auditor at the 59th Annual General Meeting of the Company held on 21st September, 2016.

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

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

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

Item No. 7

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. M. R. Pandit & Co., Cost Accountants, to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2019.

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, 2019, as set out in the Resolution for the aforesaid services to be rendered by them.

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

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

Item No. 8

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Chandrashekhar J. Pathak aged 64 years as an Additional Director of the Company w.e.f. October 16, 2017 in the category of Executive & Non Independent Director. Pursuant to the provisions of Section 161(1) of the Act and Article 90(1) and (2) of the Articles of Association of the Company, he holds office upto the date of this AGM and is eligible to be appointed as Director, whose office shall be liable to retire by rotation. The Company has received a notice under Section 160 of the Companies Act, 2013 from a Member signifying its intention to propose the candidature of Mr. Chandrashekhar J. Pathak as a Whole Time Director of the Company.

The above Notice is available for inspection by the Members of the Company at the Registered Office during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

He holds degree in M.COM, L.L.B, BDM, Inter CS & Inter CWA. He is associated with Garware Polyester Limited from last 36 years. He was

President of the Company and it would be in the interest of the Company to avail of the valuable experience and guidance from him.

The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 16th October, 2017 appointed him as a Whole-Time Director of the Company for a term of three years w.e.f. 16th October, 2017 on the terms and conditions including remuneration as set out in the agreement subject to the necessary approvals.

The salient features of the agreement between the Company and Mr. Chandrashekhar J. Pathak, are set out below: -

- (a) SALARY : ₹ 3,00,000/- per month.
- (b) PERQUISITIES : In addition to the salary, he will, be entitled to perquisites in the form of a car with driver, reimbursement of petrol expenses, and telephone/mobile bills, subject to maximum of ₹ 75,000/- per month.
: He shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration.
- (c) He will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.
- (d) He will also be entitled to receive from the Company traveling, hotel and other expenses incurred in performance of the duties on behalf of the Company.
- (e) In the event of any dispute or difference arising at any time between him and the Company in respect of the Agreement or the construction thereof, the same shall be submitted to and be decided by arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- (f) He will not, so long as he functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without prior approval of the Central Government.
- (g) In the event of inadequacy or absence of profit the remuneration payable to him shall be governed by the provisions of Schedule V of the Companies Act, 2013.
- (h) This Agreement can be terminated by giving one month's Notice on either side.
- (i) Indemnity: Subject to the provisions of the Companies Act, 2013, the Articles of Association of the Company and any other statutory provisions in this regard. He will be indemnified and be kept indemnified by the Company against all costs, charges, losses, remedies, actions and consequences which he may incur or become liable to, in the course of or arising out of performance of his duties under this Agreement or otherwise, for any act, deed, matter or thing done, concurred in or omitted by him in any way, in or about the execution or performance or discharge of his duties, generally without in any way limiting the scope of this indemnity.

The Agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 8 of the accompanying notice will be open for inspection by the Members at the Registered Office of the Company during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

Further details of Mr. Chandrashekhar J. Pathak have been given in the Annexure to this Notice.

He is interested in the resolution as set out at Item No. 8 of the Notice with regard to his appointment. Relatives of him may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends this Special Resolution as set out at Item No. 8 of the accompanying Notice for approval by the members.

Item No. 9

The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee appointed Mr. Bhupat D. Doshi, aged 74 as an Additional Director of the Company w.e.f. October 16, 2017 in the category of a Non-Executive & Non Independent Director. Pursuant to the provisions of Section 161(1) of the Act and Article 90(1) (2) of the Articles of Association of the Company, he holds office upto the date of this AGM and is eligible to be appointed as Director, whose office shall be liable to retire by rotation. The Company has received a notice under Section 160 of the Companies Act, 2013 from a Member signifying its intention to propose the candidature of Mr. Bhupat D. Doshi as a Director of the Company. The above Notice is available for inspection by the Members of the Company at the Registered Office during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

He is holding a Bachelor's degree in Commerce from the Bombay University and he is member of the Institute of Company Secretaries of India.

He has joined Garware Polyester Limited (GPL) as a Company Secretary in the year 1984. After retiring from the services, he was associated with the Company as a consultant and advisor to the Company/Group, looking after the corporate affairs.

The Management feels that his knowledge and experience will be useful by inducting him in the Board.

Further, details of Mr. Bhupat D. Doshi have been given in the Annexure to this Notice.

He is interested in the resolution as set out at Item No. 9 of the Notice with regard to his appointment. Relatives of him may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board of Directors recommends the Special Resolution as set out at Item No. 9 of the accompanying Notice for approval of the Members.

Item No. 10

The Board of Directors on the recommendation of the Nomination & Remuneration Committee appointed Mr. Vivekanand Heroor Kamath, aged 62 as an Additional Director of the Company w.e.f. August 08, 2018 in the category of a Non-Executive & Independent Director. Pursuant to the provisions of Section 161(1) of the Act and Article 90(1) (2) of the Articles of Association of the Company, he holds office upto the date of this AGM and is eligible to be appointed as Non-Executive & Independent Director.

Mr. Vivekanand Heroor Kamath holds a degree of Bsc., DBM (IMC) CAIIB (both parts). He is a retired Banker.

After considering his background and banking experience, the Board considers that it would be beneficial and desirable in the interest of the Company, to avail Mr. Vivekanand Heroor Kamath's services as an Independent Director. Accordingly, it is proposed to appoint Mr. Vivekanand Heroor Kamath as an Independent Director on the Board of the Company for a first term of 5 (five) consecutive years w.e.f. August 08, 2018, not liable to retire by rotation.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from him stating that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Additional details of Mr. Vivekanand Heroor Kamath have been given in the Annexure to this Notice.

Copy of the draft letter of appointment proposed to be issued to Mr. Vivekanand Heroor Kamath setting out the terms and conditions of his appointment is available for inspection by the Members at the registered office of the Company during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

Mr. Vivekanand Heroor Kamath is interested in the resolution as set out at Item No. 10. of the Notice with regard to his appointment. Relatives of Mr. Vivekanand Heroor Kamath may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board of Directors recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for approval of the Members.

Item No. 11

Mr. T. M. Parikh is an Independent Non-Executive Director of the Company. He is a Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee of the Board of Directors of the Company. He joined the Board on 27th December, 2013.

He hold the office for a period of 5 (five) consecutive years for a term upto 31st March, 2019 ("first term"), as approved by the Members of the Company in their 57th AGM held on 25th September, 2014.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended the re-appointment of Mr. T. M. Parikh as an Independent Director for the second term of 5 (five) consecutive years i.e. from 1st April, 2019 to 31st March, 2024 on the Board of the Company.

The Board, considers that it would be beneficial and desirable in the interest of the Company, to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. T. M. Parikh as an Independent Director on the Board of the Company for a second term of 5 (five) consecutive years, not liable to retire by rotation.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has also received declaration from him that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Additional details of Mr. T. M. Parikh have been given in the Annexure to this Notice.

Copy of the draft letter of appointment proposed to be issued to Mr. T. M. Parikh setting out the terms and conditions of his appointment is available for inspection by the Members at the registered office of the Company during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

He is interested in the resolution as set out at Item No. 11 of the Notice with regard to his re-appointment. Relatives of Mr. T. M. Parikh may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board of Directors recommends the Special Resolution as set out at Item No. 11 of the accompanying Notice for approval of the Members.

Item No. 12

Mrs. Monika Garware Modi was re-appointed as Joint Managing Director of the Company by the members at the 56th Annual General Meeting (AGM) held on 26th September, 2013 for a period of five years w.e.f. 1st November, 2013 and the terms of her remuneration were approved by the members at the said Annual General Meeting.

The Central Government vide their letter dated 30th July, 2014 has approved her re-appointment for a period of five years w.e.f. 1st November, 2013 to 31st October, 2018 and payment of remuneration was approved only for first five months i.e. for the period from 1st November, 2013 to 31st March, 2014.

Further remuneration for the financial year 2014-15, 2015-16, and 2016-17 was approved vide Central Government's letter dated 08th June, 2015 and remuneration for the period from 1st April, 2017 to 31st October, 2018 was approved vide Central Government's letter dated 7th November, 2017.

Mrs. Monika Garware Modi has been associated with the Company from April, 1989. She has graduated from Vasaar College, U.S.A. and subsequently completed her M.B.A. from Lubin Business School, Pace University, New York, U.S.A. She has requisite knowledge and experience to manage the corporate affairs division of the Company.

The Nomination and Remuneration Committee decided to re-appoint her for a further period of 3 years and fixed the remuneration accordingly. Her re-appointment for a fresh term of three years effective from 1st November, 2018 till 31st October, 2021 on terms and conditions as set out in the draft agreement was approved by the nomination and remuneration committee at its meeting held on 08th August, 2018.

The Board of Directors at their meeting held on 08th August, 2018 based on the recommendations of the Nomination and Remuneration Committee considered and approved her re-appointment as Joint Managing Director of the Company and the revised terms and conditions of remuneration and allowances payable to her in accordance with the provisions of Section 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders and Central Government (Ministry of Corporate Affairs, Delhi) as it is required.

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

Name of the Director	: Mrs. Monika Garware Modi
Director Identification Number	: 00143400
Date of Birth and Age	: 04.06.1963 - 55 years
Date of joining the Board	: 31.03.1989

Profile of the Director

Mrs. Monika Garware Modi has been associated with the Company from April, 1989 and later on appointed as the Vice-Chairperson in the year

2002. She graduated from Vasaar College, U.S.A. and subsequently completed her M.B.A. degree from Lubin Business School, Pace University, New York, U.S.A. She has requisite knowledge and experience to manage the corporate affairs division of the Company. She manages the finance vertical of the organization comprising of fund raising and fund management, audit, taxation, Capex and inventory management. Additionally, she monitors the 'Safety' and adherence to 'TPM', 'ISO' norms etc. She is also responsible for the business development and other strategic issues of the Company.

No. of Shares held in the Company: 2,67,504

Directorships and Committee memberships in other companies*:

1. Garware Industries Ltd.
2. Cadila Pharmaceuticals Ltd.
3. Casil Health Products Ltd.
4. Karnavati Engineering Ltd.
5. IRM Ltd.
6. Apollo Hospitals International Ltd.
7. Green Channel Logi-Solutions Ltd.
8. B. D. Garware Research Centre
9. Breach Candy Hospital Trust.

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

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

- a) Basic Salary:** ₹ 16,83,000/- per month from 1st November, 2018. (With an annual increase of 10% per annum w.e.f. 1st April, 2019 till the expiry of the term).
- b) Perquisites & Allowances:** Mrs. Monika Garware Modi will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary.
Mrs. Monika Garware Modi shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:-
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
 - iii) Encashment of leave at the end of her tenure.
- c) Commission:** She will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.

- d) She will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) She will also be entitled to receive from the Company travelling, hotel and other expenses incurred by her in performance of her duties on behalf of the Company.
- g) She will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.
The re-appointment and remuneration payable to her as Joint Managing Director of the Company has been approved by the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 08th August, 2018.

The draft agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 12 of the accompanying notice will be open for inspection by the Members at the Registered Office of the Company during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

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

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

Remuneration paid / payable to her as a Joint Managing Director of the Company is commensurate with industry standards and Board Level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by her.

The remuneration paid to her for Financial Year 2017-18 was ₹ 260.33 Lakhs excluding leave encashment and Gratuity.

The Board of Directors are of the opinion that the re-appointment and payment of remuneration as contained in this resolution to Mrs. Monika Garware Modi as the Joint Managing Director is in the best interest of the Company and accordingly, recommend the resolution as set out in Items No. 12 of this notice for approval of the members.

Mrs. Monika Garware Modi is interested in the resolution set out at Item No. 12. of the Notice with regard to her re-appointment and payment of remuneration. Relatives of her may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013.

Your Directors recommend this resolution as set out at Item No. 12 of the accompanying Notice for approval of the members.

'Annexure – A'

Statement as per item (iv) of third provision of Section II of Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item Nos. 12 of the Notice for the 61st Annual General Meeting of Garware Polyester Limited.

I. General Information:

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

4 Financial performance based on given indicators:

₹ In Lakhs

Sr. No.	Particulars	2017-18	2016-17	2015-16
i)	Turnover (Gross)	83,190.35	90,433.32	88,762.33
ii)	Profit Before Tax	5,083.45	3,253.26	2,533.43
iii)	Net Profit	3,376.32	2,187.57	1,738.68
iv)	Paid-up Share Capital	2,323.24	2,323.24	2,325.31
v)	Reserves & Surplus	126,762.76	122,979.65	56,116.81
vi)	Dividend Payout	559.24	279.62	NIL

- 5 Export performance and net foreign exchange collaborations: The Company had foreign exchange earnings of ₹ 491.58 Crores during the financial year 2017-18 as compared to ₹ 456.95 Crores during the financial year 2016-17.

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

II Information about Mrs. Monika Garware Modi

1. Background Details:

She graduated from Vasaar College, in U.S.A. and subsequently completed her M.B.A. degree from Lubin Business School, Pace University, New York, U.S.A. With her immense knowledge and experience, she has been able to manage the functions of corporate affairs division of the Company.

She has been associated with the Company as a Whole Time Director since April, 1989. The Board of Director elevated her to the position of Joint Managing Director w.e.f. 1st July, 2003. Since then she has been effectively and efficiently discharging her duties and responsibilities to the Company.

2. Past Remuneration:

Financial Years	Amount (In ₹)	Remarks
2015-16	2,32,59,000/	Approved by Central Government vide letter No. SRN C36972115/2014-CL.VII dated 08 th June, 2015
2016-17	2,55,74,000/-	Approved by Central Government vide letter No. SRN C36972115/2014-CL.VII dated 08 th June, 2015
2017-18	2,38,68,000/-	Approved by Central Government vide letter No. SRN G32067225/4/2017-CL-VII dated 07 th November, 2017
01/4/2018 to 31/10/2018	1,53,21,000/-	Approved by Central Government vide letter No. SRN G32067225/4/2017-CL-VII dated 07 th November, 2017

3. **Recognition or awards:** NIL.

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

She has been associated with the Company as a Whole Time Director since last 29 years effectively from April 1989. Later on she was appointed as the Vice-Chairperson in the year 2002. Mrs. Monika Garware Modi is managing the business finance vertical of the Company comprising of fund raising and fund management, audit, taxation, Capex and inventory management. Additionally, she is monitoring the 'Safety' and adherence to 'TPM', 'ISO' norms etc. She is also responsible for the business development and other strategic issues of the Company.

5. **Remuneration proposed:**

a) **Basic Salary:**

₹ 16,83,000 per month. (With an annual increase of 10% per annum w.e.f. 1st April, 2019 till the expiry of the term).

b) **Perquisites & Allowances:**

I She will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of the Basic Salary. Mrs. Monika Garware Modi shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration.

II Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

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

IV Encashment of leave at the end of her tenure.

c) **Commission:**

She will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.

d) She will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.

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

f) She will also be entitled to receive from the Company traveling, hotel and other expenses incurred by her in the performance of her duties on behalf of the Company.

g) She will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.

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

1) Total Remuneration payable subject to approval of shareholders and Central Government, Ministry of Corporate Affairs which are mentioned below (Period wise for 3 years) to her for the period 01.11.2018 to 31.10.2021 is ₹ 1094.65 Lakhs including all Retirement Benefits:

₹ In Lakhs

Sr. No.	Period	Amount
1	01.11.2018 to 31.03.2019 (for 5 Months)	134.68
2	01.04.2019 to 31.03.2020 (for 12 Months)	340.37
3	01.04.2020 to 31.03.2021 (for 12 Months)	374.24
4	01.04.2021 to 31.10.2021 (for 7 Months)	245.36

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

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

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

Mrs. Monika Garware Modi is a promoter-director, holding 2,67,504 equity shares of ₹ 10/- each representing 1.15% of the total paid-up capital of the Company. She is holding 5,73,917 equity shares of ₹ 10/- each representing 2.47% of the total paid-up capital of the Company as a Trustee of Monika Garware Modi Benefit Trust. Shri. S. B. Garware, Chairman & Managing Director is the father of Mrs. Monika Garware Modi. Mrs. Sarita Garware Ramsay and Ms. Sonia Garware are sisters of Mrs. Monika Garware Modi.

III **Other information:**

1. **Reasons of loss or inadequate profits:** During the financial year 2016-17 & 2017-18, the turnover and profitability of the Company has not adequate due to:-

a) Supreme Court's Judgments;

i) Imposing ban on the usage of polyester film for 'Gutka / Pan Masala' packaging thereby reducing the domestic market size by around 1,00,000 Metric Tonnes per annum and drop in annual turnover to the extent of ₹ 150 Crores.

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

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

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

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

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

₹ In Crores

Particulars	Year ending 31/03/2018 (Audited)	Year ending 31/03/2019 (Budgeted)	Year ending 31/03/2020 (Projected)	Year ending 31/03/2021 (Projected)
Turn over (Net)	823.25	864.42	907.64	953.02
PBT	50.83	70.00	85.00	100.00
PAT	33.76	46.49	56.45	66.41

Item No. 13.

Mrs. Sarita Garware Ramsay was re-appointed as Joint Managing Director of the Company by the members at the 56th Annual General Meeting (AGM) held on 26th September, 2013 for a period of five years w.e.f. 1st November, 2013 and the terms of her remuneration was approved by the members at the said Annual General Meeting.

The Central Government vide their letter dated 30th July, 2014 has approved her re-appointment for a period of five years w.e.f. 1st November, 2013 to 31st October, 2018 and payment of remuneration was approved only for first 5 months i.e. for the period from 1st November, 2013 to 31st March, 2014.

Further remuneration for the financial year 2014-15, 2015-16, and 2016-17 was approved vide Central Government's letter dated 15th May, 2015 and remuneration for the period from 1st April, 2017 to 31st October, 2018 was approved vide Central Government's letter dated 7th November, 2017.

Mrs. Sarita Garware Ramsay has been associated with the Company as Director since 1993. She holds an M.B.A. degree from European University in Switzerland with specialisation in marketing. She has requisite knowledge and experience to manage the corporate affairs division of the Company. She is looking after legal, secretarial, human resource and property related matters of the Company. She is instrumental in devising the strategies for managing the Intellectual Property Rights of the Organization, both in India and overseas.

The Nomination and Remuneration Committee decided to re-appoint her for a further period of 3 years and fixed the remuneration accordingly. Her re-appointment for a fresh term of three years effective from 1st November, 2018 till 31st October, 2021 on terms and conditions as set out in the draft agreement was approved by the nomination and remuneration committee at its meeting held on 08th August, 2018.

The Board of Directors at their meeting held on 08th August, 2018 based on the recommendations of the Nomination and Remuneration Committee, considered and approved her re-appointment as Joint Managing Director of the Company and the revised terms and conditions of remuneration and allowances payable to her in accordance with the provisions of Section 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders and Central Government (Ministry of Corporate Affairs, Delhi) as may be required.

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

Name of the Director : Mrs. Sarita Garware Ramsay

Director Identification Number : 00136048

Date of Birth and Age : 25.10.1967 – 51 Years

Date of joining the Board : 24.12.1993

Profile of the Director

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

She joined the Company as Director in December 1993 and was appointed as a Whole-time Director from April 1994 to March 1997. The Board of Directors elevated her as Joint Managing Director for a term of five years w.e.f. 1st July, 2002. Since then, Mrs. Sarita Garware Ramsay is on the Board of the Company designated as Joint Managing Director. She is looking after the legal, secretarial, human resource and

the property related matters of the Company. She is instrumental in devising the strategies for managing the Intellectual Property Rights of the Organization both in India and overseas.

No. of Shares held in the Company: 2,67,810

Directorships and Committee memberships in other companies*:

1. Garware Industries Ltd.

*Directorships in Garware Polyester Limited is not included in the aforesaid disclosure. Also directorship in Private Limited Companies, Foreign Companies and their Committee memberships are excluded.

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

- a) Basic Salary:** ₹ 15,36,000/- per month w.e.f. 1st November, 2018. (With an annual increase of 10% per annum w.e.f. 1st April, 2019 till the expiry of the term.)
- b) Perquisites & Allowances:** Mrs. Sarita Garware Ramsay will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary.

Mrs. Sarita Garware Ramsay shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration: -
 - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
 - iii) Encashment of leave at the end of her tenure.
- c) Commission:** She will be paid commission equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.
- d)** She will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e)** She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f)** She will also be entitled to receive from the Company travelling, hotel and other expenses incurred by her in performance of her duties on behalf of the Company.
- g)** She will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.

The re-appointment and remuneration payable to her as Joint Managing Director of the Company has been approved by the Nomination and Remuneration Committee of the Board of Directors at its meeting held on 08th August, 2018.

The draft Agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 13 of the accompanying notice will be open for inspection by the Members at the Registered Office of the Company during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

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

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

Remuneration paid / payable to her as Joint Managing Director of the Company for FY 2017-18 is commensurate with industry standards and Board Level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by her.

The remuneration paid to her for Financial Year 2017-18 was ₹ 237.05 Lakhs excluding Leave encashment and Gratuity.

The Board of Directors are of the opinion that the re-appointment and payment of remuneration as contained in this resolution to Mrs. Sarita Garware Ramsay as the Joint Managing Director is in the best interest of the Company and accordingly, recommend the resolution as set out in Items No. 13 of this notice for approval of the members.

Mrs. Sarita Garware Ramsay is interested in the resolution set out at Item No. 13 of the Notice with regard to her re-appointment and payment of remuneration. Relatives of her may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013.

Your Directors recommend this resolution as set out at Item No.13 of the accompanying Notice for approval of the members.

'Annexure – A'

Statement as per item (iv) of third provision of Section II of Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item Nos. 13 of the Notice for the 61st Annual General Meeting of Garware Polyester Limited.

I. General Information:

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

₹ In Lakhs

Sr. No.	Particulars	2017-18	2016-17	2015-16
i)	Turnover (Gross)	83,190.35	90,433.32	88,762.33
ii)	Profit Before Tax	5,083.45	3,253.26	2,533.43
iii)	Net Profit	3,376.32	2,187.57	1,738.68
iv)	Paid-up Share Capital	2,323.24	2,323.24	2,325.31
v)	Reserves & Surplus	126,762.76	122,979.65	56,116.81
vi)	Dividend Payout	559.24	279.62	NIL

- 5 Export performance and net foreign exchange collaborations: The Company had foreign exchange earnings of ₹ 491.58 Crores during the financial year 2017-18 as compared to ₹ 456.95 Crores during the financial year 2016-17.

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

II Information about Mrs. Sarita Garware Ramsay**1. Background Details:**

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

2. Past Remuneration:

Financial Years	Amount (In ₹.)	Remarks
2015-16	2,12,45,000/-	Approved by Central Government vide letter No. SRN C36973212/2014-CL. VII dated 15th May, 2015.
2016-17	2,33,59,000/-	Approved by Central Government vide letter No. SRN C36973212/2014-CL. VII dated 15th May, 2015.
2017-18	2,17,95,000/-	Approved by Central Government vide letter No. SRN G32069304/4/2017-CL. VII dated 7 th November, 2017.
01/04/2018 to 31/10/2018	1,39,85,000/-	Approved by Central Government vide letter No. SRN G32069304/4/2017-CL. VII dated 7 th November, 2017.

3. Recognition or awards: NIL.

4. Job profile and her suitability:

She joined the Company as Director in December 1993 and was appointed a Whole-time Director from April 1994 to March 1997. The Board of Directors elevated Mrs. Sarita Garware Ramsay as Joint Managing Director for a term of five years w.e.f. 1st July 2002. Since then Mrs. Sarita Garware Ramsay is on the Board of the Company designated as Joint Managing Director. She is looking after the legal, secretarial, human resource and the property matters of the whole group companies. Besides that she is instrumental in devising the strategies for managing the Intellectual Property Rights of the Organization both in India and overseas.

5. Remuneration proposed:**a) Basic Salary:**

₹ 15,36,000/- per month. (With an annual increase of 10% per annum w.e.f. 1st April, 2019 till the expiry of the term).

b) Perquisites & Allowances:

I She will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of the Basic Salary. Mrs. Sarita Garware Ramsay shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

II Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

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

IV Encashment of leave at the end of her tenure.

c) Commission:

She will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.

d) She will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.

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

f) She will also be entitled to receive from the Company

traveling, hotel and other expenses incurred by her in the performance of her duties on behalf of the Company.

- g) She will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.

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

Total Remuneration payable subject to approval of shareholders and Central Government, Ministry of Corporate Affairs which are mentioned below (Period wise for 3 years) to her for the period 01.11.2018 to 31.10.2021 is ₹ 999.00 Lakhs including all Retirement Benefits:

₹ In Lakhs

Sr. No.	Period	Amount
1	01.11.2018 to 31.03.2019 (for 5 Months)	122.97
2	01.04.2019 to 31.03.2020 (for 12 Months)	310.71
3	01.04.2020 to 31.03.2021 (for 12 Months)	341.47
4	01.04.2021 to 31.10.2021 (for 7 Months)	223.85

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

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

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

Mrs. Sarita Garware Ramsay is a promoter-director, holding 2,67,810 equity shares of ₹ 10/- each representing 1.15% of the total paid-up of the Company. She is holding 5,73,917 equity shares of ₹ 10/- each representing 2.47% of the total paid-up capital of the Company as a Trustee of Sarita Garware Benefit Trust. Shri. S. B. Garware, Chairman & Managing Director is the father of Mrs. Sarita Garware Ramsay. Mrs. Monika Garware Modi and Ms. Sonia Garware are sisters of Mrs. Sarita Garware Ramsay.

III Other information:

1. **Reasons of loss or inadequate profits:** During the financial year 2016-17 & 2017-18, the turnover and profitability of the Company has not adequate due to:-

- a) Supreme Court's Judgments;
- i) Imposing ban on the usage of polyester film for 'Gutka / Pan Masala' packaging thereby reducing the domestic market size by around 1,00,000 MT per annum and drop in annual turnover to the extent of ₹ 150 Crores.
- ii) Prohibiting usage of solar control polyester films

of any visual light transmission for automotive application has drastically affected the top and bottom-lines of the Company and impacting a drop in annual turnover of ₹ 130 Crores approximately.

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

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

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

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

₹ In Crores

Particulars	Year ending 31/03/2018 (Audited)	Year ending 31/03/2019 (Budgeted)	Year ending 31/03/2020 (Projected)	Year ending 31/03/2021 (Projected)
Turn over (Net)	823.25	864.42	907.64	953.02
PBT	50.83	70.00	85.00	100.00
PAT	33.76	46.49	56.45	66.41

Item No. 14

Considering Company's obligations towards social, educational, philanthropic and other welfare activities, it would be necessary to increase the contribution/donation towards charitable and other welfare funds from time to time. The consent of the members is therefore sought to contribute/donate any amounts, the aggregate of which in any financial year will not exceed ₹ 12,00,00,000/- (Rupees Twelve Crore only) or 5% of the Company's average net profits, as determined in accordance with the provisions of Section 181 of the Act, during the three financial years immediately preceding, whichever is higher.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Your Directors recommend this resolution as set out at Item No. 14 of the accompanying Notice for approval of the members.

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

Name of the Director	Mrs. Monika Garware Modi	Mrs. Sarita Garware Ramsay	Ms. Sonia Garware
Date of Birth & Age	04.06.1963 55 years	25.10.1967 51 years	24.07.1971 47 years
Date of Appointment on the Board	31.03.1989	24.12.1993	31.01.2007
Qualifications	M. B. A from U.S.A.	M. B. A. from European University in Switzerland	M. B. A. from, Boston College USA.
Expertise in specific functional areas	Wide experience in Business Finance, fund raising and fund management, audit, taxation, Capex	Wide experience in Marketing	Wide experience in Finance, Marketing & Strategic Management
Directorship(s) held in other public companies	1) Garware Industries Ltd. 2) Cadila Pharmaceuticals Ltd. 3) Casil Health Products Ltd. 4) Karnavati Engineering Ltd. 5) IRM Ltd. 6) Apollo Hospitals International Ltd. 7) Green Channel Logi+Solutions Ltd. 8) B. D. Garware Research Centre 9) Breach Candy Hospital Trust	1) Garware Industries Ltd.	1) Garware Industries Ltd.
Chairmanships / Memberships of Committees of other public companies.	NIL	NIL	NIL
Shareholding in the Company as on 31.03.2018	2,67,504	2,67,810	2,68,595

Name of the Director	Mr. C. J. Pathak	Mr. B. D. Doshi	Mr. T. M. Parikh	Mr. Vivekanand H. Kamath
Date of Birth & Age	06.02.1954 64 years	22.05.1945 73 years	15.05.1949 69 years	18.12.1956 62 Years
Date of Appointment on the Board	16.10.2017	16.10.2017	27.12.2013	08.08.2018
Qualifications	M.Com & LLB.	B. Com, ACS	Chartered Accountant	Bsc., DBM (IMC), CAIIB
Expertise in specific functional areas	Wide experience in handling Factory Affairs.	Wide experience in Corporate Laws	Wide experience in Indirect Taxation & Audit.	Wide experience in Banking Sector
Directorship(s) held in other public companies	1) Garware Industries Ltd.	NIL	1) Garware Industries Ltd. 2) Choksi Imaging Limited	NIL
Chairmanships / Memberships of Committees of other public companies.	1. Garware Industries Ltd. Member in: i) Audit Committee	NIL	1. Garware Industries Ltd. Chairman in: i) Audit Committee 2) Choksi Imaging Limited Member in: i) Audit Committee	NIL
Shareholding in the Company as on 31.03.2018	25	25	NIL	NIL

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2018

TO THE MEMBERS,

Your Directors present the 61st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2018.

1. Financial Results (Standalone Basis)

(₹ In Crores)

	2017 - 2018		2016 - 2017	
Operating Profit before interest & Depreciation		88.69		78.15
Less : Finance Cost	24.45		32.55	
Depreciation	13.41	37.86	<u>13.07</u>	<u>45.62</u>
Profit before tax for the year		50.83		32.53
Provision for Income Tax		17.07		10.65
Profit After Tax		33.76		21.88
Other Comprehensive income for the year, Net of Tax		6.87		15.42
Total Comprehensive Income for the year (Net)		40.63		37.30
Opening balance in Retained Earnings		308.51		286.21
AMOUNT AVAILABLE FOR APPROPRIATION		353.28		308.51
Dividend –Final - FY 2016-17		2.33		0.00
Tax on Dividend		0.47		0.00
Closing Balance in Retained Earnings		350.48		308.51

2. Dividend

Your Directors recommend 20% dividend (i.e. ₹ 2.00/- per equity share) for consideration at the ensuing Annual General Meeting, for the financial year ended 31st March, 2018 on 2,32,32,394 equity shares of ₹ 10/- each.

The total sum of the dividend if approved, including Corporate Dividend Tax, will be payable ₹ 5.59 Crores.

3. Company's performance

On Standalone Basis:

Revenue from operations for the financial year 2017-18 was at ₹ 837.09 Crores, is lower by 8.22% over the last year (₹ 912.07 Crores in 2016-17) as post implementation of GST revenue from operations are reported net of GST from July-2017 and reduction in volume of BOPP films production which was partly offset by increased volume in Sun control and BOPET film.

The Earnings before interest, tax, depreciation and amortization (EBITDA) was ₹ 88.69 Crores against EBITDA of ₹ 78.15 Crores in 2016-17.

The Profit after tax (PAT) for the year was ₹ 33.76 Crores against the PAT of ₹ 21.88 Crores in 2016-17.

The total comprehensive income (net of taxes) for the year was ₹ 40.63 Crores against ₹ 37.30 Crores in 2016-17.

On Consolidated Basis:

Revenue from operations for the financial year 2017-18 was at ₹ 847.20 Crores lower by 8.53% over the last year (₹ 926.19 Crores in 2016-17) as post implementation of GST revenue from operation was reported net of GST from July-2017 and reduction in volume of BOPP films production which was partly offset by increased volume in Sun control and BOPET Plain film.

The Earnings before interest, tax, depreciation and amortization (EBITDA) was at ₹ 88.50 Crores against EBITDA of ₹ 80.52 Crores in 2016-17.

The Profit after tax (PAT) for the year was ₹ 33.12 Crores against the PAT of ₹ 22.44 Crores in 2016-17.

The total comprehensive income net of taxes for the year was ₹ 39.99 Crores against ₹ 37.87 Crores in 2016-17.

4. Operations

The Profit before tax was increased by 56% on account of reduction in Finance cost due to repayment of term loans and switch over to working capital term loan. The increase in EBIDTA by 13.48%, in spite of reduction in Revenue was due to change in product mix, penetration in new markets, optimization of inventory and optimization of overheads.

5. Future outlook

The BOPET film market is growing at 10% p.a. The market growth has helped to fill up idle capacities. The growth in capacity will continue considering the market growth.

The Industrial Product Division has concentrated its efforts on exports of value added specialty films considering the strength of the Organization. The PET shrink label film is well established in Indian and International market.

The Solar control film market is growing internationally due to increasing awareness of advantages of solar control films that is reduction of energy costs, carbon emission reduction, reduction of ultra-violet (UV) rays and infrared (IR) emissivity. The surge in both, automobile sales in export markets and in real estate development globally is also helping in the growth of solar control films and we see good potential for growth in this segment. The new products are introduced which will continue to be the driver for growth.

The Consumer Products division has well established Suncontrol film brands in the International Market that is "Sun control" and "Global". The company has been catering to customers across North America, South America, Russia, Europe, China, Far East, Middle East and Africa. 'Global' brand received good acceptance in American Market. The market share in matured markets like USA have grown exponentially. In continuation of the efforts for Exports, the Company representatives are posted in strategic and important markets like Russia, Malaysia, and UAE to develop and grow the business. The efforts are made in the domestic market with new products under Sun control brand for building application. The Company has created strong Brand presence for Building

segment window glass application films in India with dominant market share.

The Company has lowered down the BOPP operations to focus on value added Nish Products.

6. Research & Development

Your company is a leader in development of new products and new applications for BOPET films and Solar Control Window Films. Your Company's R&D Department is focusing on cost reduction measures by introducing methods to reduce costs.

Your Company's R&D Centre is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India for decades. R&D team works hand-in-hand with production and Marketing team to introduce and establish new products and to ensure proper Quality, Output, Cost and efficiency.

The Company has introduced many Coated Products, Co Extruded Products, BOPET-G Shrink Films for label applications with low, medium, and high shrink force. The wide range of Nano based heat rejection films are introduced.

7. Functioning of R & D Department

The R&D Center is well equipped with the Pilot scale plants, lab equipment/s and resources and managed by qualified and experienced people. The activities are carried out on continuous basis as an independent important activity.

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

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

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

8. Information Technology (IT)

- The Company has upgraded its cloud based Emailing system Office365 with MDM (Mobile Device Management) solution for security for mobile email users for communication.
- The Company is in process for evaluating IOT (Internet of Things) Solution for automatic production data transfer to SAP ERP for faster and better control.
- The company is in process of evaluation and implementation of cloud for SAP ERP and SAP S4 HANA for their business operations.
- The Company has upgraded its SAP AIX operating system to a latest IBM AIX version.
- Automatic GST return filling system on GST portal is in process for use from SAP ERP.
- The company implemented automatic barcode scanning for packing and dispatch of goods to customers.
- The company has installed CCTV surveillance systems at all the production facilities and security points.
- The company is planning and moving towards digital transformation in various operational areas

9. Awards and Recognitions

During this year, your Company has been recipient of Two Safety Awards at National Level from Director General Factory Advice Service & Labour Institutes, Government of India, Ministry of

Labour & Employment and One Safety Award at State Level by Maharashtra State Chapter of National Safety Council (NSC – MC).

The Company has also received the Highest Export Award for the years 2015-16 and 2016-17 from the Plastics Export Promotion Council – Plexconcil and consistently maintained the first position as highest exporter for last more than 25 years.

10. Human Resource Development.

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

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

The focus on employee development through training modules that were created in-house continued. More than 120 training programs were conducted during the year, over 85% of them through in-house trainers and business leaders. The programs added up to over 9,264 man-hours / 1,158 man-days of training. This has been achieved by continuously investing in learning and development programs by arranging target oriented training programs, creating appropriate work environment and maintaining a structured recognition system.

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

11. Manufacturing and Quality Initiatives

The capacity of resin plant has been enhanced to take care of customer demands. With innovative approaches in manufacturing techniques and product optimization, the productivity in the manufacturing segment has improved. New equipment's installed for quality system improvement and measurement. The quality culture of your Company ensures that the products are benchmarked as best in class by the customers. Our quest for excellence both in Manufacturing and Quality continues as before. Your Company is regarded as best in class for Quality and Reliability.

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

The Company has established best manufacturing practices and implemented Organization wide LEAN methodology with the help of an expert BMGI. The Company is also implemented SIX SIGMA and QA initiatives with the help of TQMI which are showing good results and improvements. The Company is also implementing TPM with the help of CII.

The Company has also taken initiative in machines upgradation with the help of OEMS and implementing the same where ever required.

12. Consolidated Financial Statement

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards IND-AS110 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 Health, Safety and Environment (HSE) at the works and surrounding areas.

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

Your Company is a recipient of various safety laurels from the Regulatory Authorities on the State level (National Safety Council - India and Industry, Energy & Labour Dept., the Government of Maharashtra), as stated above during the year. Security system has been upgraded, like awareness training, evacuation drills to meet the new challenges.

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:

- in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively and
- they have advised proper systems to ensure compliance with provisions of applicable laws and that such systems were adequate and operating effectively.

16. Inter-se Transfer of Equity Shares among Promoter Share Holders:

During the year, there was Inter-se transfer among promoter shareholders. S. B. Garware Family Trust one of the promoter shareholders has Inter-se transferred 11,45,834 numbers of equity shares among other promoter's shareholders as under:

- 5,72,917 numbers of equity share to Monika Garware Modi Benefit Trust and
- 5,72,917 numbers of equity share to Sarita Garware Benefit Trust.

17. 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 Board of Directors has accepted the resignation of: (1) Mr. M. S. Adsul, Executive and Non independent Director of the Company w.e.f. 16th October, 2017 and (2) Mr. N. P. Chapalgaonkar Non-Executive and Independent Director of the Company w.e.f. 29th May, 2018.

The Board appreciated their valuable advice and guidance to the Company from time to time during the tenure of their terms of office as director of the Company.

The Board of Directors has appointed:

- Mr. C. J. Pathak as whole time Director of the Company w.e.f. 16th October, 2017.
- Mr. B. D. Doshi as a Non-Executive and Non-Independent Director of the Company w.e.f. 16th October, 2017.
- Mr. Vivekanand Heroor Kamath as a Non-Executive and Independent Director of the Company with effect From 08th August, 2018 and
- Mr. T.M. Parikh was re-appointed as Non-Executive and Independent Director of the Company for second term of five consecutive years w.e.f. 1st April, 2019 to 31st March, 2024.

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, Ms. Sonia Garware, Mr. C. J. Pathak–Whole Time Director, Mr. Manoj Gupta – Chief Financial Officer and Mr. Nimesh S. Shah - Company Secretary, are the Key Managerial Personnel of the Company in accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

Mr. Sunil Dalmia - Chief Financial Officer (CFO) has resigned from the Company w.e.f. 07th September, 2017.

Mr. Manoj Gupta was appointed as Chief Financial Officer (CFO) of the Company w. e. f. 15th January, 2018.

18. Number of Meetings of the Board

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

19. Board Evaluation

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

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

20. 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.

21. 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.

22. Audit Committee

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

23. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Manubhai & Shah, LLP, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 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 61st AGM. They have conveyed their eligibility to act as auditors of the Company, subject to the ratification of their appointment at the ensuing 61st 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 of the Company for next two years i.e. 2018-19 and 2019-20, subject to member's approval at the ensuing 61st Annual General Meeting.

They have conveyed their eligibility and willingness to act as joint auditors of the Company for two years i.e. from the conclusion of 61st Annual General Meeting till the conclusion of 63rd Annual General Meeting of the Company, if appointed at the ensuing 61st Annual General Meeting. Board recommends the appointment of Joint Auditors.

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

Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules framed there under, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as Internal Auditors of the Company in place of M/s. PricewaterhouseCoopers Private Limited.

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 2018-19. 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 61st Annual General Meeting.

Secretarial Auditor:

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

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

Your Company has received consent from M/s. Nilesh Shah & Associates, Company Secretaries, Mumbai to act as the auditor for conducting audit of the Secretarial records for the financial year ending 31st March, 2019.

The Board of Directors of your Company at its meeting held on 08th August, 2018 has appointed them as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2018-19.

24. Risk Management

The Board of Directors 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 basis. The Audit Committee had given omnibus approval for the transactions (which are repetitive in nature) and the same were reviewed by the Board.

There were no material significant transactions with related parties during the financial year 2017-18 which were in conflict with the interest of the Company. The Directors would like to draw attention of the members to Note No. 30 to the financial statement which sets out related party disclosure.

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

27. Corporate Social Responsibility

The CSR expenditure incurred by your Company during the financial year 2017-18 was ₹ 25.50 Lakhs (around 2% of the average net profits of last three financial years) on CSR activities which does not include the expenses made on the activities carried out by the Garware Community Center and Garware Bal Bhawan.

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

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2018, 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. Particulars of Employees and related disclosures

Two Whole-time Directors/Employee employed throughout the year were in receipt of remuneration of ₹ 60.00 Lakhs per annum or more amounting to ₹ 4.97 Crore were relative(s) of Shri S. B. Garware Chairman & Managing Director of the Company. During FY 2017-18 the Company had 1012 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, 2018 is given in a separate **Annexure [III]** to the Report.

31. Other Laws

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

32. Corporate Governance

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

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

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

33. Vigil Mechanism

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

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

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

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

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

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

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

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

Pursuant to the notification, issued by the ministry of Corporate Affairs dated February 16th, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company has prepared accounts complied as per "IND AS" w.e.f. **1st April, 2017** with the comparatives for the periods ending **31st March, 2017**.

38. Industrial Relations

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

39. Acknowledgements

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 08, 2018

S. B. GARWARE
Chairman & Managing Director

ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

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

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

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

The Company had proposed to undertake activities relating to Art, Culture, Sports, health, education and safety. In addition to above, Company has actively implemented projects and initiatives for the betterment of society, Communities and environment through ensuring environmental sustainability and ecological balance, protecting national heritage, art and culture and rural development projects etc. for the Financial Year 2017-18.

The activities and funding are mentioned internally by the Company.

2. **The Composition of the CSR Committee:** The Company has a CSR committee of directors comprising of Mrs. Sarita Garware Ramsay, Chairperson of the committee, Mr. B. Moradian, Dr. M. C. Agarwal and Mr. B. D. Doshi as committee members.
3. Average net profit of the Company for last three Financial Years is ₹ 1,261.45 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): The Company is required to spend ₹ 25.23 Lakhs towards CSR for the Financial Year 2017-18.
5. Details of CSR spent during the Financial year.
- Total amount to be spent for the Financial Year ₹ 25.23 Lakhs
 - Amount spent for the Financial Year ₹ 25.50 Lakhs
 - Amount unspent, if any: NIL
 - Manner in which the amount spent: Through Garware Charitable Trust for the Financial Year 2017-18 is detailed below:

₹ In Lakhs

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Place, where the project is undertaken	Amount outlay	Amount Spent on the project	Cumulative expenditure up-to the reporting period	Amount spent: Direct or through implementing agency
1	Promoting Education to women, Street Children and Others.	Education Enhancement project	Mumbai, Pune and Sangali (Maharashtra)	8.50	8.50	8.50	Through Garware Charitable Trust.
2	Promoting Health Care Measures for poor people.	Health Care project	Mumbai (Maharashtra)	5.00	5.00	5.00	Through Garware Charitable Trust.
3	Providing basic needs of elderly & deprived section of society.	Elderly & differently abled and livelihood enhancement project	Mumbai & Thane (Maharashtra)	5.00	5.00	5.00	Through Garware Charitable Trust.
4	Rehabilitation of Distress/ Depressed people	Distress/ Depressed people care Centre.	Mumbai (Maharashtra)	7.00	7.00	7.00	Through Garware Charitable Trust.
TOTAL:				25.50	25.50	25.50	

6. In case the Company has failed to spend the 2%, of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.:**Not applicable.**
7. The Chairperson of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.
8. The CSR Policy has been uploaded on the Company's website www.garwarepoly.com.

Mrs. Sarita Garware Ramsay
Chairperson of CSR Committee

S. B. Garware
Chairman and Managing Director

Place: Mumbai

Date : August 08, 2018

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial year ended on 31.03.2018

(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 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083. Tel: 022-249186270/000; Fax : 022-49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

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

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

Category of Shareholders	No. of Shares held of the beginning of the year (As on April 1, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	1873780	-	1873780	8.06	1873780	-	1873780	8.06	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	1946391	-	1946391	8.38	1946391	-	1946391	8.38	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other(Trust)	9985401	-	9985401	42.98	9998701	-	9998701	43.04	0.06
Subtotal (A)(1):	13805572		13805572	59.42	13818872		13818872	59.48	0.06

2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs Individuals	268595		268595	1.16	268595		268595	1.16	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A)(2):	268595	-	268595	1.16	268595	-	268595	1.16	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2):	14074167	-	14074167	60.58	14087467	-	14087467	60.64	0.06
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	376	5850	6226	0.03	376	5500	5876	0.03	-
b) Banks/FI	2526	599	3125	0.01	2326	499	2825	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	853756	200	853956	3.67	853756	200	853956	3.67	-
g) FIs	-	2355	2355	0.01	1955	-	1955	0.01	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Trust)	-	8850	8850	0.04	-	8850	8850	0.04	-
Sub-total (B)(1):-	856658	17854	874512	3.76	856458	17004	873462	3.76	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1951359	182423	2133782	9.18	2674660	180629	2855289	12.29	3.11
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2146595	963358	3109953	13.40	2108536	746786	2855322	12.29	-0.11
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2517025	-	2517025	10.84	1920404	0	1920404	8.26	-2.58
c) Others (specify)									
Clearing Members	18072	-	18072	0.08	143797	0	143797	0.62	0.54
Hindu Undivided Family	235627	-	235627	1.01	228128	0	228128	0.98	-0.01
Foreign Nationals	130	337	467	0.00	-	-	-	-	-
Non Resident Indians (REPAT)	257838	1940	259778	1.12	67733	1201	68934	0.30	-0.82
Non Resident Indians (NON REPAT)	-	-	-	-	-	-	-	-	-
IEPF	-	-	-	-	190580	-	190580	0.82	0.82
Trusts	9011	0	9011	0.04	9011	0	9011	0.04	-
Sub-total (B)(2):-	7135657	1148058	8283715	35.67	7342849	928616	8271465	35.60	-0.07
Total Public shareholding (B)=(B)(1)+(B)(2):	7992315	1165912	9158227	39.42	8199307	945620	9144927	39.36	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	22066482	1165912	23232394	100.0	22286774	945620	23232394	100.0	-

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	5.00	-	1163001	5.01	0.00	-
2.	Mrs. S. S. Garware	175465	0.76	-	175465	0.76	0.00	-
3	Mrs. Monika Garware Modi	267504	1.15	-	267504	1.15	0.00	-
4.	Mrs. Sarita Garware Ramsay	267810	1.15	-	267810	1.15	0.00	-
5.	Ms. Sonia Garware	268595	1.16	-	268595	1.16	0.00	-
6	S. B. Garware Family Trust	9982401	42.97	-	8849867	38.09	0.00	-4.88
7.	B. D. Garware Research Centre	1242216	5.35	-	1242216	5.35	0.00	-
8.	Great View Real Estates Pvt. Ltd.	469175	2.02	-	469175	2.02	0.00	-
9.	Monika Garware Modi Benefit Trust	1000	0.00	-	573917	2.47	0.00	2.47
10.	Sarita Garware Benefit Trust	1000	0.00	-	573917	2.47	0.00	2.47
11.	Sonia Garware Benefit Trust	1000	0.00	-	1000	0.00	0.00	-
12.	Garware Industries Ltd.	235000	1.01	-	235000	1.01	0.00	-

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2017)		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	S. B. Garware Family Trust	9982401	42.97	8849867	38.09
2	Monika Garware Modi Benefit Trust	1000	0.00	573917	2.47
3	Sarita Garware Benefit Trust	1000	0.00	573917	2.47

iv Shareholding Pattern of top ten shareholders as on March 31, 2018 (Other than Directors and Promoters.)

Sr. No.	For Each of the Top 10 Shareholders *	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Finquest Securities Pvt. Ltd.	0	0.00	1862284	8.01
2.	Life Insurance Corporation of India Ltd.	853956	3.67	853956	3.67
3.	Hardik Bharat Patel	669456	2.88	659275	2.84
4.	Dalal & Broacha Stock Broking Pvt.Ltd.	332100	1.42	332100	1.43
5.	Garware Wall Ropes Ltd.	146350	0.63	146350	0.63
6.	Nedhi Goel	154443	0.66	102962	0.44
7.	Indianivesh Securities Limited	0	0.00	96096	0.41
8.	Bharati Bharat Dattani	65670	0.28	73343	0.31
9.	Sanjeev Vinodchandra Parekh	72166	0.31	72166	0.31
10.	Vinodchandra Mansukhlal Parekh	71097	0.31	71097	0.31

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

V. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding at the end of the year 31.03.2018	
		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
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	267810	1.15	267810	1.15
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for Increase/Decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the end of the year	267810	1.15	267810	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
7.	Mr. C. J. Pathak***				
	At the beginning of the year	25	0.00	25	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	25	0.00	25	0.00
8.	Mr. B. D. Doshi***				
	At the beginning of the year	25	0.00	25	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	25	0.00	25	0.00

* Resigned w.e.f. 10.08.2017.

** Resigned w.e.f. 16.10.2017.

***Appointed w.e.f. dated 16.10.2017.

V INDEBTNESS

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

₹ In Lakhs

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	10,948.50	923.44	-	11,871.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,948.50	923.44	-	11,871.94
Change in indebtness during the financial year				
• Addition	5,449.69	-	-	5,449.69
• Reduction	-	174.18	-	174.18
• Net Change	5,449.69	174.18	-	5,275.51
Indebtness at the end of the financial year				
i) Principal Amount	16,398.19	749.26	-	17,147.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	16,398.19	749.26	-	17,147.45

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 Amt.
		CMD	WTD				
		Shri S. B. Garware	Mrs. M. Garware Modi	Mrs. Sarita Garware Ramsay	Mr. M. S. Adsul	Mr. C. J. Pathak	
1	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	411.98	236.40	215.03	18.00	16.55	897.96
	(b) Value of perquisites u/s 17(2) of the Income tax, 1961	0.40	0.40	0.40	0.20	0.16	1.56
	(c) Profits in lieu of salary u/s 17(3) of the income tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit						
	- others, specify						
5	Others, please specify (Retirement Benefits)	-	23.53	21.62	-	-	45.15
	Total (A)	412.38	260.33	237.05	18.20	16.71	944.67

B. Remuneration to other Directors (Sitting Fees only)

₹ In Lakhs

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		N.P. Chapal-gaonkar	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	1.48	1.00	2.37	1.69	1.22	7.86
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	0.10	1.48	1.00	2.37	1.69	1.22	7.86
2	Other Non-Executive Directors							
	Fees for attending board/committee meetings	-	0.30	1.20	-	-	-	1.50
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	0.30	1.20	-	-	-	1.50
	Total Managerial Remuneration							9.36
	Total (B)=(1+2)							9.36

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

₹ In Lakhs

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Nimesh Shah CS	Sunil Dalmia CFO*	Manoj Gupta CFO**	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961. (c) Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961.	33.94 0.32 -	16.95 - -	12.46 0.05 -	63.35 0.37 -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - As % of profit - Other, specify	-	-	-	-
5	Others, please specify (Retirement benefits)	1.91	1.49	2.07	5.47
	Total	36.17	18.44	14.58	69.19

* CFO resigned w.e.f. 07-09-2017

** CFO was appointed w.e.f. 15-01-2018

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES.

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

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

PART A

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your company for the Financial Year 2017-18 are as follow:

Name of Director(s)	Designation	Total Remuneration ₹ In Lakhs (p.a.)	Ratio of remuneration of director to the Median remuneration
Shri. S. B. Garware	Chairman and Managing Director	412.38	105.20
Mrs. Monika Garware Modi	Vice Chairperson & Jt. Managing Director	260.33	66.41
Mrs. Sarita Garware Ramsay	Jt. Managing Director	237.05	60.47
Ms. Sonia Garware	Non-Executive & Non-Independent	0.30	0.08
Mr. M. S. Adsul	Executive & Non-Independent Director	18.20	4.64
Mr. N. P. Chapalgaonkar	Non-Executive & Independent Director	0.10	0.03
Mr. B. Moradian	Non-Executive & Independent Director	1.48	0.38
Mr. Ramesh P. Makhija	Non-Executive & Independent Director	1.00	0.26
Dr. M. C. Agarwal	Non-Executive & Independent Director	2.37	0.60
Mr. T. M. Parikah	Non-Executive & Independent Director	1.69	0.43
Mr. Nilesh R. Doshi	Non-Executive & Independent Director	1.22	0.31
Mr. C. J. Pathak	Executive & Non-Independent Director	16.71	4.26
Mr. B. D. Doshi	Non-Executive & Non-Independent Director	1.20	0.31

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 2017-18.
- Median remuneration of the Company for all its employees is ₹ 3.92 Lakhs p.a. for the Financial Year 2017-18.

B. Details of percentage increase in the remuneration of Executive Directors, Chief Financial Officer and Company Secretary in the financial year 2017-18 are as follows:

Name	Designation	Remuneration (₹ In Lakhs)		Increase (in%)
		2017-18	2016-17	
Shri. S. B. Garware	Chairman and Managing Director	412.38	385.90	6.86
Mrs. S. S. Garware	Non-Executive & Non-Independent	0.00	0.30	-100.00
Mrs. Monika Garware Modi	Vice Chairperson & Jt. Managing Director	260.33	233.41	11.53
Mrs. Sarita Garware Ramsay	Jt. Managing Director	237.05	212.95	11.32
Ms. Sonia Garware	Non-Executive & Non-Independent	0.30	0.10	200.00
Mr. M. S. Adsul	Director-Technical	18.20	36.40	-50.00
Mr. N. P. Chapalgaonkar	Non-Executive & Independent Director	0.10	0.20	-50.00
Mr. B. Moradian	Non-Executive & Independent Director	1.48	0.82	80.49
Mr. Ramesh P. Makhija	Non-Executive & Independent Director	1.00	0.60	66.67
Dr. M. C. Agarwal	Non-Executive & Independent Director	2.37	1.28	85.16
Mr. T. M. Parikah	Non-Executive & Independent Director	1.69	0.78	116.67
Mr. Nilesh R. Doshi	Non-Executive & Independent Director	1.22	0.68	79.41
Mr. Nimesh S. Shah	Company Secretary	36.17	36.07	0.28
Mr. Sunil Dalmia *	Chief Financial Officer	18.44	-	100.00
Mr. Manoj Gupta **	Chief Financial Officer	14.58	-	100.00

* CFO resigned w.e.f. 07-09-2017

** CFO was appointed w.e.f. 15-01-2018

Notes:

- The remuneration paid to Directors is within the overall limits approved by the Shareholders of the Company and as approved by the Central Government, Ministry of Corporate Affairs, Delhi.

C. Percentage increase in the median remuneration of all employees in the Financial Year 2017-18:

₹ In Lakhs

	2017-18	2016-17	Increase (in%)
Median remuneration of all employees per annum	3.92	3.64	7.69

D. The number of permanent employees on the rolls of the Company: 1012**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 2017-18**

₹ In Lakhs

Income from Operations (₹ In Lakhs)	83,708.74
Total Remuneration of KMP as % to Revenue	1.21%
Profit Before Tax (PBT) (₹ In Lakhs)	5,083.45
Total Remuneration of KMP as % of PBT	19.95%

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

- G. a) Variations in the market capitalisation of the company:** The market capitalisation of the company as at the closing date of the current financial year and previous financial year has increased by 24.31%.
- b) Price Earnings Ratio of the Company:** ₹ 14.53 Per Share on 31st March, 2018 and ₹ 9.41 Per Share as at 31st March, 2017.
- c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:** The closing share price of the Company at BSE Limited on 31st March, 2018 being ₹ 153.40 per equity share of face value of ₹ 10 each has gone up by 61.61% 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:**

	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs	Increase (Decrease) %
Average salary of all employees (other than Key Managerial Personnel)	5,830.30	5,970.53	(2.35)
Key Managerial Personnel			
- Salary of MD & Jt. MD's	944.67	868.66	8.75
- Salary of CFO & CS	69.19	65.83	5.10

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. Optimisation of chiller capacity from 26 TR to 10.5 TR to reduce energy consumption.
2. Use of energy efficient lighting for energy conservation.
3. Optimisation of Aeropack in ETP done resulting in stoppage of one blower – saving ₹ .2.34 Lakhs Kw per annum.

Chikalthana Complex:

1. Optimisation of cooling tower capacity resulting in stoppage of one fan reducing energy consumption.

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

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

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

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

- a) Lidding films for food packaging. These films are sealable to all types of plastic Containers like PP, PE, PS, APET, CPET etc.
- b) Transparent conductive coated polyester film.
- c) In-line coated products for various inks and printing technology.
- d) Low shrink force shrink film for thin walled and glass containers.

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

Value added products developed and production costs reduced.

3. Expenditure on R&D / Product Development

	(₹ In Lakhs)
a. Capital (Excl. CWIP)	0.00
b. Recurring	<u>128.51</u>
Total	<u>128.51</u>

Total R&D expenditure as a percentage to total turnover: 0.15%

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

- a. Low, Medium and High Shrink film development on wide width line to enhance productivity with modification in feeding system, crystallization, drying and oven modification.
- b. Co-polyester system installation and use for commercial production.
- c. Anti-block additive system up-gradation to enhance optical properties of film.

2. Benefits derived as a result of above efforts:

Cost effective, value added products developed and established.

3. Technology imported during the last five years: No**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:****I. Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.**

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

II. Total Foreign Exchange used and earned

	(₹ In Crores)
Used: -	79.77
Earned (FOB Basis):-	491.58

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 08, 2018

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. The Plexconcil has declared the highest export award first position in Polyester film segment for the year 2015-16 and 2016-17 to your Company. GPL is the only manufacturer of Solar Control window films in India and a trend-setter in Solar Control Film industry with a history of more than 3 decades of technological development. The Solar Control window films are sold under the brand name Suncontrol and Global Window films. GPL is among the only two companies in the world having patented technology for manufacturing the UV stabilized dyed films and perhaps the only company in the world with back ward integration for manufacturing of Solar 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 variety of specially designed chips for the Film Lines. Thus Company's strength is its integrated manufacturing facilities, R&D Center and development of specialty products for various applications.

The basic raw material is PTA and MEG and the prices remain volatile based on Crude prices and on demand / supply situation. The Company has long term agreement on import parity price for supply of the said raw material and the change in prices is considered in the price to the customers over the period of the financial year to overcome any impact.

The Company has come out with many new products for label films to help environment protection and recycling of the film with bottles and developed range of Shrink films for label application. The Company has also developed films for better seal and peel strength application for proper lidding of any type of containers (Universal).

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 demand / supply situation for polyester films industry continues to be unfavorable as the capacities exceed demand. The existing

over supply situation is expected to further aggravate as new lines are planned for next year. The plastic ban issue has also started to take a serious turn and this is expected to further hamper the demand. There is opportunity of going for higher micron packaging films to protect environment as per new environment laws.

On Global front, due to the commoditized nature of BOPET films, the industry remains highly competitive with pressure on margins. However, weakening of the INR is helping to boost exports.

We are making all efforts to cut down on costs to meet the challenge of excessive capacities and price competition in India and international market.

The strategy of the Company 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 category, 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.

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, the 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:

We are one of the premier Solar Control window film manufacturers and have been a trend-setter in sun control/window film industry with a history of more than 30 years of technological development. Apart from India, the company has been catering to customers across North America, South America, Russia, Europe, China, Far East, Middle East and Africa. We are the marketer of the brand 'GLOBAL WINDOW FILMS' which is registered in the US and is one the most popular brands there. Our share in matured markets like USA have grown exponentially. Currently we export to almost 80 countries worldwide. In continuation of our focus in Exports, we have posted our Sales persons in strategic and important markets like Russia, Malaysia, UAE to develop and grow the business. In addition to this, we also market our film in "Garware Sun Control" brand. In the domestic market in India, we are market leaders and have a strong brand recall. We also sell laminated material under neutral/customized packaging, dyed film and release liner, thus offering marketing opportunities to distributors world-wide.

The Global Solar control film market is growing due to increasing awareness of advantages of solar control films, reduction of energy costs & carbon footprint, reduction of ultra-violet (UV) rays and infrared (IR) emissivity. The surge in both, automobile sales in export markets and in real estate development globally is also helping in the growth of solar control films and we see good potential for our growth in this segment. We have also introduced new products and CPD division will continue to be the driver for growth in 2018.

The Company through its Step Down Subsidiary Global Pet Films Inc. (GPF) USA has been catering to customers across AMERICAS. GPF is the marketer of the brand 'GLOBAL WINDOW FILMS' which is registered in the US and is one of the most popular brands. The subsidiary is catering to Russia, Europe, Asia-Pacific and Africa market 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	2017- 18	2016-17	% change
Net Sales	82,325.35	85,997.96	-4.27%
Other Income	518.39	773.70	-33.00%
Profit before Interest, Depreciation and Exceptional Items	8,869.15	7,814.85	13.49%
Interest & Financial Charges	2,444.43	3,255.06	-24.90%
Depreciation	1,341.27	1,306.53	2.66%
Profit before Tax	5,083.45	3,253.26	56.26%
Provision for Tax	1,707.13	1,065.69	60.19%
Profit after Tax	3,376.32	2,187.57	54.34%
Other Comprehensive Income (OCI) Net of Tax	686.41	1,542.29	-55.49%
Total Comprehensive Income (TCI) for the year Net of Tax	4,062.73	3,729.86	8.92%
Earnings per share (Basic and Diluted)	14.53	9.41	54.41%
Market Capitalization	35,638.49	28,668.77	24.31%

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 have 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 presents the Company's Report on Corporate Governance for the Financial Year 31st March, 2018.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is a pre-requisite 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 has a strong legacy of fair, transparent and ethical governance practices and has also adopted a Code of Conduct for its Members on the Board including the Senior Management of the Company. Sincerity, good citizenship and commitment to compliance are the key characteristics that drive relationships of the Board and Senior Management with other Stakeholders.

The Company believes that Corporate Governance is an ongoing process and there is a need to view Corporate Governance as more than just a regulatory requirement as good governance, apart from business results, leads to enhanced shareholders value. In recent times, governance has been further strengthened within the organization by introduction of incremental changes to various policies and processes.

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

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

GOVERNANCE STRUCTURE

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

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) Nomination and Remuneration 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 conformity with the Listing Regulations and the Companies Act, 2013 ('the Act') and in accordance with the best practices for Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board.

The Board of Directors, as on 31st March, 2018, comprised 12 Directors, of which 4 were Executive & Non Independent, 6 were Non Executive & Independent and 2 were Non-Executive & Non-Independent. The Company has three women Directors. All Directors possess relevant qualifications and experience in general corporate management, finance, legal and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

Currently, the Board comprises of the following:

Category	Name of the Director	No. of Shares held as on 31 st March 2018	No. of Board meetings attended during FY 2017-18	No. of Directorship(s) in Public Limited Companies as on 31 st March 2018*	No. of Board Committee held in Public Companies as on 31 st March 2018 #		Attendance at previous AGM held on 27 th September, 2017.
					Chairman	Member	
Executive & Non-Independent	1. Shri S. B. Garware (P)	11,63,001	5	2	-	-	NO
	2. Mrs. Monika Garware Modi (P)	2,67,504	1	8	-	-	YES
	3. Mrs. Sarita Garware Ramsay (P)	2,67,810	5	2	1	1	NO
	4. Mr. C. J. Pathak \$	25	3	2	-	2	
Non-Executive & Independent	1. Mr. B. Moradian	-	4	4	2	5	NO
	2. Mr. N. P. Chapalgaonkar	-	1	1	-	-	YES
	3. Dr. M. C. Agarwal	-	6	1	1	1	NO
	4. Mr. Ramesh P. Makhija	-	5	2	-	-	NO
	5. Mr. T. M. Parkh	-	6	3	1	1	YES
	6. Mr. Nilesh R. Doshi	-	5	3	2	2	NO
Non-Executive & Non-Independent	1. Ms. Sonia Garware (P)	2,68,595	2	2	-	-	NO
	2. Mr. B. D. Doshi \$	25	3	1	-	4	

* 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 Membership and Chairmanship of a Director, Committee of Directors includes membership in Audit Committee, Stakeholders Relationship Committee. This includes membership in Committee of Directors of Garware Polyester Limited.
P Indicates Promoter or Promoter Group.
\$ Appointed as a director w. e. f. 16th October, 2017.

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Listing Regulations. The terms and conditions stating the appointment of Independent Directors as provided in Companies Act, 2013 and the Listing Regulations 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 7 days in advance to all the Directors. The Company places before the Board all the relevant and necessary data/information at its meetings related to production, sales, exports, review of business, any legal proceedings by/against the Company, share transfers, quarterly financial results, minutes of: (a) previous Board Meetings, (b) Audit Committee Meetings, (c) Stakeholders Relationship Committee Meetings (d) Nomination and Remuneration Committee Meeting and such other relevant information is regularly made available to the Board for discussion and consideration.

The Board of Directors meets at least once in every quarter to review the Quarterly Results of the Company. During the year under review commencing w. e. f. April 1, 2017, **SIX** Board Meetings were held. The gap between any two Board Meetings did not exceed 120 days. The details of Board meetings held during financial year 2017-18 are given below:

Sr. No.	Date	Board Strength	No. of Directors Present
1	10.04.2017	12	7
2	25.05.2017	12	9
3	10.08.2017	12	8
4	16.10.2017	12	8
5	10.11.2017	12	8
6	08.02.2018	12	8

Post Meeting Mechanism

The important decisions taken at the Board and 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 and Committee Meetings and advises on compliances with applicable laws and governance.

FAMILIARISATION PROGRAMME FOR DIRECTORS

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

The Chairman and Managing Director also have one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, the Company has put in place a system to familiarize 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 Responsibility Committee
- (E) Risk Management Committee

(A) AUDIT COMMITTEE:

(i) Composition:

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

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

* Mr. M. S. Adsul resigned as a member from the Audit Committee w. e. f. 16th October, 2017.

**Mr. C. J. Pathak and Mr. B. D. Doshi were appointed as the members of the Audit Committee of the Company w. e. f. 16th October, 2017.

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 to attend the meetings of the Committee.

The Audit Committee, during the financial year 2017-18, 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 Obligation Disclosure Requirements (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 Obligation Disclosure Requirements and Section 177 of the Companies Act, 2013.

The brief descriptions of terms of reference are:

- Overseeing and ensuring the adequacy and compliance of internal control systems.
- Reviewing the quarterly, half-yearly and annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements before submission to the Board.
- Reviewing the adequacy of the Audit and Compliance, including their policies, procedures, techniques and other regulatory requirements.
- Undertaking periodical review of Internal Audit Reports and appraising and reviewing the scope of Internal Audit functions from time to time.
- Recommending appointment, remuneration and terms of appointment of Auditors
- Reviewing timely functioning of Vigil Mechanism and Whistle Blower Mechanism
- Interacting effectively with the Statutory Auditors, Secretarial Auditor and Cost Auditor from time to time and to discuss about finalization of Annual Financial Statements, Secretarial and Cost Audit Reports.
- Approval of appointment of CFO after assessing the qualifications, experience & background of the candidate.
- Considering any other matter, this may be referred to them by the Board of Directors of the Company.
- The Minutes of the Audit Committee Meetings are placed at the Meeting of the Board of Directors and subsequently noted and taken on records.
- Mandatorily Reviews the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant Related Party Transactions;
 - Management letters/letters of internal control weakness issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness;
 - The appointment, removal and terms of remuneration of the Chief internal Auditor; and
 - The appointment of Statutory Auditors for services other than Statutory Audit.

(iii) Meetings and attendance during the year:

The Audit Committee Meeting was held **FOUR** times during the year as per details given below. The gap between any two meetings did not exceed 120 days.

Sr. No.	Date	Strength	No. of Members Present
1	25.05.2017	5	5
2	10.08.2017	5	5
3	10.11.2017	6	5
4	08.02.2018	6	5

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

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

(B) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders 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:

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

*Mrs. Sarita Garware Ramsay resigned from the membership of the Stakeholders Relationship Committee of the Company w. e. f. 16th October, 2017.

** Mr. B. D. Doshi was appointed as a member of the Stakeholders Relationship Committee of the Company w. e. f. 16th October, 2017.

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, transmission, transposition of shares, name deletion and

issuance of duplicate share certificates, replacement and consolidation of share Certificate etc.

- Redressal of shareholder's/investor's complaints relating to transfer of shares, non-receipt of annual report, dividends, transmission, transposition, splitting, consolidation and dematerialization of shares, etc.

(iii) Details of complaints received and redressed during the year from 1st April, 2017 to 31st March, 2018.

During the year under review, the Company has resolved investor grievances expeditiously. As per information received from Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited, the Company had received 21 complaints from the Shareholders, which were resolved within the time frame as mentioned under the Listing Regulations. The details are as under:

Nature of Complaint	No. of Complaints	No. of Complaints Resolved as on 31.03.2018	No. of Complaints Pending as on 31.03.2018
Transfer of Shares	10	10	Nil
Dividend	8	8	Nil
Others	3	3	Nil
Total	21	21	Nil

(iv) Meetings and attendance during the year:

During the year, the Committee met **26** times. As on 31st March, 2018, 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	26
Mrs. Sarita Garware Ramsay	14
Mr. B. Moradian	19
Mr. B. D. Doshi	12

(v) Investor's Grievances:

M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent redresses the Investor's grievances under the supervision of the Secretarial Department of the Company.

(C) NOMINATION AND REMUNERATION COMMITTEE:

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

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

(i) Composition:

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

*Mr. B. D. Doshi was appointed as a member of the Nomination and Remuneration Committee w. e. f. 16th October, 2017.

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

(ii) Terms of Reference:

Brief descriptions of terms of reference are:

- Recommend to the Board the set up and composition of the Board and its committees including the *“formulation of the criteria for determining qualifications, positive attributes and independence of a director”*. The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the board the appointment or reappointment of directors.
- Devise a policy on board diversity.
- Recommend to the board appointment of key managerial personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director’s performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors.
- This shall include *“formulation of criteria for evaluation of independent directors and the board”*.
- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel.
- To review the overall compensation policy and remuneration payable to Managing / Whole time Directors and Key Managerial Personnel.
- To make recommendations to the Board 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 Meeting **FOUR** times during the year as per details given below.

Sr. No.	Date	Strength	No. of Members Present
1	10.04.2017	3	2
2	10.08.2017	3	3
3	16.10.2017	3	3
4	06.02.2018	4	3

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

Name of Members	Nomination and Remuneration Committee Meetings Attended
Mr. T. M. Parikh	4
Mr. B. Moradian	2
Dr. M. C. Agarwal	4
Mr. B. D. Doshi	1

(iv) The Company does not have any employee stock option scheme.**(D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE****(i) Composition:**

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

* Mr. B. D. Doshi was appointed as a member of the Corporate Social Responsibility Committee w. e. f. 16th October, 2017.

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 Meeting was held on 6th February, 2018. The necessary quorum was present at the meeting. Mrs. Sarita Garware Ramsay, Dr. M. C. Agarwal and Mr. B. D. Doshi, Members of the Committee attended the Meeting.

(E) RISK MANAGEMENT COMMITTEE

As per the requirements of Regulation 21 of the Listing Obligations and Disclosure Regulations (LODR), your Company has constituted a Risk Management Committee to oversee the efforts for management of risk in your Company.

(i) **Composition:**

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

* Mr. M. S. Adsul resigned as a member from the Risk Management Committee w. e. f. 16th October, 2017.

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.

(ii) **INDEPENDENT DIRECTORS' MEETING**

During the year, the Independent Directors Meeting was held on 6th February, 2018, *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. 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 2017-18 was ₹ 9,35,500/-. The Non-Executive Independent Directors do not have any material pecuniary relationship of transactions with the Company.

(B) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director, Joint Managing Directors and Whole – time Director is governed by the recommendation of the Nomination and Remuneration Committee and the Resolutions were passed by the Board of Directors and Shareholders of the Company. The remuneration package of Chairman and Managing Director, Joint Managing Directors and Whole-time Director comprises of Salary, Perquisites, Allowances and Contributions to Provident fund and other Retirement Benefits Funds as approved by the Shareholders at the General Meetings.

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

(C) DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2018.**(i) For Non-Executive Directors:**

Details of sitting fees paid to Non- Executive Directors during Financial Year 2017-18:

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
Ms. Sonia Garware	30,000/-	-	-	-	-	-
Mr. B. Moradian	70,000/-	22,000/-	45,500/-	10,000/-	-	-
Dr. M. C. Agarwal	1,00,000/-	32,000/-	63,000/-	17,000/-	5,000/-	20,000/-
Mr. N. P. Chapalgaonkar	10,000/-	-	-	-	-	-
Mr. Ramesh P. Makhija	80,000/-	-	-	-	-	20,000/-
Mr. T. M. Parikh	100,000/-	32,000/-	-	17,000/-	-	20,000/-
Mr. Nilesh R. Doshi	80,000/-	22,000/-	-	-	-	20,000/-
Mr. B. D. Doshi	60,000/-	20,000/-	30,000/-	5,000/-	5,000/-	-
TOTAL	5,30,000/-	1,28,000/-	1,38,500/-	49,000/-	10,000/-	80,000/-

Except as above, the non-executive directors have no other pecuniary interest in the Company.

(ii) For Executive Directors:

The aggregate remuneration paid to Executive Directors for the year ended 31st March, 2018 is as under:

₹ In Lakhs

Names	Salary	Perquisites & Allowances	Retirement Benefits	Performance linked Bonus	Stock Option	Total
S. B. Garware	411.98	0.40	-	-	-	412.38
Mrs. Monika Garware Modi	236.40	0.40	23.53	-	-	260.33
Mrs. Sarita Garware Ramsay	215.03	0.40	21.62	-	-	237.05
Mr. M. S. Adsul	18.00	0.20	-	-	-	18.20
Mr. C. J. Pathak *	16.55	0.16	-	-	-	16.71

Certain Executive 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 is for five years and Whole Time Director is for three years.

* Remuneration paid to Mr. C. J. Pathak for the period 16th October 2017 to 31st March, 2018.

(D) PERFORMANCE EVALUATION

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

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

IV DISCLOSURES**(A) Compliances with Governance Framework**

- (i) The Company is in compliance with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations (LODR).
- (ii) All the transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under the note No.30 of IND AS notes forming part of the financial statements for the year ended 31st March, 2018 in accordance with 'Accounting Standard 18'. A statement in summary form of transactions with related parties in the ordinary course of business and at an arm's length basis is periodically placed before the Audit Committee for the review and recommendation to the Board for their approval.

The Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company www.garwarepoly.com

- (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/structures have been imposed on the Company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years.
- (v) In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to Financial Statements.
- (vi) The Company recognizes the "Risk Management" as an integrated, forward-looking process oriented approach for managing "Enterprise Wide Risks". The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of properly defined frame work.
- (vii) Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time-to-time.

(B) Code of Conduct

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2018. A Declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

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

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

Company has adopted new "Code of Fair Disclosure Conduct" and 'Code for prevention of Insider Trading' for regulating, monitoring and reporting of trading by Insider as stated under SEBI (Prohibition of Insider Trading) Regulation 2015. Pursuant to provision of

Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("Insider Regulations"), a code of Practices and Procedures for fair disclosure of unpublished price sensitive information of the Company (The Code) has been formulated.

(C) Vigil Mechanism

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

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

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

Telephone No: 0240-2567400.

(D) Subsidiary Companies

Your Company has two Material Unlisted Subsidiary Companies in terms of Regulation 16 of the (Listing Obligation and Disclosure Requirements) Regulations. The Audit Committee reviews the financial statements of the unlisted subsidiaries of your Company.

(E) Policy for Prevention of Sexual Harassment Policy:

Pursuant to the requirements of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, your Company has a Policy and framework for employees to report sexual harassment cases at work place and our process ensures complete anonymity and confidentiality of information. The Policy is available on the website of the Company www.garwarepoly.com

V. MEANS OF COMMUNICATION

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

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

VI. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting Date, time and venue:** 28th September, 2018 at 11.30 a.m. at Registered Office of the Company – Naigaon, Post Waluj, Aurangabad – 431 133.
- Financial Year:** 1st April to 31st March.
- Financial Calendar (tentative)**

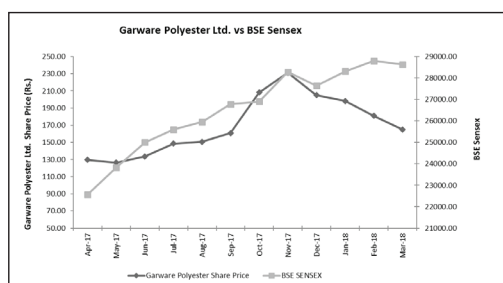
Financial Year	1 st April, 2018 to 31 st March, 2019
Unaudited Financial Results for the Quarter ending: 1. 30 th June 2018; 2. 30 th September 2018; 3. 31 st December 2018 and 4. 31 st March 2019.	Within 45/60 days from the end of reporting quarter.
Annual General Meeting for year ending - 31 st March 2019.	Before the end of September 2019.
Date of Book Closure for the current financial year	Monday, 17 th September, 2018 to Saturday, 22 nd September, 2018. (Both days inclusive)
Email address for Investor Complaints	cs@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 dematerialized shares is INE 291A01017.
- The Company has paid Annual Listing Fees for the Financial Year 2018-19 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 2017	133.50	126.00	30,184.22	29,241.48
May 2017	134.65	118.30	31,255.28	29,804.12
June 2017	146.95	120.00	31,522.87	30,680.66
July 2017	163.80	133.55	32,672.66	31,017.11
August 2017	165.00	136.30	32,686.48	31,128.02
September 2017	171.90	150.00	32,524.11	31,081.83
October 2017	265.90	150.35	33,340.17	31,440.48
November 2017	261.20	201.00	33,865.95	32,683.59
December 2017	220.00	190.00	34,137.97	32,565.16
January 2018	215.00	181.45	36,443.98	33,703.37
February 2018	194.35	167.75	36,256.83	33,482.81
March 2018	184.95	145.25	34,278.63	32,483.84

(vi) Performance of Share Price in comparison to the BSE Indices**(vii) Registrars and Share Transfer Agents**

Link Intime India Private Limited,
C-101,247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.
Tel. No.: 022 - 49186000 Fax No.: 022 - 49186000
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 Registrar and Share Transfer Agent if the same are valid and complete in all respects and thereafter the same are duly approved by Stakeholders Relationship Committee. Since the Company's shares are compulsorily traded in Demat segment on the Stock Exchange, Mumbai, the bulk share transfers takes place in electronic form.

(ix) Categories of shareholding as on 31st March, 2018.

Sr. No.	Category	No. of shares held	% of Shareholding
1	Promoters (Shri S. B. Garware, family and Associates)	1,40,87,467	60.64
2	Mutual Funds and UTI	14,726	0.06
3	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Govt. Institutions)	8,56,781	3.69
4	Private Corporate Bodies	28,55,289	12.29
5	Foreign Institutional Investors	1,955	0.01
6	NRIs	68,934	0.30
7	IEPF Account	1,90,580	0.82
8	Indian Public and Others	51,56,662	22.19
	Grand Total	2,32,32,394	100.00

(x) Distribution of Shareholdings as on 31st March, 2018

No. of Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 to 500	22060	96.24	1874754	8.07
501 to 1000	397	1.73	305911	1.32
1001 to 2000	209	0.91	329600	1.42
2001 to 3000	68	0.30	167166	0.72
3001 to 4000	24	0.11	84769	0.37
4001 to 5000	31	0.14	147339	0.63
5001 to 10000	49	0.21	365120	1.57
10001 and above	83	0.36	19957735	85.90
Total	22921	100	23232394	100

(xi) Dematerialization of Shares and Liquidity

Company's shares are available for dematerialization 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 traded and delivered in the Demat form to the Stock Exchanges by all investors.

Nearly 95.91% of the equity shares of the Company have been dematerialized 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 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, 2018 other than Promoter/ Promoter Group.

Sr. No.	Name of the Shareholder	No. of Shares held	% of Holding
1.	Finquest Securities Pvt. Ltd	1862284	5.90
2.	Life Insurance Corporation of India Ltd.	853756	3.67
3.	Hardik Bharat Patel	659275	2.84
4.	Dalal & Broacha Stock Broking Pvt. Ltd.	332100	1.43
5.	Garware Wall Ropes Ltd.	146350	0.63
6.	Nedhi Goel	102962	0.44
7.	Indianivesh Securities Limited	96096	0.41
8.	Bharati Bharat Dattani	73343	0.31
9.	Sanjeev Vinodchandra Parekh	72166	0.31
10.	Vinodchandra Mansukhlal Parekh	71097	0.31

Transfer of unclaimed/unpaid Dividend and Equity Shares to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated

October 13, 2017 read with the circular dated October 16, 2017, wherein it was provided that where the period of 7 consecutive years, as above, was completed or being completed during the period from September 7, 2016 to October 31, 2017, the due date of transfer for such shares was October 31, 2017.

In the interest of the shareholders, the Company has send notice to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website www.garwarepoly.com

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the Demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF are as follows:

Financial year	Amount of Unclaimed dividend transferred (Rs. in Lakh)	Number of shares transferred
2008-09	4.69 (Transferred on 30.01.2017)	1,90,580 (Transferred on 05.01.2018)
2009-10	7.46 (Transferred on 01.12.2017)	14,459 (Transferred on 20.04.2018)
2010-11 (Interim Dividend)	7.71 (Transferred on 20.01.2018)	13,821 (Transferred on 14.06.2018)

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's Registrar and Share Transfer Agent:

Financial Year	Date of Declaration	Last date for claiming unpaid dividend
2010-11	27.12.2011	01.02.2019
2011-12	05.09.2012	09.10.2019
2016-17	27.09.2017	02.11.2024

- (xii) **Outstanding GDRs/ADRs/
Warrants or any convertible:** Not Applicable

Instruments and conversion

Date and likely impact on equity

- (xii) **Plants Location :** Waluj, Chikalthana and Nashik.

- (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 : cs@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 Regulations.

- (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
58 th AGM	29.09.2015		11.30 a.m.
59 th AGM	21.09.2016	at Registered Office: Naigaon, Post Waluj, Aurangabad-431133	11.30 a.m.
60 th AGM	27.09.2017		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 27, 2017	1) Payment of Remuneration to Mrs. Monika Garware Modi as a Joint Managing Director of the Company from 01/04/2017 to 31/10/2018 2) Payment of Remuneration to Mrs. Sarita Garware Ramsay as a Joint Managing Director of the Company from 01/04/2017 to 31/10/2018
September 21, 2016	No Special Resolution was passed.
September 29, 2015	1) Adoption of new set of Articles of Association 2) Loan and Investment by the Company

Postal Ballot

During the year under review, following resolution(s) were passed through the exercise of Postal Ballot.

1. Payment of remuneration to Mrs. Monika Garware Modi (DIN 00143400) as a Joint Managing Director of the Company for remaining tenure of her office i.e. from 1st April, 2017 to 31st October, 2018.
2. Payment of Remuneration to Mrs. Sarita Garware Ramsay (DIN 00136048) as a Joint Managing Director of the Company for remaining tenure of her office i.e. from 1st April, 2017 to 31st October, 2018.

Secretarial Audit:

- **M/s. Nilesh Shah & Associates**, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year 2017-18. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.
- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.

Declaration of Compliance with the Code of Conduct

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2018.

Place: Mumbai

Date: August 08, 2018

S. B. Garware
Chairman & Managing Director

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

Certification

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, 2018 and that to the best of our knowledge and belief:

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

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

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

We have indicated to the Auditors and the Audit Committee

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

S. B. Garware
Chairman & Managing Director

Manoj Gupta
Chief Financial Officer

Place: Mumbai
Date: August 08, 2018

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

To,
**The Members of
GARWARE POLYESTER LIMITED**

I have examined the compliance of conditions of Corporate Governance by **GARWARE POLYESTER LIMITED** ("the Company") for the year ended 31st March 2018, as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").

Management's Responsibility:

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

Auditor's Responsibility:

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

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

Conclusion:

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

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

Restrictions on use:

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

ABBAS LAKDAWALLA

Place: Mumbai
Dated: August 03, 2018

Practicing Company Secretary
FCS 2988
CP 4052

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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, 2018, 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, 2018, according to the provisions of:

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

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

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

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

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 and agenda and detailed notes on agenda were sent at least seven days in advance and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

Date:- August 03, 2018

Place:- Mumbai

Signature:-

Name:- Nilesh Shah

For:- **Nilesh Shah & Associates**

FCS : 4554 : C.P. : 2631

'ANNEXURE A'

To

The Members,

Garware Polyester Limited

Naigaon, Post Waluj,

Aurangabad-431133

Dear Sir / Madam,

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and we rely on Auditors Independent Assessment on the same.
4. 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.

Date:- August 03, 2018

Place:- Mumbai

Signature:-

Name:- Nilesh Shah

For:- **Nilesh Shah & Associates**

FCS : 4554

C.P. : 2631

INDEPENDENT AUDITOR'S REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS

To

The Members of

Garware Polyester Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Garware Polyester Limited** ('the Company'), which comprise the balance sheet as at 31st March, 2018 the statement of Profit and Loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued thereunder. 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 standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the financial position of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
- As required by Section 143(3) of the Act, we report that:
 - 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;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls with respect to financial statements, refer to our separate report in "**Annexure B**"; and
 - 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
 - The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts; and
 - 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: May 29, 2018

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

Sandeep D. Welling
Partner
Membership No. 044576

Place: Mumbai
Date: May 29, 2018

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 any loans secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of 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) 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, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.
- (a) 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, Goods and Service Tax, Cess and other material statutory dues, as applicable were in arrears as at 31st March 2018 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, Goods and Service Tax, Cess as at 31st March, 2018 which have not been deposited on accounts of any disputes are as follows:

Name of the Statute	Nature of Dues	Amount (₹ In Lakhs)	Financial Year for which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3.57	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1628.43*	2011-12 to 2013-14	Assessing Officer
Central Excise Act, 1944	Excise Duty	31.40	2001-02	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.92	2006-07	High Court
Central Excise Act, 1944	Service Tax	4.25	2015-16	Dy Commissioner (Audit), Central Excise, Customs & Service Tax

* Adjusted by assessing officer against MAT credit entitlement which is in dispute.

- (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 23 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 compliance 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: May 29, 2018

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

Sandeep D. Welling
Partner
 Membership No. 044576

Place: Mumbai
 Date: May 29, 2018

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, 2018 in conjunction with our audit of the standalone Ind AS 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 issued by ICAI (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with respect to financial statements. 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 with respect to financial statements 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 authorizations 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, 2018, 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.

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

P. N. Shah
Partner
Membership No. 001738

Place: Mumbai
Date: May 29, 2018

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

Sandeep D. Welling
Partner
Membership No. 044576

Place: Mumbai
Date: May 29, 2018

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Notes	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	1,22,409.53	1,22,923.33	1,23,017.77
Capital Work-in-Progress	2 (a)	972.55	781.30	469.51
Intangible Assets	2	133.80	58.65	40.93
Intangible Assets Under Development	2 (a)	-	34.58	48.96
Financial Assets				
Investments	3 (a)	2,556.05	2,990.17	1,497.36
Other Financial Assets	4	176.62	169.70	206.13
Current Tax Assets (Net)	11 (b)	-	200.90	144.45
Deferred Tax Assets (Net)	11 (a)	5,711.74	6,151.56	6,641.26
Other Non-Current Assets	10 (a)	1,763.46	1,710.78	1,483.67
TOTAL NON-CURRENT ASSETS		1,33,723.75	1,35,020.97	1,33,550.04
CURRENT ASSETS				
Inventories	9	8,444.37	10,610.77	13,143.11
Financial Assets				
Investments	3 (b)	1,161.35	-	-
Trade Receivables	5	6,169.68	7,532.49	5,748.37
Cash and Cash Equivalents	6 (a)	2,681.26	7,414.76	4,904.49
Bank Balances Other than above	6 (b)	420.00	157.49	91.41
Loans	7	53.59	22.16	26.67
Other Financial Assets	8	210.45	478.86	427.19
Other Current Assets	10 (b)	3,754.37	3,813.75	3,658.79
TOTAL CURRENT ASSETS		22,895.07	30,030.28	28,000.03
TOTAL ASSETS		1,56,618.82	1,65,051.25	1,61,550.07
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	12 (a)	2,323.24	2,323.24	2,325.31
Other Equity	12 (b)	1,26,762.76	1,22,979.65	1,19,247.72
TOTAL EQUITY		1,29,086.00	1,25,302.89	1,21,573.03
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	13 (a)	13,711.23	1,838.04	3,232.82
Provisions	16 (a)	644.98	542.69	500.13
Other Non-Current Liability	17	31.23	71.90	130.38
TOTAL NON-CURRENT LIABILITIES		14,387.44	2,452.63	3,863.33
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	13 (b)	1,663.31	27,375.91	26,240.83
Trade and Other Payables	14	6,331.54	4,842.72	4,389.29
Other Financial Liabilities	15	2,936.86	3,098.86	3,188.61
Other Current Liabilities	18	1,420.58	919.28	965.57
Current Tax Liabilities (Net)	11 (b)	105.62	-	-
Provisions	16 (b)	687.47	1,058.96	1,329.41
TOTAL CURRENT LIABILITIES		13,145.38	37,295.73	36,113.71
TOTAL LIABILITIES		27,532.82	39,748.36	39,977.04
TOTAL EQUITY AND LIABILITIES		1,56,618.82	1,65,051.25	1,61,550.07
Notes forming part of the Financial Statements	1 to 35			

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

C. J. PATHAK
Director

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

SANDEEP D. WELLING
Partner
M.No.: 044576

T. M. PARIKH
Director

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

Mumbai, May 29, 2018

Mumbai, May 29, 2018

MANOJ GUPTA
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Notes	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
INCOME:			
Revenue from Operations	19	83,190.35	90,433.32
Other Income	20	518.39	773.70
Total Income		83,708.74	91,207.02
EXPENSES:			
Cost of Materials Consumed	21	39,249.51	43,563.74
Change In Inventories of Finished Goods and Work-In-Progress	22	3,080.40	2,263.58
Excise Duty		865.00	4,435.36
Employee Benefits Expenses	23	6,844.16	6,905.02
Finance Costs	24	2,444.43	3,255.06
Depreciation and Amortisation Expenses	25	1,341.27	1,306.53
Other Expenses	26	24,800.52	26,224.47
Total Expenses		78,625.29	87,953.76
Profit Before Tax		5,083.45	3,253.26
Tax Expenses			
Current Tax	11 (b)	1,279.50	598.21
Deferred Tax	11 (a)	427.63	467.48
Total Tax Expenses		1,707.13	1,065.69
Profit for the year		3,376.32	2,187.57
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Statement of Profit and Loss			
Gain on Fair Valuation of Equity Instruments	12 (b)	677.37	1,500.31
Remeasurement of Post-Employment Defined Benefit Obligations	29	13.82	64.19
Income Tax Relating to these items	11 (b)	(4.78)	(22.21)
Other Comprehensive Income for the year, Net of Tax		686.41	1,542.29
Total Comprehensive Income for the year (Net)		4,062.73	3,729.86
Earnings Per Share			
Basic and Diluted	27	14.53	9.41
Notes forming part of the Financial Statements	1 to 35		

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, May 29, 2018

As per our report of even date

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

SANDEEP D. WELLING
 Partner
 M.No.: 044576

Mumbai, May 29, 2018

For and on behalf of the Board of Directors

S. B. GARWARE
 Chairman &
 Managing Director

T. M. PARIKH
 Director

MANOJ GUPTA
 Chief Financial Officer

C. J. PATHAK
 Director

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

STATEMENT OF CHANGES IN EQUITY

EQUITY SHARE CAPITAL

	Notes	₹ In Lakhs
As at April 1, 2016		2,325.31
Change in Equity Share Capital - Due to cancellation of Shares	12 (a)	(2.07)
As at March 31, 2017		2,323.24
Change in Equity Share Capital	12 (a)	-
As at March 31, 2018		2,323.24

OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2016	5,446.00	592.14	76,387.31	6,909.91	28,621.12	1,291.24	119,247.72
Profit for the year	-	-	-	-	2,187.57	-	2,187.57
Amount Paid up on cancellation of 82,756 Equity Shares	-	-	2.07	-	-	-	2.07
Other Comprehensive Income:							
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	41.98	-	41.98
b) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	1,500.31	1,500.31
As at March 31, 2017	5,446.00	592.14	76,389.38	6,909.91	30,850.67	2,791.55	122,979.65

OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2017	5,446.00	592.14	76,389.38	6,909.91	30,850.67	2,791.55	122,979.65
Profit for the year	-	-	-	-	3,376.32	-	3,376.32
Other Comprehensive Income:							
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	9.04	-	9.04
b) Changes in Fair Value of Equity Instruments Through OCI	-	-	-	-	-	677.37	677.37
c) Realised Gain on Equity Instruments Carried at Fair Value through OCI	-	-	-	-	1,091.95	(1,091.95)	-
Reductions during the Year:	-	-	-	-	-	-	-
Dividends Paid (Including Tax thereon)	-	-	-	-	(279.62)	-	(279.62)
As At March 31, 2018	5,446.00	592.14	76,389.38	6,909.91	35,048.36	2,376.97	126,762.76

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, May 29, 2018

As per our report of even date

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

SANDEEP D. WELLING
 Partner
 M.No.: 044576

Mumbai, May 29, 2018

For and on behalf of the Board of Directors

S. B. GARWARE
 Chairman &
 Managing Director

T. M. PARIKH
 Director

MANOJ GUPTA
 Chief Financial Officer

C. J. PATHAK
 Director

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
A. Cash Flow from Operating Activities		
Profit Before Tax	5,083.45	3,253.25
Adjustments For:		
<i>Add:</i>		
Depreciation and Amortisation Expense	1,341.27	1,306.53
Finance Cost	2,444.43	3,255.06
Provision for Leave & Gratuity Provision	-	179.76
Prepaid Rent Amortised	9.27	11.99
Net Gain on FA Mandatorily Measured at FVPL	5.55	-
Unrealised Exchange Gain / Loss	138.62	-
Mark to Market Loss on Derivative Contracts	85.43	-
<i>Less:</i>		
Interest Income	(369.32)	(459.13)
Unrealised Exchange (Gain) / Loss	-	(56.45)
Profit / Loss on Sale / Disposal / Write off of Property, Plant and Equipment	(0.21)	(19.21)
Profit on Sale of Investment	(0.05)	(0.01)
Dividend on Investment in Associate	(70.03)	(13.86)
Sundry Credit Balances & Provisions no Longer Required, Written Back	(1.51)	(7.24)
Mark to Market Loss on Derivative Contracts	-	(69.60)
Net Gain on Financial Asset Measured at Amortised Cost	(10.27)	(12.10)
Government Grant	(58.48)	(76.53)
Provision for Leave & Gratuity Provision	(162.30)	-
	<u>3,352.40</u>	<u>4,039.21</u>
Operating Profit Before Working Capital Changes	8,435.85	7,292.46
Adjustment For Changes in Working Capital:		
(Increase) / Decrease in Operating Assets:		
Inventories	2,166.40	2,532.33
Trade Receivables	1,315.34	(1,501.49)
Loans	(31.43)	4.51
Other Financial Assets	123.25	82.41
Other Assets	(47.72)	(394.06)
Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,476.29	465.56
Other Financial Liabilities	6.40	554.38
Other Liabilities	519.11	(28.24)
Provisions	(93.08)	(343.46)
	<u>5,434.56</u>	<u>1,371.94</u>
Cash Generated From Operations	13,870.41	8,664.40
Direct Taxes Paid	(965.57)	(654.65)
Net Cash Flow from Operating Activities (A)	12,904.84	8,009.75
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment & Intangible Assets	(1,059.37)	(1,651.15)
Proceeds from Sale of Property, Plant and Equipment	0.29	143.14
Interest on Deposits	517.83	373.58
Proceeds from Sale of Investments	1,111.54	7.52
Dividend on Investments	70.03	13.86
Investment in Mutual Funds	(1,166.90)	-
Net Cash Flow (Used In) Investing Activities (B)	(526.58)	(1,113.05)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd...)

Particulars	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
C. Cash Flow from Financing Activities		
Finance Cost	(2,370.10)	(3,169.49)
Proceeds From Non-Current Borrowings	13,705.79	474.68
(Repayments) of Non-Current Borrowings	(2,046.01)	(2,599.17)
Increase / Decrease in Current Borrowings	(25,859.31)	973.64
Dividend / Unclaimed Dividend Paid / Deposited Including Dividend Distribution Tax	(279.62)	-
Movement In Margin Money Deposit	(271.29)	(71.21)
Movement In Unclaimed Dividend Account	8.78	5.13
Net Cash Flow (Used In) Financing Activities (C)	(17,111.76)	(4,386.43)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(4,733.50)	2,510.27
Cash and Cash Equivalents (Opening Balance)	7,414.76	4,904.49
Cash and Cash Equivalents (Closing Balance)	2,681.26	7,414.76

Cash and Cash Equivalents at the end of the year include:

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
(a) Cash on Hand	4.97	6.62	33.07
(b) Balances with Banks in Current and Deposit Accounts	2,676.29	7,408.14	4,871.42
Cash and Cash Equivalents in Cash Flow Statement	2,681.26	7,414.76	4,904.49

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of Financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the Financial statements.

Particulars	As at March 31, 2017 ₹ In Lakhs	Cash Flow	Non Cash Change		As at March 31, 2018 ₹ In Lakhs
			Fair Value Changes	Foreign Exchange Movement	
Borrowings - Non Current	1,838.04	11,844.01	29.18	-	13,711.23
Borrowings - Current	27,375.91	(25,859.31)	-	146.71	1,663.31
Other Financial Liabilities	1,957.14	(184.23)	-	-	1,772.91

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, May 29, 2018

As per our report of even date

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

SANDEEP D. WELLING
Partner
M.No.: 044576

Mumbai, May 29, 2018

For and on behalf of the Board of Directors

S. B. GARWARE
Chairman &
Managing Director

T. M. PARIKH
Director

MANOJ GUPTA
Chief Financial Officer

C. J. PATHAK
Director

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

COMPANY INFORMATION:

Garware Polyester Limited ('the Company') is engaged in the business of manufacturing of Polyester Films. The Company is Limited by Shares, incorporated and domicile in India and Equity Shares of the Company are listed on the Indian stock exchange BSE (Bombay Stock Exchange). The registered office of the company is located at Naigaon, Post Waluj, Aurangabad - 431 133.

The Financial Statements have been authorised for issue by the Board of Directors at their meeting held on May 29, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:**A. Significant Accounting Policies:****(a) Basis of Preparation****(i) Compliance with Ind AS**

These Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

The Financial Statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first Financial Statements of the Company under Ind AS. Refer note 34 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, Financial performance and cash flows.

Company's Financial Statements are presented in Indian (₹), which is also its functional currency.

These Financial Statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain Financial Assets and Financial Liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Financial Statements

(ii) Classification of Assets and Liabilities

All Assets and liabilities have been classified as current or Non-Current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of Assets for processing and their realization in Cash and Cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current and Non - Current Classification of Assets and Liabilities.

(b) Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of Property, Plant and Equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the Property, Plant and Equipment can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Depreciation, Estimated Useful Lives and Residual Value

Depreciation is provided as per the useful lives of Assets specified in Schedule II to the Companies Act, 2013 (Act).

The Property, Plant and Equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within other income/ other expenses respectively.

Capital Work-in-Progress

Capital work-in-progress assets in the course of installation for production or/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction/ installation is transferred to the appropriate category of Property, Plant and Equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(c) Intangible Assets

Intangible Assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Profit or Loss. Intangible Assets are amortised on the straight line method as follows:

Asset	Useful Life
Software	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) Revenue Recognition**(1) Sale of Products**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured and are accounted for inclusive of Excise Duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax (GST).

(2) Export Benefits

Export entitlements under the Duty Draw Back Scheme / Other schemes are recognised 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.

(3) Others

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

Interest income is recognised on the time proportion basis.

(f) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are recognised in the Profit or Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(g) Inventories

- (1) 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.
- (2) 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.
- (3) Semi-finished goods including those held for captive consumption is valued at factory cost including depreciation.
- (4) 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.
- (5) Purchases of finished goods are valued at the lower of cost and net realizable value.

(h) Financial Instruments

A Financial Instrument is any contract that gives rise to a Financial asset of one entity and a Financial liability or Equity instrument of another entity.

A. Financial Assets**(1) Classification**

The Company Classifies its Financial Assets in the following Measurement Categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Profit or Loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the Financial Assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income. For Investments in debt Instruments, this will depend on the business model in which the investment is held. For Investments in Equity Instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the Equity investment at Fair Value Through Other Comprehensive Income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(2) Measurement

At initial recognition, the Company measures a Financial asset at its fair value plus, in the case of a Financial asset not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition of the Financial asset. Transaction costs of Financial Assets carried at fair value through Profit or Loss are expensed in Profit or Loss statement.

Financial Assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as follows:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Profit or Loss when the asset is derecognised or impaired. Interest income from these Financial Assets is included in other income using the effective interest rate method.

Equity Instruments

The Company subsequently measures Equity investment at fair value. The Company's Management elects to present fair value gains and losses on Equity Investments in Other Comprehensive Income or Profit and Loss account on an instrument by instrument basis.

(3) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its Assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 32 (A) for details of credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(4) Derecognition of Financial Assets

A Financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the Financial asset or
- Retains the contractual rights to receive the cash flows of the Financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial asset. In such cases, the Financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the Financial asset, the Financial asset is not derecognised. Where the entity has neither transferred a Financial asset nor retains substantially all risks and rewards of ownership of the Financial asset, the Financial asset is derecognised if the Company has not retained control of the Financial asset. Where the Company retains control of the Financial asset, the asset is continued to be recognised to the extent of continuing involvement in the Financial asset.

B. Financial Liability

(1) Initial Recognition and Measurement:

The Company recognizes a Financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All Financial Liabilities are recognised initially at fair value minus, in the case of Financial Liabilities not recorded at Fair Value Through Profit or Loss (FVTPL), transaction costs that are attributable to the acquisition of the Financial liability.

Where the fair value of a Financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the Financial liability.

(2) Measurement:

All Financial Liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the Financial liability over the relevant period of the Financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the Financial liability. The same is included under finance cost in the Statement of Profit and Loss.

(3) Derecognition:

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the Financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

(i) Derivative Financial Instruments

Derivative Financial Instruments such as forward contracts to hedge foreign currency risk are initially recognised at fair value and subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit & Loss in the period when they arise.

(j) Foreign Currency Translation**(1) Functional and Presentation Currency**

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees which is the Company's functional and presentation currency.

(2) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary Assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in Profit and Loss and are presented in the Statement of Profit or Loss on a net basis. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange gains and losses on foreign currency borrowings is accounted by addition or deduction to the cost of asset so far it relates to capital asset to the extent that they are regarded as an adjustment to interest cost and in other cases by charging it to the statement of Profit and Loss as a gain or loss on account of exchange differences under the head finance costs.

(k) Leases

As a Lessee

Leases of Property, Plant and Equipment, where the Company, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Profit or Loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(l) Cash and Cash Equivalents

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

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or Loss over the period of the borrowings using the effective interest method. Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

(n) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(o) Provisions and Contingent Liabilities & 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

(p) Investment in Subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27.

(q) Employee Benefits**(i) Short-Term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other Long-Term Employee Benefit Obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-Employment Benefits

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as Gratuity and Pension; and
- (b) Defined contribution plans such as Provident Fund.

Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of Defined Benefit Pension and Gratuity Plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in Equity and in the Balance Sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a trust administered by the Company. The interest payable by the trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due for more than 12 months after the end of the reporting period are discounted to present value.

(r) Earnings Per Share

Earnings per share are calculated by dividing the net Profit or Loss for the year attributable to Equity shareholders by the weighted average number of Equity Shares outstanding during the year.

(s) Income Taxes

Deferred Tax is provided using the Balance Sheet Liability method, providing for temporary differences between the carrying amounts of Assets and Liabilities for Financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of Assets and liabilities, using tax rates enacted or substantially enacted at the Balance Sheet date. Deferred Tax Assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in Equity, respectively. 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.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

(t) Significant Accounting Judgements, Estimates and Assumptions

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The management overview the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next Financial year, are described below. The Company has based assumptions and estimates on parameters available when the Financial Statements were prepared. However existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions as and when they occur.

i. Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates, management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax Assets is based on availability of sufficient taxable profits in the Company against which such Assets can be utilised.

ii. Defined Benefit Obligations

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameters subject to change is the discount rate, escalation rate, expected rate of return and mortality rate. Future salary increases are based on expected future inflation rates.

iii. Recoverability of Trade Receivables

Required judgements are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

AMENDMENTS ISSUED, BUT NOT YET EFFECTIVE**Standards Issued but not yet effective**

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018. The Rules shall be effective from reporting period beginning on or after April 1, 2018.

(1) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of Financial Statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised goods or services and thus has the ability to direct the use and obtain the benefits from the goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. There are consequential amendments to other Ind AS due to notification of Ind AS 115. The Company is in the process of evaluating the impact on the Financial Statements in terms of the amount and timing of revenue recognition under the new standard.

(2) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

The MCA has notified Appendix B to Ind AS 21, foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts. The Company is in the process of evaluating the impact on the Financial Statements.

(3) Ind AS 40 – Investment Property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include Assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- (i) Retrospectively without the use of hindsight; or
- (ii) Prospectively to changes in use that occur on or after the date of initial application (i.e. April 1, 2018). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date. There is no impact of this amendment to the Company.

(4) Ind AS 12 – Income Taxes

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for Deferred Tax Assets set out below:

A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.

The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

Where the tax law restricts the source of taxable profits against which particular types of Deferred Tax Assets can be recovered, the recoverability of the deferred tax Assets can only be assessed in combination with other Deferred Tax Assets of the same type.

Tax deductions resulting from the reversal of deferred tax Assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those Assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening Equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of Equity, as appropriate), without allocating the change between opening retained earnings and other components of Equity. There is no impact of this amendment to the Company.

(5) Ind AS 28 – Investment in Associates and Ind AS 112 – Disclosure of Interest in Other Entities

Amendment clarifies that:

- (i) Disclosure requirements of Ind AS 112 are applicable to interest in other entities classified as held for sale except for summarised financial information.
- (ii) The option available with venture organizations, mutual funds, unit trusts and similar entities to measure their Investments in associate or joint ventures at Fair Value Through Profit or Loss (FVTPL) is available for each investment in an associate or joint venture. There is no impact of this amendment to the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. PROPERTY, PLANT AND EQUIPMENT

₹ In Lakhs

Description	Gross Carrying Amount			Depreciation / Amortisation			Net Carrying Amount As at March 31, 2018	
	Gross Carrying Amount as at April 1, 2017	Additions / Adjustments during the year	Disposal/ Adjustments during the year	As at March 31, 2018	Up to April 1, 2017	Charge for the year		Disposal during the year
Property, Plant and Equipment :-								
Land (Freehold)	77,066.97	-	-	77,066.97	-	-	-	77,066.97
Land (Leasehold)	23,576.85	-	-	23,576.85	-	-	-	23,576.85
Buildings	5,015.86	23.72	-	5,039.58	244.44	251.82	-	4,543.32
Plant & Machinery	17,135.57	460.22	-	17,595.79	758.94	773.59	-	16,063.26
Electrical Installations	51.14	32.61	-	83.75	18.87	7.23	-	57.65
Laboratory Equipments	243.54	43.73	-	287.27	29.88	32.98	-	224.41
Furniture & Fixtures	95.83	40.63	-	136.46	11.63	13.59	-	111.24
Office Equipments	136.51	20.82	-	157.33	31.55	33.38	-	92.40
Vehicles	19.51	6.65	-	26.16	5.19	5.61	-	15.36
Vehicles on Finance Lease	611.73	151.19	-	762.92	67.85	113.67	-	581.40
Capital Expenditure On Research & Development	15.36	-	-	15.36	1.76	1.77	-	11.83
Data Processing Equipments	86.35	20.27	-	106.62	29.10	25.97	-	51.55
Data Processing Equipments on Finance Lease	135.18	-	0.30	134.88	67.86	53.96	0.22	13.28
TOTAL (A)	124,190.40	799.84	0.30	124,989.94	1,267.07	1,313.56	0.22	2,580.41
Intangible Assets :-								
Software	78.73	102.86	-	181.59	20.08	27.71	-	133.80
TOTAL (B)	78.73	102.86	0.00	181.59	20.08	27.71	0.00	47.79
TOTAL (A + B)	124,269.13	902.70	0.30	125,171.53	1,287.15	1,341.27	0.22	2,628.20
Capital Work-in-Progress, Refer Note 2 (a)								972.55

Refer Note No. 28 (d) for disclosure of contractual commitments for Property, Plant and Equipments.

Refer Note No. 13 for Property pledged as security.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. PROPERTY, PLANT AND EQUIPMENT

Description	Gross Carrying Amount						Depreciation / Amortisation				Net Carrying Amount As at March 31, 2017	
	Carrying amount as at April 1, 2016	Fair value adjustment	Other Ind AS adjustments	Fair value as deemed cost as at April 1, 2016	Additions / Adjustments during the year	Disposal/ Adjustments during the year	As at March 31, 2017	Up to April 1, 2016	Charge for the year	Disposal during the year		Up to March 31, 2017
Property, Plant and Equipment :-												
Land (Freehold)	25,476.92	51,590.05	-	77,066.97	-	-	77,066.97	-	-	-	-	77,066.97
Land (Leasehold)	6,740.94	16,835.91	-	23,576.85	-	-	23,576.85	-	-	-	-	23,576.85
Buildings	4,968.59	(43.62)	-	4,924.97	90.89	-	5,015.86	-	244.44	-	244.44	4,771.42
Plant & Machinery	26,633.17	(10,024.19)	(30.91)	16,578.07	557.50	-	17,135.57	-	758.94	-	758.94	16,376.63
Electrical Installations	24.84	-	-	24.84	26.30	-	51.14	-	18.87	-	18.87	32.27
Laboratory Equipments	227.26	-	-	227.26	16.28	-	243.54	-	29.88	-	29.88	213.66
Furniture & Fixtures	191.36	-	-	191.36	30.44	-	95.83	125.97	23.96	12.33	11.63	84.20
Office Equipments	68.17	-	-	68.17	72.65	-	136.51	4.31	32.74	1.19	31.55	104.96
Vehicles	19.51	-	-	19.51	-	-	19.51	-	5.19	-	5.19	14.32
Vehicles on Finance Lease	134.58	-	-	134.58	490.18	-	611.73	13.03	73.71	5.86	67.85	543.88
Capital Expenditure On Research & Development	14.60	-	-	14.60	0.76	-	15.36	-	1.76	-	1.76	13.60
Data Processing Equipments	55.41	-	-	55.41	30.94	-	86.35	-	29.10	-	29.10	57.25
Data Processing Equipments on Finance Lease	135.18	-	-	135.18	-	-	135.18	-	67.86	-	67.86	67.32
TOTAL (A)	64,690.53	58,358.15	(30.91)	123,017.77	1,315.94	143.31	124,190.40	143.31	1,286.45	19.38	1,267.07	122,923.33
Intangible Assets :-												
Software	40.93	-	-	40.93	37.80	-	78.73	-	20.08	-	20.08	58.65
TOTAL (B)	40.93	-	-	40.93	37.80	-	78.73	-	20.08	-	20.08	58.65
TOTAL (A + B)	64,731.46	58,358.15	(30.91)	123,058.70	1,353.74	143.31	124,269.13	143.31	1,306.53	19.38	1,287.15	122,981.98
Capital Work in Progress including intangible Assets under development, Refer Note 2 (a)												

2. (a) The breakup of Expenses shown Under Capital Work-in-Progress (pending allocation) as on March 31, 2018 is as under :

Particulars	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
Opening Balance	815.88	518.47
Additions during the year	604.09	674.04
Less: Capitalised during the year	(452.45)	(376.63)
Finance Charges	5.03	0.00
Closing Balance #	972.55	815.88

[Note : Includes Intangible Assets under Development ₹ Nil (March 31, 2017: ₹ 34.58 Lakhs)]

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. (a) NON - CURRENT INVESTMENTS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Investment at Fair Value Through Other Comprehensive Income (FVTOCI) in Quoted Equity Instruments			
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 50 Equity Shares) of M. M. Rubber Ltd., of the face value of ₹ 2/- each, fully paid-up.	-	-	0.01
262,543 Equity Shares (400,300 Equity Shares March 31, 2017; April 1, 2016 - 400,300 Equity Shares) of Garware Wall Ropes Limited, of the face value of ₹ 10/- each, fully paid-up.	2,414.41	2,848.53	1,348.21
Investment in Equity Instruments of Subsidiary - At cost fully paid			
2,50,000 Ordinary Shares (March 31, 2017 - 2,50,000; April 1, 2016 - 250,000) of Garware Polyester International Limited, London, of the face value of Pound 1/- each, fully paid-up.	133.57	133.57	133.57
Investment at Fair Value Through Profit and Loss (FVTPL) in Unquoted Equity Instruments			
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 2500 Equity Shares) of The New India Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up.	-	-	0.25
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 2500 Equity Shares) of The North Kanara Goud Saraswat Brahmin Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up.	-	-	0.25
500 Equity Shares (March 31, 2017 - 500; April 1, 2016 - 500 Equity Shares) of The Co-Operative Stores Ltd. (New Delhi), of the face value of ₹ 10/- each, fully paid-up.	0.05	0.05	0.05
10,000 Equity Shares (March 31, 2017 - 10,000; April 1, 2016 - 10,000) of S I C O M Ltd., of the face value of ₹ 10/- each fully paid-up.	8.00	8.00	8.00
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 20,000 Equity Shares) of Deogiri Nagari Sahakari Bank Ltd., of the face value of ₹ 25/- each fully paid-up.	-	-	5.00
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 4,000 Equity Shares) of Vaidyanath Urban Co-Operative Bank Ltd., of the face value of ₹ 25/- each fully paid-up.	-	-	1.00
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 1,000 Equity Shares) of Poornawadi Co-Operative Bank Ltd., of the face value of ₹ 100/- each fully paid-up.	-	-	1.00
100 Equity Shares (March 31, 2017 - 100; April 1, 2016 - 100 Equity Shares) of Cosmos Co-Operative Bank Ltd., of the face value of ₹ 10/- each fully paid-up.	0.02	0.02	0.02
TOTAL	2,556.05	2,990.17	1,497.36
Aggregate Amount of Quoted Investments	2,414.41	2,848.53	1,348.22
Aggregate Amount of Unquoted Investments	141.64	141.64	149.14

Investment in Subsidiary of ₹ 133.57 Lakhs (March 31, 2017: ₹ 133.57 Lakhs; April 1, 2016: ₹ 133.57 Lakhs) has been accounted for as per Ind AS 27

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. (b) CURRENT INVESTMENTS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Investment at Fair Value Through Profit and Loss (FVTPL) In Quoted Mutual Funds			
54,33,696 units in Aditya Birla Sunlife Enhance Arbitrage Fund Regular plan of Dividend Reinvestment	586.62	-	-
52,81,003 units in HDFC Arbitrage Fund Regular plan of Dividend Reinvestment	574.73	-	-
TOTAL	1,161.35	-	-
Aggregate Cost of Quoted Investments	1,166.91	-	-
Aggregate Fair Value of Quoted Investments (NAV)	1,161.35	-	-

4. OTHER FINANCIAL ASSETS-NON-CURRENT

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Security Deposits (Unsecured, Considered Good)	176.62	169.70	206.13
TOTAL	176.62	169.70	206.13

Security deposit includes rental deposits of ₹ 64.50 Lakhs given to directors (March 31, 2017 ₹ 64.50 Lakhs; April 1, 2016 ₹ 64.50 Lakhs) and ₹ 43.50 Lakhs given to companies in which directors are a director / member (March 31, 2017 ₹ 43.50 Lakhs; April 1, 2016 ₹ 43.50 Lakhs).

5. TRADE RECEIVABLES

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Secured, Considered Good	-	-	-
Unsecured, Considered Good	3,302.68	4,796.76	3,939.52
Unsecured, Considered Doubtful	251.83	251.83	258.85
Less: Allowance for Doubtful Debts	(251.83)	(251.83)	(258.85)
Due from Subsidiary Companies	2,867.00	2,728.07	1,669.26
Due from Company in which the Directors are Director / Member	-	7.66	139.59
TOTAL	6,169.68	7,532.49	5,748.37

The Carrying Amounts of Trade Receivables Discounted are as Follows:

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Total Trade Receivables Discounted	1,241.71	1,877.56	1,633.35
Corresponding Borrowings against Trade Receivables Discounted (Refer Note 13 b)	1,241.71	1,877.56	1,633.35

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6. (a) CASH AND CASH EQUIVALENTS	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Balances with Banks			
In Current Accounts	261.92	138.82	201.70
In Deposit Accounts	2,414.37	7,269.32	4,669.72
Cash on Hand	4.97	6.62	33.07
TOTAL	2,681.26	7,414.76	4,904.49
6. (b) OTHER BANK BALANCES	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
In Earmarked Accounts			
Unclaimed Dividend Accounts	52.55	61.33	66.46
Margin Money Deposit	367.45	96.16	24.95
TOTAL	420.00	157.49	91.41
7. LOANS - CURRENT	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Loans and Advances to Employees	53.59	22.16	26.67
TOTAL	53.59	22.16	26.67
8. OTHER FINANCIAL ASSETS - CURRENT	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Interest accrued on Fixed Deposits	2.84	151.35	65.80
Derivative Financial Instrument	-	69.60	41.93
Other Receivables	207.61	257.91	319.46
TOTAL	210.45	478.86	427.19
(Other Receivables Includes Insurance Claim and Discount Receivable from Vendors.)			
9. INVENTORIES	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Stores, Spares and Packing Materials	2,478.16	2,377.12	2,226.97
Stores, Spares and Packing Materials - In Transit	89.63	-	-
Raw Materials	1,739.48	1,562.84	1,981.75
Raw Materials - In Transit	546.69	-	-
Finished Goods	197.97	339.01	514.66
Semi-Finished Goods	3,392.44	6,331.80	8,419.73
TOTAL	8,444.37	10,610.77	13,143.11

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

10. (a) OTHER NON CURRENT ASSETS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Capital Advances			
Secured, Considered Good	-	20.00	16.26
Unsecured, Considered Good	9.21	-	10.83
	9.21	20.00	27.09
Advances other than Capital Advances			
Balances with Government Authorities	1,754.25	1,690.78	1,456.58
TOTAL	1,763.46	1,710.78	1,483.67

10. (b) OTHER CURRENT ASSETS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Prepaid Expenses	221.58	572.26	583.54
Balances with Government Authorities.	2,929.24	2,347.61	2,483.71
Advances Paid to Suppliers / Vendors	603.55	893.88	591.54
TOTAL	3,754.37	3,813.75	3,658.79

11. (a) DEFERRED TAX ASSETS

The Balance of Deferred Tax Comprises Temporary Differences Attributable to:

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Deferred Tax Assets			
Expenses Allowed on Payment Basis	243.85	312.28	295.15
Unabsorbed Business Losses & Depreciation	-	-	531.13
Minimum Alternate Tax Credit Entitlement	7,984.58	7,743.98	7,200.69
Others	89.01	290.75	293.54
TOTAL (a)	8,317.44	8,347.01	8,320.51
Deferred Tax Liabilities			
Excess of Written Down Value as per Books and as per Income Tax Act, 1961	2,578.70	2,173.24	1,679.25
Remeasurement of Post Defined Benefit Obligations	27.00	22.21	-
TOTAL (b)	2,605.70	2,195.46	1,679.25
Deferred Tax Assets (Net)	TOTAL (a - b)	5,711.74	6,641.26

Changes in Deferred Tax Assets / (Liabilities) in Statement of Profit and Loss [(Charged) / Credited during the year]

	Year Ended	
	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Expenses Allowed on Payment Basis	(68.43)	17.13
Unabsorbed Business Losses & Depreciation	-	(531.13)
Others	(201.74)	(2.78)
Minimum Alternate Tax Credit Entitlement	240.60	543.29
Reversal of MAT Credit Entitlement of Previous Year	7.40	-
Excess of Written Down Value as per Books and as per Income Tax Act, 1961	(405.46)	(493.99)
TOTAL	(427.63)	(467.48)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11. (b) INCOME TAXES

The Major Components of Income Tax Expense for the year ended March 31, 2018 and March 31, 2017 are:

Statement of Profit and Loss**Profit and Loss Section**

	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
Current Income Tax		
Current Tax on Profit for the Current year	1,279.50	598.21
Deferred Tax	675.63	1,010.77
MAT Credit Entitlement	(248.00)	(543.29)
Income Tax Expense Reported in the Statement of Profit or Loss	1,707.13	1,065.69

Other Comprehensive Income Section

Deferred Tax Relating to Remeasurement of Post Employment Benefit Obligations

Income Tax Charged to OCI

4.78	22.21
4.78	22.21

Movement in Income Tax (Assets) / Liabilities (Net)

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs
Opening Balance [Payable / (Receivable)]	(200.90)	(144.45)
Add : Current Tax Payable for the Year	1,279.50	598.21
Less : Taxes Paid	(1,128.19)	(654.66)
Less : Prior Period Refund Received (Net)	155.21	-
Closing Balance [Payable / (Receivable)]	105.62	(200.90)

Reconciliation of Tax Expense and Accounting Profit for the year:

	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
Accounting Profit Before Tax	5,083.45	3,253.26
Tax at Statutory Income Tax Rate of @ 34.61%	1,759.28	1,125.89
Tax Effect of Amounts which are Not Deductible (Taxable) In Calculating Taxable Income		
Dividend Income	(24.24)	(4.58)
Donations	13.41	14.69
Research And Development Expenditure	(22.24)	(52.91)
Other Items	(19.09)	(17.40)
Income-Tax Expense	1,707.12	1,065.69

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

12. (a) EQUITY AND SHARE CAPITAL

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Authorised Equity Share Capital:			
40,000,000 (March 31, 2017: 40,000,000; April 1, 2016: 40,000,000) Equity Shares of ₹ 10/- each	4,000	4,000	4,000
6,000,000 (March 31, 2017: 6,000,000 ; April 1, 2016: 6,000,000) Preference Shares of ₹ 100/- each	6,000	6,000	6,000
TOTAL	10,000	10,000	10,000
Issued, Subscribed and Paid up :			
23,232,394 (March 31, 2017: 23,232,394 ; April 1, 2016: 23,315,150) Equity Shares of ₹ 10/- each	2,323.24	2,331.52	2,331.52
Less: Unpaid Allotment / Call Money (from others) on cancellation of 82,756 Shares	-	6.21	6.21
Less: Amount Paid-up on cancellation of 82,756 Shares Transferred to Capital Reserve	-	2.07	-
TOTAL	2,323.24	2,323.24	2,325.31

(i) Reconciliation of Number of Equity Shares

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Shares Outstanding at the Beginning of the year	23,232,394	23,315,150	23,315,150
Less: Forfeited during the year	-	82,756	-
Outstanding at the end of the year	23,232,394	23,232,394	23,315,150

(ii) Terms / Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/-. Each shareholder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. The Company declares and pays Dividend in Indian (₹).

Final Dividend of ₹ 2 /- Per Equity Share for the Financial year ended 31st March, 2018 proposed by board of directors in its meeting held on May 29, 2018 is subject to approval of Shareholders in the ensuing Annual General Meeting and if approved, would result in Cash outflow of ₹ 559.24 Lakhs including dividend distribution tax of ₹ 94.59 Lakhs.

(iii) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
S. B. Garware Family Trust	38.09%	8,849,867	42.97%	9,982,401	45.43%	10,592,401
B. D. Garware Research Centre	5.35%	1,242,216	5.35%	1,242,216	-	-
Shri S. B. Garware	5.01%	1,163,001	5.01%	1,163,001	-	-
Hridaynath Consultancy Pvt. Ltd.	-	-	5.74%	1,334,612	-	-
Finquest Securities Pvt. Ltd.	8.02%	1,862,284	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

12. (b) OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2016	5,446.00	592.14	76,387.31	6,909.91	28,621.12	1,291.24	119,247.72
Profit for the year	-	-	-	-	2,187.57	-	2,187.57
Amount Paid on cancellation of 82,756 Shares	-	-	2.07	-	-	-	2.07
Other Comprehensive Income:							
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	41.98	-	41.98
b) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	1,500.31	1,500.31
As at March 31, 2017	5,446.00	592.14	76,389.38	6,909.91	30,850.67	2,791.55	122,979.65

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2017	5,446.00	592.14	76,389.38	6,909.91	30,850.67	2,791.55	122,979.65
Profit for the year	-	-	-	-	3,376.32	-	3,376.32
Other Comprehensive Income:							
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	9.04	-	9.04
b) Realised Gain on Equity Instrument Carrying at Fair Value Through OCI	-	-	-	-	1,091.95	(1,091.95)	-
c) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	677.37	677.37
Reductions During the year:							
Dividends Paid (Including Tax thereon)	-	-	-	-	(279.62)	-	(279.62)
As at March 31, 2018	5,446.00	592.14	76,389.38	6,909.91	35,048.36	2,376.97	126,762.76

Nature and Purpose of Other Reserves:

1 Capital Redemption Reserve

Capital Redemption Reserve is towards the redemption of Preference Shares allotted to Industrial Development Bank of India (IDBI) in FY 2014 - 15.

2 Securities Premium Reserve

Securities Premium Reserve is towards the premium on issue of Equity Shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

3 Capital Reserve

Capital reserve of ₹ 4,439.48 was created on demerger of manufacturing business of erstwhile Garware Chemicals Limited (GCL) as per the scheme of arrangement between the Company and GCL under provisions of section 391 - 394 of the Companies Act, 1956 and ₹ 61,842.43 Lakhs (Net of Deferred Tax) on account of fair valuation of Property, Plant and Equipment done as at the transition date of Ind AS. Capital reserve also includes Revaluation Reserve amounting to ₹ 4,584.49 Lakhs pertains to revaluation of Land at Mumbai at Vile Parle in 2007 and ₹ 18,755.94 Lakhs revaluation of land situated at Aurangabad and Nashik in FY 2012 - 13 and ₹ (13,235.03) Lakhs pertains to impairment of Assets taken over from GCL in FY 2012 - 13 and ₹ 2.07 Lakhs amount paid-up on cancellation of 82,756 Shares.

4 Fair Value Through Other Comprehensive Income (FVTOCI) Equity Instruments

The Company has elected to recognise changes in fair value of certain Investments in Equity Instruments through Other Comprehensive Income. These changes are accumulated within the FVTOCI Equity Instruments reserve within Equity. The Company transfers amounts from this reserve to retained earnings when the relevant Equity Instruments are derecognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

13. (a) NON-CURRENT BORROWINGS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Secured:			
Term Loans			
Indian Rupee Loans from Banks	14,132.97	2,280.06	4,634.28
Long-Term Maturities of Finance Lease Obligations			
Obligations Under Finance Leases	601.91	591.68	203.26
Unsecured:			
Term Loans			
Sales Tax Deferral Loan from Sicom	749.26	923.44	996.55
TOTAL	15,484.14	3,795.18	5,834.09
Less: Current Maturities of Long Term Debt (Included in Note 15)	1,619.82	1,851.06	2,543.34
Less: Current Maturities of Finance Lease Obligations (Included in Note 15)	153.09	106.08	57.93
TOTAL	13,711.23	1,838.04	3,232.82

13. (b) CURRENT BORROWINGS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Cash / Packing Credit From Banks (Secured):			
Indian Rupee Loans from Banks.	-	215.16	980.88
Foreign Currency	421.60	5,984.04	8,728.46
Working Capital Loans	-	19,299.15	14,898.14
Payable to Banks (In Respect of Trade Receivables Discounted)	1,241.71	1,877.56	1,633.35
TOTAL	1,663.31	27,375.91	26,240.83

Terms of Repayment for Borrowings

Particulars	Terms of Repayment
Non-Current:	
Indian Rupee Loans from Banks	Loan of ₹ 671.61 Lakhs is repayable in 20 quarterly installments from quarter ended March 2014 till December 2018 & ₹ 565.61 Lakhs is repayable in 4 quarterly installment from June-2018 till March 2019 & ₹ 12,895.75 Lakhs is repayable in monthly installments from December 2017 till March 2024. Rate of interest: 9.50% p.a.
Obligations Under Finance Leases	Installments are repayable in 84 monthly installments / 20 quarterly installments from November 2014 to January 2024. Rate of interest: 9 - 11.80% p.a.
Sales Tax Deferral Loan from SICOM	Payable from April 2016 to April 2026
Current:	
Indian Rupee Loans from Banks	Rate of interest: 9 % to 13.83% p.a.
Foreign Currency	Interest is between LIBOR + 2 % to LIBOR + 3.5%
Payable to Banks (In Respect of Trade Receivables)	Amount payable ranges between 0 to 120 days from the date trade receivables are discounted.

Details of Security for the Non-Current and Current Borrowings:

Particulars	Nature of Security
Non-Current:	
Indian Rupee Loans from Banks	First pari-passu charge on Property, Plant and Equipment (present and future) except land and building at Vile Parle, Mumbai and second pari-passu charge on current Assets except for ₹ 565.61 Lakhs which has first and exclusive charge on machineries and equipments to be purchased out of said term loan.
Obligations Under Finance Leases	Hypothecation of specific Assets
Current:	
Indian Rupees and Foreign Currency and Working Capital Loans	Hypothecation of all the current Assets including all inventory, book debts etc. and second charge on Property, Plant and Equipment of the Company excluding property at Vile Parle.
Payable to Banks (In Respect of Trade Receivables)	Trade Receivables are discounted on with recourse basis.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

14. TRADE PAYABLES

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Total Outstanding Dues of Micro Enterprises and Small Enterprises	417.43	236.00	292.60
Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	5,914.11	4,606.72	4,096.69
TOTAL	6,331.54	4,842.72	4,389.29

Details of Dues to Micro and Small Enterprises as Defined Under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Sr. No.	Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs	April 1, 2016 ₹ In Lakhs
a)	Principal amount due to suppliers registered under MSMED Act and remaining unpaid as at the year end	417.43	236.00	292.60
b)	Interest due thereon	-	-	-
c)	Interest paid by the Company in term of Section 16	-	-	-
d)	Interest due and payable for the period of delay in payment	-	-	-
e)	Interest accrued and remaining unpaid	-	-	-
f)	Interest remaining due and payable even in succeeding years	-	-	-

15. OTHER FINANCIAL LIABILITIES - CURRENT

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Current Maturities of Long Term Debt	1,619.82	1,851.06	2,543.34
Current Maturities of Finance Lease Obligations	153.09	106.08	57.93
Unclaimed Dividend	52.55	61.33	66.46
Creditors for Capital Expenditure	331.69	218.36	153.81
Payable for Expenses	50.57	172.02	127.20
Payable to Employees	511.56	506.03	126.24
Deposit from Customers	201.75	183.98	113.63
Derivative Financial instrument.	15.83	-	-
TOTAL	2,936.86	3,098.86	3,188.61

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

16. (a) NON-CURRENT PROVISIONS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Provision for Employee Benefits (Refer note 29)			
Provision for Compensated Absences	644.98	542.69	500.13
TOTAL	644.98	542.69	500.13

16. (b) CURRENT PROVISIONS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Provision for Employee Benefits (Refer note 29)			
Provision for Gratuity	43.28	28.81	264.87
Provision for Compensated Absences	644.19	1,030.15	1,064.54
TOTAL	687.47	1,058.96	1,329.41

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

17. OTHER NON CURRENT LIABILITY (GOVERNMENT GRANT)	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Interest free Sales Tax Deferral Loan (SICOM)	71.90	130.38	206.91
Less: Current Maturities of SICOM Interest free Sales tax Deferral Loan	40.67	58.48	76.53
Interest free Sales Tax Deferral Loan (SICOM)	<u>31.23</u>	<u>71.90</u>	<u>130.38</u>
18. OTHER CURRENT LIABILITIES	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Statutory Liabilities	194.62	233.47	239.07
Advances from Customers	1,185.29	627.33	649.97
Interest free Sales Tax Deferral Loan (SICOM)	40.67	58.48	76.53
TOTAL	<u>1,420.58</u>	<u>919.28</u>	<u>965.57</u>
19. REVENUE FROM OPERATIONS	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs	
Sale of Products (Inclusive of Excise Duty)	81,258.97	88,531.33	
Other Operating Revenue			
Export Incentives	1,719.47	1,642.02	
Sale of Scrap and Others	211.91	259.97	
TOTAL	<u>83,190.35</u>	<u>90,433.32</u>	
Note: Revenue from Operations for the year ended March 31, 2018 includes excise duty which is discontinued w.e.f. July 1, 2017 upon implementation of Goods and Services Tax (GST). Accordingly, GST is not included in Revenue from Operations.			
20. OTHER INCOME	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs	
Interest Income On:			
Bank Deposits	293.62	457.58	
Income Tax & Sales Tax Refund	73.66	-	
Others	2.04	1.55	
Dividend from Quoted Equity Investments Measured at Fair Value Through OCI	13.12	13.86	
Dividends from Mutual Fund Investments Measured at Fair Value Through Profit and Loss	56.91	-	
Insurance Claims	8.52	24.82	
Profit on Sale of Property, Plant and Equipment	0.21	19.21	
Profit on Sale of Investments	0.05	0.01	
Bad Debts Recovered	-	12.32	
Excess Provision / Sundry Credit Balances Written Back	1.51	7.24	
Gain on Exchange Rate Fluctuations	-	148.48	
Net Gain on Financial Asset Measured at Amortised Cost	10.27	12.10	
Government Grant (Refer Note 34 (VI) (F))	58.48	76.53	
TOTAL	<u>518.39</u>	<u>773.70</u>	
21. COST OF MATERIALS CONSUMED	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs	
Opening Inventory	1,562.84	1,981.75	
Add: Purchases	40,076.93	43,303.28	
Less: Sales	(104.09)	(158.45)	
Less: Closing Inventory	(2,286.17)	(1,562.84)	
TOTAL	<u>39,249.51</u>	<u>43,563.74</u>	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

22. CHANGE IN INVENTORIES OF FINISHED GOODS AND SEMI-FINISHED GOODS	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Closing Inventory		
Semi-Finished Goods	3,392.44	6,331.80
Finished Goods	197.97	339.01
	<u>3,590.41</u>	<u>6,670.81</u>
Less: Opening Inventory		
Semi-Finished Goods	6,331.80	8,419.73
Finished Goods	339.01	514.66
	<u>6,670.81</u>	<u>8,934.39</u>
Net Change in Inventory	<u>3,080.40</u>	<u>2,263.58</u>
23. EMPLOYEE BENEFITS EXPENSE	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Salaries, Wages and Bonus	5,717.55	5,706.65
Contributions to Provident Fund and Other Funds	685.41	754.25
Staff Welfare Expenses	441.20	444.12
TOTAL	<u>6,844.16</u>	<u>6,905.02</u>
The remuneration of ₹ 944.67 Lakhs (March 31, 2017: ₹ 868.66 Lakhs) paid to the Managing Director, Joint Managing Directors and Directors is as per the sanction received from the Central Government.		
24. FINANCE COSTS	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Interest Expense	1,267.47	986.80
Other Borrowing Cost	1,269.02	2,473.14
Applicable (Gain) / Loss on Foreign Currency Translation and Transactions	(92.06)	(204.88)
TOTAL	<u>2,444.43</u>	<u>3,255.06</u>
Finance Costs Amounting to ₹ 5.03 Lakhs (March 31, 2017 : ₹ Nil) is Capitalised in the Cost of Assets during the current year.		
25. DEPRECIATION AND AMORTIZATION EXPENSE	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Depreciation on Property, Plant and Equipment	1,313.56	1,286.45
Amortisation of Intangible Assets	27.71	20.08
TOTAL	<u>1,341.27</u>	<u>1,306.53</u>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

26. OTHER EXPENSES	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
Stores, Spares & Packing Materials Consumed	4,910.36	4,912.59
Power and Fuel	6,976.15	7,838.73
Processing Charges	3,086.89	3,145.85
Water Charges	87.16	96.32
Rent, Hire Charges and Compensation	378.52	403.58
Rates, Taxes and License Fees	62.08	80.34
Insurance	264.42	281.37
Freight & Forwarding (Net)	2,533.91	2,660.69
Research and Development Expenses	128.51	152.88
Advertisement Expenses	27.89	22.09
Repairs and Maintenance Expenses:		
Plant and Machinery	991.72	1,017.40
Building	579.76	461.32
Others	881.44	931.18
Travelling & Conveyance	518.24	531.70
Postage, Telegrams & Telephones	87.73	103.31
Commission on Sales	499.01	496.10
Contribution Towards Corporate Social Responsibilities (Refer Note 26A)	25.50	60.00
Donation	52.00	-
Legal and Professional Charges*	1,103.07	1,047.03
Auditors Remuneration (Refer Note 26B)	36.14	36.79
Directors Sitting Fees	9.37	4.81
Loss on Exchange Rate Fluctuations	3.33	-
Net Loss on Financial Assets Measured at FVTPL	5.55	-
Miscellaneous Expenses	1,551.77	1,940.39
TOTAL	24,800.52	26,224.47

*Legal and professional charges include ₹ 3 Lakhs (March 31, 2017: ₹ 3.05 Lakhs) paid to a firm in which one of the partner of the auditor's firm is interested as a partner and ₹ 9.61 Lakhs (March 31, 2017: ₹ 6.36 Lakhs) paid to a firm in which one of the Directors is a proprietor for Corporate Law and Tax Services.

26. (a) CORPORATE SOCIAL RESPONSIBILITY (CSR)	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
Gross Amount required to be spent by the Company during the year	25.23	44.35
TOTAL	25.23	44.35
Amount spent during the year		
a. Construction / Acquisition of any Asset	-	-
b. On Purposes other than (a) above	25.50	60.00
TOTAL	25.50	60.00

26. (b) PAYMENT TO AUDITORS	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
As Auditor:		
Statutory Audit Fees	20.00	20.38
Tax Audit Fees	5.00	5.10
In Other Capacity:		
For Certification / Others	9.03	10.37
Reimbursement of Out of Pocket Expenses	2.11	0.94
TOTAL	36.14	36.79

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

27. EARNINGS PER SHARE (EPS)	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Net Profit Attributable to the Equity Shareholders of the Company	3,376.32	2,187.57
Weighted Average Number of Equity Shares	23,232,394	23,242,653
Basic & Diluted Earnings Per Share (In ₹)	14.53	9.41

28. CONTINGENCIES AND COMMITMENTS

a) Contingent Liabilities

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Disputed Matters in Appeal / Contested in Respect of:			
Income Tax	1,633.17	1,633.17	10.59
Excise Duty and Service Tax	41.40	41.40	48.87
Sales Tax	1,178.30	1,178.30	1,178.30
Maharashtra State Electricity Board (MSEB)	27.72	27.72	27.72
TOTAL	2,880.59	2,880.59	1,265.48

b) The Company has given counter-guarantees for ₹ 6,101.99 Lakhs (March 31, 2017: ₹ 4,456.29 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 ₹ 1,150.38 Lakhs (March 31, 2017: ₹ 22,237.95 Lakhs).

d) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 203.72 Lakhs (March 31, 2017: ₹ 161.77 Lakhs) against which an advance of ₹ 9.21 Lakhs (March 31, 2017: ₹ 20.00 Lakhs) has been paid.

e) Finance Leases

The Company has entered into finance leases arrangements. The future minimum lease payments are as follows:

Hire Purchase / Finance Leases (Property, Plant and Equipment)

Particulars	Future Lease Payments			Present Value of Minimum Future Minimum Lease Payments			Finance Charges	
	2018	2017	2016	2018	2017	2016	2018	2017
As at 31st March,								
Not later than one year	203.75	160.38	78.94	153.08	106.08	57.93	50.67	54.30
Later than one year and not later than five years	535.24	561.46	172.30	446.46	442.67	145.33	88.77	118.79
Later than five years	2.40	44.13	-	2.36	42.93	-	0.04	1.20

f) Operating Leases

The Company has taken various residential/ commercial premises and vehicles on operating leases. These operating leases are in the nature of 'cancellable lease' and therefore disclosure as per Ind AS 17 - Leases is not required

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

29. EMPLOYEE BENEFIT OBLIGATIONS

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs	April 1, 2016 ₹ In Lakhs
Gratuity (Refer Note C)	43.28	28.81	264.87
Non-Current	-	-	-
Current	43.28	28.81	264.87

A Defined Contribution Plan

The Company has certain Defined Contribution Plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government, however certain employees are covered under the contributory plans with trust "Garware Polyester Limited Office Staff and Officers Provident Fund". The expense recognised during the period towards defined contribution plan is ₹ 225.25 Lakhs (March 31, 2017 - ₹ 227.93 Lakhs).

B Compensated absences

The leave obligations is towards encashment of balance leave. The provision reversed during the year is ₹ 151.33 Lakhs and provided during the year ended March 31, 2017 is ₹ 46.73 Lakhs.

C Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan.

I The Amounts Recognised in Balance Sheet and Movements in the Net Benefit Obligation over the year are as follows :

₹ In Lakhs

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
April 1, 2016	2,297.89	(2,033.02)	264.87
Current Service Cost	164.13	-	164.13
Interest Expense / (Income)	176.54	(169.09)	7.45
Total Amount Recognised in Profit or Loss	340.67	(169.09)	171.58
Return on Plan Assets	-	(5.38)	(5.38)
(Gain) / Loss from Experience changes	(188.49)	-	(188.49)
(Gain) / Loss from Change in Financial Assumptions	129.69	-	129.69
Total Amount Recognised in Other Comprehensive Income	(58.80)	(5.38)	(64.18)
Employer Contributions	-	(343.46)	(343.46)
Benefits Paid	(182.35)	182.35	-
March 31, 2017	2,397.41	(2,368.60)	28.81

₹ In Lakhs

Particulars	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
April 1, 2017	2,397.41	(2,368.60)	28.81
Current Service Cost	125.49	-	125.49
Interest Expense / (Income)	154.58	(158.00)	(3.42)
Total Amount Recognised in Profit or Loss	280.07	(158.00)	122.07
Return on Plan Assets	-	(16.30)	(16.30)
(Gain) / Loss from Experience changes	17.02	-	17.02
(Gain) / Loss from Change in Financial Assumptions	(14.53)	-	(14.53)
Total Amount Recognised in Other Comprehensive Income	2.49	(16.30)	(13.81)
Employer Contributions	-	(95.85)	(95.85)
Benefits Paid	(275.07)	275.07	-
Mortality Charges and Taxes	-	2.07	2.07
March 31, 2018	2,404.90	(2,361.61)	43.28

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

II The Net Liability disclosed above relates to funded plans are as follows :

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs	April 1, 2016 ₹ In Lakhs
Present Value of Funded Obligation	2,404.89	2,397.41	2,297.89
Fair Value of Plan Assets	(2,361.61)	(2,368.60)	(2,033.02)
Deficit	43.28	28.81	264.87

III Estimates

The Actuarial Assumptions were as follows :

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Discount Rate	7.80%	6.84%	8.00%

IV Sensitivity of Actuarial Assumptions

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	₹ In Lakhs	
	March 31, 2018	March 31, 2017
Discount rate		
1 % Increase	(109.40)	(112.57)
1 % Decrease	119.20	123.15
Future Salary Increase		
1 % Increase	98.32	121.44
1 % Decrease	(92.05)	(112.87)

Projected Benefits Payable from the Fund in Future years from the date of Reporting:

	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Less than a year	395.67	337.21
Between 1 to 2 years	272.52	460.10
Between 2 to 3 years	616.90	578.34
Between 3 to 4 years	307.19	701.71
Between 4 to 5 years	299.71	879.84
Between 6 to 10 years	1,600.60	1,823.78
TOTAL	3,492.59	4,780.98

The weighted duration of the defined benefit obligation is 5.63 years.

V The Major Categories of Plan Assets are as Follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Funds Managed by Insurer	100%	100%	100%

VI Risk Exposure

- Asset Volatility** : All plan assets are maintained in a trust managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all Assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- Discount Rate Risk** : Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practice can have a significant impact on the defined benefit liabilities.
- Future Salary Increase and Inflation Risk** : Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- Asset-Liability Mismatch Risk** : Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

30. RELATED PARTY TRANSACTIONS - AS PER IND AS 24

Name of the Related Parties and Nature of Relationship

Subsidiary	Garware Polyester International Limited
Step down Subsidiary	Global Pet Films Inc.
Key Management Personnel	<p>Shri. S. B. Garware - Chairman and Managing Director</p> <p>Mrs. S. S. Garware - Director (Resigned w.e.f. August 10, 2017)</p> <p>Mrs. Monika Garware Modi - Vice Chairperson & Joint Managing Director</p> <p>Mrs. Sarita Garware Ramsay - Joint Managing Director</p> <p>Ms. Sonia S. Garware - Director</p> <p>Mr. M. S. Adsul - Director - Technical (Resigned w.e.f. September 30, 2017)</p> <p>Mr. C. J. Pathak - Whole Time Director (from October 16, 2017)</p> <p>Mr. B. D. Doshi - Director (from October 16, 2017)</p> <p>Mr. Sunil Dalmia - Chief Financial Officer (Resigned w.e.f. September 07, 2017)</p> <p>Mr. Manoj Gupta - Chief Financial Officer (From January 15, 2018)</p> <p>Mr. Nimesh Shah - Company Secretary</p>
Non Executive Director	<p>Mr. N. P. Chapalgaonkar - Non Executive and Independent Director</p> <p>Mr. B. Moradian - Non Executive and Independent Director</p> <p>Mr. Ramesh P. Makhija - Non Executive and Independent Director</p> <p>Mr. M. C. Agarwal - Non Executive and Independent Director</p> <p>Mr. T. M. Parikh - Non Executive and Independent Director</p> <p>Mr. Nilesh R. Doshi - Non Executive and Independent Director</p>
Entities in which some of the Directors are interested	<p>Garware Industries Ltd.</p> <p>Great View Real Estates Pvt. Ltd.</p> <p>Shashvat Investment Consultancy & Properties Pvt. Ltd.</p> <p>Garware Community Centre</p> <p>Garware Charitable Trust</p> <p>S. B. Garware Family Trust</p> <p>Monika Garware Benefit Trust</p> <p>Sarita Garware Benefit Trust</p> <p>Sonia Garware Benefit Trust</p>
Post Employment Benefit Plans	Garware Polyester Limited Office Staff and Officers Provident Fund

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

30. TRANSACTIONS WITH RELATED PARTIES**A Key Management Personnel Compensation**

Particulars	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
Short Term Employee Benefits	1,010.86	902.73
Post-Employment Benefits	3.00	2.00
TOTAL	1,013.86	904.73

The remuneration of ₹ 944.67 Lakhs (March 31, 2017: ₹ 868.66 Lakhs) paid to the Managing Director, Joint Managing Directors and Director is as per the sanction received from the Central Government.

Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Financial Statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

B Transactions with the Related Parties

Particulars	Relationship	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
i) Sale of Goods			
Garware Polyester International Ltd.	Subsidiary	2,869.81	3,195.26
Global Pet Films Inc.	Step-down Subsidiary	10,744.58	9,199.83
Garware Industries Ltd.	Entities in which some of the Directors are interested	9.92	28.88
ii) Sale of Property, Plant and Equipment			
Garware Polyester International Ltd.	Subsidiary	-	118.33
iii) Purchase of Materials			
Garware Industries Ltd.	Entities in which some of the Directors are interested	132.64	46.98
iv) Service Received / Processing / Commission / Rent Paid / Reimbursement of Expenses / Donation & CSR Expenses			
Garware Polyester International Ltd. (Commission / Reimb. of Exp.)	Subsidiary	350.93	393.98
Garware Industries Ltd. (Rent)	Entities in which some of the Directors are interested	188.88	174.38
Garware Industries Ltd. (Processing Charges)	Entities in which some of the Directors are interested	3,030.72	3,054.50
Great View Real Estates Pvt. Ltd. (Rent)	Entities in which some of the Directors are interested	74.70	82.74
Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent)	Entities in which some of the Directors are interested	30.08	30.28
Mrs. Monika Garware Modi (Rent)	Vice Chairperson & Joint Managing Director	72.00	72.00
Mrs. Sarita Garware Ramsay (Rent)	Director	42.00	42.00
Ms. Sonia S. Garware (Rent)	Director	72.00	72.00
Garware Community Centre (Expenses)	Entities in which some of the Directors are trustees	11.72	19.63
Garware Charitable Trust (Donation & CSR)	Entities in which some of the Directors are trustees	77.50	60.00
Garware Polyester Limited Office Staff And Officers Provident Fund (Employer Contribution)	(Post Employment Benefit Plans)	103.92	105.11
T. M. Parikh & Co. (Legal and Professional Fees)	Director is Proprietor	9.61	6.36

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B Transactions with the Related Parties

Particulars	Relationship	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
v) Managerial Remuneration			
Shri. S. B. Garware	Chairman and Managing Director	412.38	385.90
Mrs. Monika Garware Modi	Vice Chairperson & Joint Managing Director	260.33	233.41
Mrs. Sarita Garware Ramsay	Joint Managing Director	237.05	212.95
Mr. M. S. Adsul	Director - Technical	18.20	36.40
Mr. C. J. Pathak	Whole time Director	16.71	-
Mr. Sunil Dalmia	Chief Financial Officer	18.44	-
Mr. Manoj Gupta	Chief Financial Officer	14.58	-
Mr. Nimesh Shah	Company Secretary	36.17	36.07
vi) Director Sitting Fees			
Mrs. S. S. Garware	Director	-	0.30
Ms. Sonia S. Garware	Director	0.30	0.10
Mr. B. D. Doshi	Director	1.20	-
Mr. N. P. Chapalgaonkar	Independent Director	0.10	0.20
Mr. B. Moradian	Independent Director	1.48	0.82
Mr. Ramesh P. Makhija	Independent Director	1.00	0.60
Mr. M. C. Agarwal	Independent Director	2.37	1.28
Mr. T. M. Parikh	Independent Director	1.69	0.78
Mr. Nilesh R. Doshi	Independent Director	1.22	0.68
vii) Net Balances (Dr / Cr)			
Garware Polyester International Ltd.	Subsidiary	334.84	476.49
Global Pet Films Inc.	Step-down Subsidiary	2,368.42	2,025.67
Garware Industries Ltd.	Entities in which some of the Directors are interested	104.99	295.87
Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent deposit)	Entities in which some of the Directors are interested	7.50	7.50
Great View Real Estates Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	36.00	36.00
Shri. S. B. Garware (Remuneration Payable)	Chairman and Managing Director	28.27	21.76
Ms. Sonia S. Garware (Rent Deposit)	Director	36.00	36.00
Mrs. Monika Garware Modi (Rent Deposit / Remuneration Payable)	Vice Chairperson & Joint Managing Director	28.06	27.91
Mrs. Sarita Garware Ramsay (Rent Deposit / Remuneration Payable)	Joint Managing Director	19.68	19.55
T. M. Parikh & Co. (Legal and Professional Fees)	Director is Proprietor	0.38	0.37
Note : The above figures are net of Taxes and Duties			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

31. FAIR VALUE MEASUREMENTS

Financial Instruments by Category

₹ In Lakhs

	March 31, 2018			March 31, 2017			April 1, 2016		
	Fair Value through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised Cost	Fair Value through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised Cost	Fair Value through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised Cost
Financial Assets:									
Investments in Quoted Equity Instruments	-	2,414.41	-	-	2,848.53	-	-	1,348.22	-
Investments in Unquoted Equity Instruments	-	8.07	-	-	8.07	-	-	15.57	-
Investment in Unquoted Mutual Funds	1,161.35	-	-	-	-	-	-	-	-
Security Deposits	-	-	176.62	-	-	169.70	-	-	206.13
Trade Receivables	-	-	6,169.68	-	-	7,532.49	-	-	5,748.37
Cash and Cash Equivalents	-	-	2,681.26	-	-	7,414.76	-	-	4,904.49
Bank Balances other than above	-	-	420.00	-	-	157.49	-	-	91.41
Loans and Advances to Employees	-	-	53.59	-	-	22.16	-	-	26.67
Interest Accrued on Fixed Deposits	-	-	2.84	-	-	151.35	-	-	65.80
Other Receivables	-	-	207.61	-	-	257.91	-	-	319.46
Derivative Financial Instrument	-	-	-	69.60	-	-	41.93	-	-
Total Financial Assets	1,161.35	2,422.48	9,711.60	69.60	2,856.60	15,705.86	41.93	1,363.79	11,362.33
Financial Liabilities:									
Non Current Borrowings	-	-	12,961.97	-	-	914.60	-	-	2,236.27
Sales Tax Deferral Loan from SICOM	-	-	749.26	-	-	923.44	-	-	996.55
Current Borrowings	-	-	1,663.31	-	-	27,375.91	-	-	26,240.83
Trade Payables	-	-	6,331.54	-	-	4,842.72	-	-	4,389.29
Current Maturities of Long Term Debt	-	-	1,619.82	-	-	1,851.06	-	-	2,543.34
Current Maturities of Finance Lease Obligations	-	-	153.09	-	-	106.08	-	-	57.93
Unclaimed Dividend	-	-	52.55	-	-	61.33	-	-	66.46
Creditors for Capital Expenditure	-	-	331.69	-	-	218.36	-	-	153.81
Payable for Expenses	-	-	50.57	-	-	172.02	-	-	127.20
Payable to Employees	-	-	511.56	-	-	506.03	-	-	126.24
Deposit from Customers	-	-	201.75	-	-	183.98	-	-	113.63
Derivative Financial Instrument	15.83	-	-	-	-	-	-	-	-
Total Financial Liabilities	15.83	-	24,627.11	-	-	37,155.53	-	-	37,051.55

Note: Investment in Subsidiary ₹ 133.57 Lakhs (March 31, 2017: ₹ 133.57 Lakhs; April 1, 2016: ₹ 133.57 Lakhs) has been accounted for as per Ind AS 27.

i) Fair Value Hierarchy

The fair values of the Financial Instruments that are recognised and measured at fair value are disclosed in the Financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its Financial Instruments into three levels prescribed under the accounting standard.

₹ In Lakhs

Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2018					
Financial Assets:					
Derivative Financial Instrument (Liability)	15	-	15.83	-	15.83
Investment in Unquoted Mutual Funds	3 (b)	1,161.35	-	-	1,161.35
Investment in Quoted Equity Instruments	3 (a)	2,414.41	-	-	2,414.41
Investments in Unquoted Equity Instruments	3 (a)	-	8.07	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In Lakhs

Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial Assets:					
Derivative Financial Instrument (Asset)	8	-	69.60	-	69.60
Investment in Quoted Equity Instruments	3 (a)	2,848.53	-	-	2,848.53
Investments in Unquoted Equity Instruments	3 (a)	-	8.07	-	-

₹ In Lakhs

Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements	Notes	Level 1	Level 2	Level 3	Total
At April 1, 2016					
Financial Assets:					
Derivative Financial Instrument (Asset)	8	-	41.93	-	41.93
Investment in Quoted Equity Instruments	3 (a)	1,348.22	-	-	1,348.22
Investments in Unquoted Equity Instruments	3 (a)	-	15.57	-	-

Level 1: Level 1 hierarchy includes Financial Instruments measured using quoted prices. This includes quoted equity instruments. The fair value of all the Equity Instruments which are treated in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of derivatives and investment in unquoted equity and unquoted mutual funds instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The mutual funds are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation Technique used to Determine Fair Value

Specific valuation techniques used to value Financial Instruments include:

The use of quoted market prices or dealer quotes for similar instruments.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date.

The fair value of mutual funds is calculated by valuing them at closing NAV.

iii) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

32. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the Financial performance of the Company, derivative Financial Instruments, such as foreign exchange forward contracts are taken.

The Company's risk management is carried out by the Company's Treasury Department under policies approved by the Board of Directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative Financial Instruments and non-derivative Financial Instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk refers to a risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities primarily trade receivables, derivative Financial Instruments, investment in mutual funds, deposits held with banks, loans and other receivables.

The Company has a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its customers are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

For investment in mutual funds, derivative Financial Instruments and balances held with banks, banks and recognised financial institutions with only high credit rating are accepted.

(i) Trade Receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the Financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Movement of Provision for Doubtful Debts:

	₹ In Lakhs
Provision for Doubtful Debts as on April 1, 2016	258.85
Change during the year	(7.02)
Provision for Doubtful Debts as on March 31, 2017	251.83
Change during the year	-
Provision for Doubtful Debts as on March 31, 2018	251.83

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with Financial Instruments that are settled by delivering cash or another Financial asset. Liquidity risk may result from an inability to sell a Financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

(i) Maturities of Financial Liabilities:

Company's Financial Liabilities into relevant maturity groupings based on their contractual maturities for all non - derivative Financial liabilities are as follows:

₹ In Lakhs

Particulars	Carrying Amount as at March 31, 2018	< 1 year	1 to 3 years	> 3 years
Non Current Borrowings	12,961.97	-	8,030.23	4,931.74
Sales Tax Deferral Loan from SICOM	749.26	-	517.24	232.02
Current Borrowings	1,663.31	1,663.31	-	-
Trade Payables	6,331.54	6,331.54	-	-
Current Maturities of Long Term Debt	1,619.82	1,619.82	-	-
Current Maturities of Finance Lease Obligations	153.09	153.09	-	-
Unclaimed Dividend	52.55	52.55	-	-
Creditors for Capital Expenditure	331.69	331.69	-	-
Payable for Expenses	50.57	50.57	-	-
Payable to Employees	511.56	511.56	-	-
Deposit from Customers	201.75	201.75	-	-
Derivative Financial Instruments	15.83	15.83	-	-
TOTAL	24,642.94	10,931.71	8,547.47	5,163.76

₹ In Lakhs

Particulars	Carrying Amount as at March 31, 2017	< 1 year	1 to 3 years	> 3 years
Non Current Borrowings	914.60	-	914.60	-
Sales Tax Deferral Loan from SICOM	923.44	-	691.42	232.02
Current Borrowings	27,375.91	27,375.91	-	-
Trade Payables	4,842.72	4,842.72	-	-
Current Maturities of Long Term Debt	1,851.06	1,851.06	-	-
Current Maturities of Finance Lease Obligations	106.08	106.08	-	-
Unclaimed Dividend	61.33	61.33	-	-
Creditors for Capital Expenditure	218.36	218.36	-	-
Payable for Expenses	172.02	172.02	-	-
Payable to Employees	506.03	506.03	-	-
Deposit from Customers	183.98	183.98	-	-
TOTAL	37,155.53	35,317.49	1,606.02	232.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In Lakhs

Particulars	Carrying Amount as at April 1, 2016	< 1 year	1 to 3 years	> 3 years
Non Current Borrowings	2,236.27	-	2,236.27	-
Sales Tax Deferral Loan from SICOM	996.55	-	696.06	300.49
Current Borrowings	26,240.83	26,240.83	-	-
Trade Payables	4,389.29	4,389.29	-	-
Current Maturities of Long Term Debt	2,543.34	2,543.34	-	-
Current Maturities of Finance Lease Obligations	57.93	57.93	-	-
Unclaimed Dividend	66.46	66.46	-	-
Creditors for Capital Expenditure	153.81	153.81	-	-
Payable for Expenses	127.20	127.20	-	-
Payable to Employees	126.24	126.24	-	-
Deposit from Customers	113.63	113.63	-	-
TOTAL	37,051.55	33,818.73	2,932.33	300.49

(C) Market Risk

I) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised Assets and Liabilities denominated in a currency that is not the company's functional currency (₹). The Company's risk management policy is to hedge sales and purchases. The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

i) Foreign Currency Risk Exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ In Lakhs, are as follows :-

	March 31, 2018			March 31, 2017			April 1, 2016			
	EUR	USD	GBP	EUR	USD	GBP	EUR	USD	GBP	JPY
Financial Assets										
Trade Receivables	394.97	2,886.62	82.40	551.55	3,250.78	150.73	425.56	2,274.26	55.74	49.04
Financial Instruments (Assets) - Foreign Exchange Forward Contracts (Sell Foreign Currency)	(407.37)	-	-	-	(1,134.88)	-	(753.95)	(1,325.10)	-	-
Net Exposure to Foreign Currency Risk (Assets)	(12.39)	2,886.62	82.40	551.55	2,115.91	150.73	(328.39)	949.16	55.74	49.04
Financial Liabilities										
Trade Payables	29.86	927.14	181.38	15.48	408.60	225.91	83.34	479.44	130.98	-
Packing Credit in Foreign Currency	347.47	74.13	-	133.76	5,850.28	-	929.26	7,799.35	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	377.33	1,001.27	181.38	149.24	6,258.88	225.91	1,012.60	8,278.79	130.98	-

ii) Sensitivity

The sensitivity of Profit and Loss to changes in the exchange rates arises mainly from foreign currency denominated Financials Instruments:

	Impact on Profit Before Tax	
	March 31, 2018	March 31, 2017
	₹ In Lakhs	₹ In Lakhs
EUR Sensitivity		
₹ / EUR - Increase / Decrease by 5% (March 31, 2017 - 5%)*	19.49	20.12
USD Sensitivity		
₹ / USD - Increase / Decrease by 5% (March 31, 2017 - 5%)*	94.27	207.15
GBP Sensitivity		
₹ / GBP - Increase / Decrease by 5% (March 31, 2017 - 5%)*	4.95	3.76

* Holding all other variables constant

II) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on Financial Liabilities such as borrowings, both non - current and current. The Company has not used any interest rate derivatives. The Company is also exposed to interest rate risk on its Financial Assets that include fixed deposits and liquid investments such as deposits which are part of cash and cash equivalents. Since all these are generally for short durations, the Company believes it has manageable risk for achieving satisfactory returns.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

33. CAPITAL MANAGEMENT**a) Risk Management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued Equity capital and all other Equity reserves attributable to the Equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

b) Dividends

		₹ In Lakhs	
		March 31, 2018	March 31, 2017
(i) Equity Shares			
	Final Dividend paid for the year ended March 31, 2017: ₹ 1/- (March 31, 2016 of ₹ Nil) per fully paid share.	279.62	-
(ii) Dividends not recognised at the end of the reporting period			
	The directors have recommended the payment of a final Dividend of ₹ 2/- (March 31, 2017 ₹ 1/-) per fully paid Equity share. This Proposed Dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	559.24	279.62

34. First-Time Adoption of Ind AS

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions Availed**a) Investment in Subsidiary and Associate**

Ind AS 101 permits a first-time adopter to measure an investment in Subsidiary, associate or a joint venture either at cost determined as per Ind AS 27 or deemed cost being the fair value as at the date of transition or the previous GAAP carrying amount as at that date. Accordingly, the Company has elected to measure its investment in Subsidiary at the previous GAAP carrying value.

b) Fair Value as Deemed Cost - Property, Plant and Equipment and Intangible Assets

Ind AS 101 permits a first time adopter to fair value Property, Plant and Equipment and use that as deemed cost as at the transition date. Accordingly, the Company has opted for this exemption and measured its Property, Plant and Equipment at fair value as at the date of transition to Ind AS.

c) Government Grants

The requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109 - Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of the transition to Ind AS. However, as permitted by Ind AS Transition Facilitation Group (ITFG), the carrying amount of such interest free loans as per previous GAAP is present value by considering the effective interest rate as on the transition date.

d) Designation of Previously Recognised Financial Instruments

Ind AS 101 allows an entity to designate Investments in Equity Instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in Equity Instruments.

II Exceptions Applied**a) Estimates**

The estimates as at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS, reflect conditions at April 1, 2016 the date of transition to Ind AS and as of March 31, 2017.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

III Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

	Notes to first time adoption	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Total Equity as per previous GAAP	A	60,414.68	58,442.12
Ind-AS adjustments [Increase in Equity / (Decrease in Equity)]:			
1 Effect of measuring Financial Instruments in accordance with Ind AS 109	a,b,e,f	(6.55)	(2.74)
2 Fair valuation of Quoted Equity Instruments	c	2,791.55	1,291.24
3 Fair valuation of Property, Plant and Equipment	d	58,358.15	58,358.15
4 Effect of depreciation due to fair valuation of Property Plant and Equipment	d	430.70	-
5 Deferred Tax on all above adjustments	i	3,314.36	3,484.26
Total Ind-AS adjustments	B	64,888.21	63,130.91
Total Equity as per Ind-AS	A + B	125,302.89	121,573.03

IV Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

	Notes to first time adoption	Year ended March 31, 2017 ₹ In Lakhs
Net Profit After Tax Under Previous GAAP	A	1,972.56
Ind AS adjustments [Increase in Profits / (Decrease in Profits)]:		
1 Effect of measuring Financial Instruments in accordance with Ind AS 109	a,b,e,f	(3.81)
2 Fair valuation of Property, Plant and Equipment impact of depreciation thereof	d	430.70
3 Remeasurement of Post Employment Defined Benefit Obligations, presented under OCI under Ind AS	g	(64.19)
4 Deferred Tax on all above adjustments	i	(147.69)
Total of Adjustments		215.01
Profit After Tax as per Ind-AS	B	2,187.57
Other Comprehensive Income:		
1 Fair valuation of Quoted Equity Instruments	c	1,500.31
2 Remeasurement of post employment defined benefit obligations, presented under OCI under Ind AS	g	64.19
3 Deferred Tax on all above adjustments	i	(22.21)
Total Other Comprehensive Income	C	1,542.29
Total Comprehensive Income as per Ind-AS	B + C	3,729.86

V Impact of Ind AS Adoption on the Statements of Cash Flows for the year ended March 31, 2017

The transition adjustments are not expected to have any material impact on the statement of cash flows for the year ended March 31, 2017.

VI Notes to First-Time Adoption

a Recognition of Borrowings at Amortised Cost

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Profit or Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to Profit or Loss as and when incurred. Accordingly, borrowings as at April 1, 2016 have been reduced by ₹ 30.91 Lakhs with a corresponding adjustment to property plant and equipment. The transaction costs are accrued as a part of the interest expense for year ended March 31, 2017 equivalent to ₹ 14.14 Lakhs. The profit for the year ended March 31, 2017 reduced by the equivalent interest expense.

b Recognition of Security Deposits at Amortised Cost

Under the previous GAAP, interest free lease security deposits (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, all Financial Assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 21.04 Lakhs as at March 31, 2017 (April 1, 2016 ₹ 33.13 Lakhs). The prepaid decrease by ₹ 18.38 Lakhs as at March 31, 2017 (April 1, 2016 ₹ 30.37 Lakhs). The profit for the year and total Equity as at March 31, 2017 decreased by ₹ 0.11 Lakhs due to amortisation of the prepaid rent of ₹ 11.99 Lakhs which is partially off-set by the notional interest income of ₹ 12.10 Lakhs recognised on security deposits.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

c Fair Valuation of Financial Instruments

Under Ind AS, the Company has recognized the Financial Instruments under three categories i.e. Fair Value Through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVTOCI) and at amortized cost. On the date of transition, the fair value impact on FVTPL and FVTOCI Instruments has been taken to retained earnings and Other Comprehensive Income (OCI) respectively. As at March 31, 2017 the fair value impact on FVTPL Instruments has been taken in statement of Profit and Loss whereas fair value impact on FVTOCI Instruments has been routed through OCI. As at April 1, 2016 the Company has exercised one time option and classified the Investments in Equity Instruments as FVTOCI. The Gain / (Loss) on any future extinguishment of such Equity Investments will not be reflected in statement of Profit and Loss.

d Fair Value as Deemed Cost - Property, Plant and Equipment

The Company has elected the option of fair value as deemed cost for Property, Plant and Equipment as on the date of transition to Ind AS. This has resulted in net increase of ₹ 58,358.15 Lakhs with corresponding increase in Capital Reserve.

Fair value as deemed cost as on transition date for respective category of Property, Plant and Equipment is as under:

₹ In Lakhs			
Category	Carrying Value Under I GAAP	Fair Value Adjustments	Carrying Value Under Ind AS
Land	32,217.86	68,425.97	100,643.83
Buildings	4,968.59	(43.63)	4,924.96
Plant & Machinery	26,633.17	(10,024.19)	16,608.98
TOTAL	63,819.62	58,358.15	122,177.77

e Fair Valuation of Derivative Financial Instruments

Under the previous GAAP, derivative Financial Instruments in the nature of forward contracts entered into to hedge sales/ purchases were fair valued and was recognized as per the guidance applicable under the previous GAAP. However, as per Ind AS 109 Financial Instruments, all derivative Financial Instruments have to be measured at fair value at each reporting date. Consequently, profit for the year and total Equity increased by ₹ 5.11 Lakhs as at March 31, 2017.

f Recognition of Sales Tax Deferral Loan as Government Grant

Under Previous GAAP, the carrying value of interest free loan (Sales Tax Deferral Loan) was recognised at the principal amounts payable by the Company. Under Ind AS, interest free borrowing being a Financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as deferred income (Government grant) disclosed under other liabilities. On the date of transition, sales tax deferral loans have been recognised at fair value, thereby leading to creation of Government grant amounting to ₹ 206.91 Lakhs. The above changes do not affect Equity as at date of transition to Ind AS. It has resulted in decrease in borrowings and increase in Other Liabilities by ₹ 206.91 Lakhs as at 1st April, 2016. The interest expense on the sales tax deferral loan is ₹ 71.44 Lakhs and income on Government grant is ₹ 76.53 Lakhs for the year ended March 31, 2017.

g Remeasurement of Post-Employment Benefit Obligations

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net Defined Benefit Liability are recognised in Other Comprehensive Income instead of Profit or Loss. Under the previous GAAP, these remeasurement were forming part of the Profit or Loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by ₹ 64.19 Lakhs. There is no impact on the total Equity as at March 31, 2017.

h Trade Receivables Discounted

The carrying amounts of the trade receivables includes receivable which have been discounted with banks. The Company has the obligation to pay to the bank in case the customer makes a default in payment. Hence, the company has continued to recognise the trade receivables along with a corresponding liability of equivalent amount under current borrowings.

i Deferred Tax

Deferred Tax has been recognised on the adjustments made on transition to Ind AS.

35. Previous GAAP figures have been reclassified / regrouped to conform to the presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule III of the Companies Act, 2013.

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	C. J. PATHAK Director
P. N. SHAH Partner M.No.: 001738	SANDEEP D. WELLING Partner M.No.: 044576	T. M. PARIKH Director	NIMESH S. SHAH Company Secretary & Vice-President (Legal)
Mumbai, May 29, 2018	Mumbai, May 29, 2018	MANOJ GUPTA Chief Financial Officer	

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of

Garware Polyester Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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 2018, the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated Ind AS 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 including Other Comprehensive Income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with relevant rules issued thereunder.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making 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 Ind AS Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated financial position of the Group as at 31st March, 2018, and their consolidated financial performance including Other Comprehensive Income, their consolidated cash flows and their consolidated statement of changes in equity 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 reflect total assets of ₹ 2,185.64 Lakhs as at March 31, 2018, total revenues of ₹ 15,012.46 Lakhs and net cash flows amounting to ₹ 344.63 Lakhs for the year ended on that date, as considered in the consolidated Ind AS Financial Statements. These Financial Statements have been audited by other auditors whose report has 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 report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the report of the other auditors.

Our opinion on the Financial Statements and our report on 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 report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 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 Ind AS Financial Statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated Balance Sheet, the consolidated statement of Profit and Loss, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS Financial Statements.
 - d. In our opinion, the aforesaid consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated outside India, none of the Directors of these companies is disqualified as on 31st March, 2018 from being appointed as a Director of that company in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls with respect to Financial Statements, refer to our 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 Ind As Financial Statements disclose the impact of pending litigations on consolidated financial position of the Group – Refer Note 28 to the consolidated Ind AS Financial Statements;
 - (ii) The Group has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

P. N. Shah
Partner
Membership No. 001738

Place: Mumbai
Date: May 29, 2018

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

Sandeep D. Welling
Partner
Membership No. 044576

Place: Mumbai
Date: May 29, 2018

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report of even date, we report that:

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

In conjunction with our audit of the Ind AS Financial Statements of the Company as of and for the year ended 31st March, 2018 we have audited the internal financial controls over financial reporting of **Garware Polyester Limited**, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with respect to Financial Statements. 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 with respect to Financial Statements 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 consolidated Ind AS 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 authorizations 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 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, 2018 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: May 29, 2018

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

Sandeep D. Welling
Partner
 Membership No. 044576

Place: Mumbai
 Date: May 29, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Notes	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
ASSETS				
NON-CURRENT ASSETS				
Property, Plant and Equipment	2	1,22,475.69	1,23,006.88	1,23,054.75
Capital Work-in-Progress	2 (a)	972.55	781.30	469.51
Intangible Assets	2	133.80	58.65	40.93
Intangible Assets Under Development	2 (a)	-	34.58	48.96
Financial Assets				
Investments	3 (a)	2,422.48	2,856.60	1,363.79
Other Financial Assets	4	176.62	169.70	206.13
Current Tax Assets (Net)	11 (b)	-	119.82	-
Deferred Tax Assets (Net)	11 (a)	5,938.36	6,188.76	6,641.26
Other Non-Current Assets	10 (a)	1,763.46	1,710.78	1,483.67
TOTAL NON-CURRENT ASSETS		1,33,882.96	1,34,927.07	1,33,309.00
CURRENT ASSETS				
Inventories	9	9,498.04	11,255.88	13,607.25
Financial Assets				
Investments	3 (b)	1,161.35	-	-
Trade Receivables	5	3,861.92	6,199.24	4,803.35
Cash and Cash Equivalents	6 (a)	4,160.34	8,432.13	5,929.97
Bank Balances Other than above	6 (b)	420.00	157.49	91.41
Loans	7	53.59	22.16	26.67
Other Financial Assets	8	210.45	478.86	427.19
Other Current Assets	10 (b)	3,754.37	3,825.29	3,667.14
TOTAL CURRENT ASSETS		23,120.06	30,371.05	28,552.98
TOTAL ASSETS		1,57,003.02	1,65,298.12	1,61,861.98
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	12 (a)	2,323.24	2,323.24	2,325.31
Other Equity	12 (b)	1,26,863.62	1,23,057.80	1,19,352.50
TOTAL EQUITY		1,29,186.86	1,25,381.04	1,21,677.81
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	13 (a)	13,711.23	1,838.04	3,232.82
Provisions	16 (a)	644.98	542.69	500.13
Other Non-Current Liability	17	31.23	71.90	130.38
Income Tax Liabilities (Net)		-	-	1.51
TOTAL NON-CURRENT LIABILITIES		14,387.44	2,452.63	3,864.84
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	13 (b)	1,663.31	27,375.91	26,240.83
Trade and Other Payables	14	6,304.44	4,871.61	4,492.40
Other Financial Liabilities	15	2,990.89	3,209.61	3,266.91
Other Current Liabilities	18	1,554.46	948.36	989.78
Current Tax Liabilities (Net)	11 (b)	228.15	-	-
Provisions	16 (b)	687.47	1,058.96	1,329.41
TOTAL CURRENT LIABILITIES		13,428.72	37,464.45	36,319.33
TOTAL LIABILITIES		27,816.16	39,917.08	40,184.17
TOTAL EQUITY AND LIABILITIES		1,57,003.02	1,65,298.12	1,61,861.98

Notes forming part of the Financial Statements

1 to 37

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. GARWAREChairman &
Managing Director**C. J. PATHAK**

Director

P. N. SHAH

Partner

M.No.: 001738

SANDEEP D. WELLING

Partner

M.No.: 044576

T. M. PARIKH

Director

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

Mumbai, May 29, 2018

Mumbai, May 29, 2018

MANOJ GUPTA

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Notes	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
INCOME:			
Revenue from Operations	19	84,199.48	91,846.10
Other Income	20	520.75	772.82
Total Income		84,720.23	92,618.92
EXPENSES:			
Cost of Materials Consumed	21	39,596.60	43,761.05
Change In Inventories of Finished Goods and Work-In-Progress	22	2,671.84	2,082.61
Excise Duty		865.00	4,435.36
Employee Benefits Expenses	23	7,565.88	7,631.17
Finance Costs	24	2,503.46	3,312.27
Depreciation and Amortisation Expenses	25	1,363.29	1,381.77
Other Expenses	26	25,170.66	26,657.23
Total Expenses		79,736.73	89,261.46
Profit Before Tax		4,983.50	3,357.46
Tax Expenses			
Current Tax	11 (b)	1,432.91	682.85
Deferred Tax	11 (a)	238.21	430.28
Total Tax Expenses		1,671.12	1,113.13
Profit for the year		3,312.38	2,244.33
Other Comprehensive Income (OCI)			
Items that will not be reclassified to Statement of Profit and Loss			
Gain on Fair Valuation of Equity Instruments	12 (b)	677.37	1,500.31
Remeasurement of Post-Employment Defined Benefit Obligations	29	13.82	64.19
Income Tax Relating to these items	11 (b)	(4.78)	(22.21)
Other Comprehensive Income for the year, Net of Tax		686.41	1,542.29
Total Comprehensive Income for the year (Net)		3,998.79	3,786.62
Earnings Per Share			
Basic and Diluted	27	14.26	9.66
Notes forming part of the Financial Statements	1 to 37		

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, May 29, 2018

As per our report of even date

For **Kirtane & Pandit LLP**

Chartered Accountants

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

SANDEEP D. WELLING

Partner

M.No.: 044576

Mumbai, May 29, 2018

For and on behalf of the Board of Directors

S. B. GARWARE

Chairman &

Managing Director

T. M. PARIKH

Director

MANOJ GUPTA

Chief Financial Officer

C. J. PATHAK

Director

NIMESH S. SHAH

Company Secretary &

Vice-President (Legal)

STATEMENT OF CHANGES IN EQUITY

EQUITY SHARE CAPITAL

	Notes	₹ In Lakhs
As at April 1, 2016		2,325.31
Change in Equity Share Capital - due to cancellation of Shares	12 (a)	(2.07)
As at March 31, 2017		2,323.24
Change in Equity Share Capital	12 (a)	-
As at March 31, 2018		2,323.24

OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve (OCI)	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2016	5,446.00	592.14	76,387.31	6,909.91	28,725.90	-	1,291.24	1,19,352.50
Profit for the year	-	-	-	-	2,244.33	-	-	2,244.33
Amount Paid up on cancellation of 82,756 Equity Shares	-	-	2.07	-	-	-	-	2.07
Other Comprehensive Income:								
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	41.98	-	-	41.98
b) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	-	1,500.31	1,500.31
Currency Translation Adjustments Relating to Subsidiaries	-	-	-	-	-	(83.39)	-	(83.39)
As at March 31, 2017	5,446.00	592.14	76,389.38	6,909.91	31,012.21	(83.39)	2,791.55	1,23,057.80

OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve (OCI)	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2017	5,446.00	592.14	76,389.38	6,909.91	31,012.21	(83.39)	2,791.55	1,23,057.80
Profit for the year	-	-	-	-	3,312.38	-	-	3,312.38
Other Comprehensive Income:								
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	9.04	-	-	9.04
b) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	-	677.37	677.37
c) Realised Gain on Equity Instruments Carried at Fair Value through OCI	-	-	-	-	1,091.95	-	(1,091.95)	-
Currency Translation Adjustments Relating to Subsidiaries	-	-	-	-	-	86.65	-	86.65
Reductions during the year: Dividends Paid (Including Tax thereon)	-	-	-	-	(279.62)	-	-	(279.62)
As at March 31, 2018	5,446.00	592.14	76,389.38	6,909.91	35,145.96	3.26	2,376.97	1,26,863.62

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, May 29, 2018

As per our report of even date

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

SANDEEP D. WELLING
Partner
M.No.: 044576

Mumbai, May 29, 2018

For and on behalf of the Board of Directors

S. B. GARWARE
Chairman &
Managing Director

T. M. PARIKH
Director

MANOJ GUPTA
Chief Financial Officer

C. J. PATHAK
Director

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
A. Cash Flow from Operating Activities		
Profit Before Tax	4,983.50	3,357.46
Adjustments For:		
<i>Add:</i>		
Depreciation and Amortisation Expense	1,363.29	1,381.77
Finance Cost	2,503.46	3,312.27
Provision for Leave & Gratuity Provision	-	179.76
Prepaid Rent Amortised	9.27	11.99
Net Gain on FA Mandatorily Measured at FVPL	5.55	-
Unrealised Exchange Gain / Loss	138.62	-
Mark to Market Loss on Derivative Contracts	85.43	-
<i>Less:</i>		
Interest Income	(371.68)	(459.83)
Unrealised Exchange (Gain) / Loss	-	(56.45)
Profit / Loss on Sale / Disposal / Write off of Property, Plant and Equipment	(0.21)	(17.63)
Profit on Sale of Investment	(0.05)	(0.01)
Dividend on Investment in Associate	(70.03)	(13.86)
Sundry Credit Balances & Provisions no Longer Required, Written Back	(1.51)	(7.24)
Mark to Market Loss on Derivative Contracts	-	(69.60)
Net Gain on Financial Asset Measured at Amortised Cost	(10.27)	(12.10)
Government Grant	(58.48)	(76.53)
Provision for Leave & Gratuity Provision	(162.30)	-
	3,431.09	4,172.54
Operating Profit Before Working Capital Changes	8,414.59	7,530.00
Transfer to Foreign Currency Translation Reserve	86.65	(83.39)
Adjustment for Changes in Working Capital:		
(Increase) / Decrease in Operating Assets:		
Inventories	1,757.84	2,351.36
Trade Receivables	2,289.85	(1,548.19)
Loans	(31.43)	4.51
Other Financial Assets	123.25	82.41
Other Assets	(36.18)	(397.25)
Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,420.30	391.34
Other Financial Liabilities	(50.32)	586.83
Other Liabilities	623.91	(23.37)
Provisions	(93.08)	(344.96)
	6,090.79	1,019.29
Cash Generated From Operations	14,505.38	8,549.29
Direct Taxes Paid	(1,077.53)	(802.66)
Net cash flow from operating activities (A)	13,427.85	7,746.63
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment & Intangible Assets	(1,064.00)	(1,656.20)
Proceeds From Sale of Property, Plant and Equipment	0.29	24.80
Interest on Deposits	520.19	374.28
Proceeds From Sale of Investments	1,111.54	7.52
Dividend on Investments	70.03	13.86
Investment in Mutual Funds	(1,166.90)	-
Net Cash Flow (Used In) Investing Activities (B)	(528.85)	(1,235.74)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd...)

Particulars	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
C. Cash Flow from Financing Activities		
Finance Cost	(2,429.13)	(3,226.70)
Proceeds from Non-Current Borrowings	13,705.79	474.68
(Repayments) of Non-Current Borrowings	(2,046.01)	(2,599.17)
Increase / Decrease in Current Borrowings	(25,859.31)	1,408.54
Dividend / Unclaimed Dividend Paid / Deposited Including Dividend Distribution Tax	(279.62)	-
Movement In Margin Money Deposit	(271.29)	(71.21)
Movement In Unclaimed Dividend Account	8.78	5.13
Net Cash Flow (Used In) Financing Activities (C)	(17,170.79)	(4,008.73)
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	(4,271.79)	2,502.16
Cash and Cash Equivalents (Opening Balance)	8,432.13	5,929.97
Cash and Cash Equivalents (Closing Balance)	4,160.34	8,432.13

Cash and Cash Equivalents at the end of the year include:

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
(a) Cash on Hand	4.97	6.62	33.07
(b) Balances with Banks in Current and Deposit Accounts	4,155.37	8,425.51	5,896.90
Cash and Cash Equivalents in Cash Flow Statement	4,160.34	8,432.13	5,929.97

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the Financial Statements.

Particulars	As at March 31, 2017 ₹ In Lakhs	Cash Flow	Non Cash Change		As at March 31, 2018 ₹ In Lakhs
			Fair Value Changes	Foreign Exchange Movement	
Borrowings - Non Current	1,838.04	11,844.01	29.18	-	13,711.23
Borrowings - Current	27,375.91	(25,859.31)	-	146.71	1,663.31
Other Financial Liabilities	1,957.14	(184.23)	-	-	1,772.91

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, May 29, 2018

As per our report of even date

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

SANDEEP D. WELLING
 Partner
 M.No.: 044576

Mumbai, May 29, 2018

For and on behalf of the Board of Directors

S. B. GARWARE
 Chairman &
 Managing Director

T. M. PARIKH
 Director

MANOJ GUPTA
 Chief Financial Officer

C. J. PATHAK
 Director

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

GROUP INFORMATION:

Garware Polyester Limited ('the Company') and its subsidiaries (together referred to as 'the Group') are engaged in the business of manufacturing of polyester films. The Company is limited by Shares, incorporated and domiciled in India and Equity Shares of the Company are listed on the Indian stock exchange BSE (Bombay Stock Exchange). The registered office of the company is located at Naigaon, Post Waluj, Aurangabad - 431 133.

The Consolidated Financial Statements have been authorised for issue by the Board of Directors at their meeting held on May 29, 2018.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:**A. Significant Accounting Policies:****(a) Basis of Preparation****(i) Compliance with Ind AS**

These Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and Other relevant provisions of the Act.

The Consolidated Financial Statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements are the first Consolidated Financial Statements of the Group under Ind AS. Refer note 36 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, Financial performance and cash flows.

Group's Financial Statements are presented in Indian (₹), which is the functional currency of the Company.

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain Financial Assets and Financial Liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these Consolidated Financial Statements

(ii) Classification of Assets and Liabilities

All Assets and Liabilities have been classified as Current or Non-Current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and Cash Equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of Current and Non - Current classification of Assets and Liabilities.

(b) Principles of Consolidation

The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 Consolidated Financial Statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the Financial Statements of the parent and its subsidiaries line by line adding together like items of Assets, Liabilities, Equity, Income and Expenses. Intercompany transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Subsidiary Companies considered in the presentation of Consolidated Financial Statements are as follows:

Name of the Company	Country of Incorporation	Percentage of Voting Power	Financial Year
Subsidiary Garware Polyester International Ltd.	United Kingdom	100%	2017-18
Step down Subsidiary Global Pet Films Inc.	U.S.A.	100%	2017-18

(c) Segment Reporting

The Group's Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) as defined in Ind AS 108 operating segments. The CODM is the Company's Board of Directors The Board of Directors assesses the financial performance and position of the Group and makes strategic decisions. Refer note 31 for segment information presented.

(d) Property, Plant and Equipment

On transition to Ind AS, the Company has adopted optional exemption under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. cost includes expenditure that is directly attributable to the acquisition of Property, Plant and Equipment.

In respect of subsidiaries, items of Property, Plant and Equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the Property, Plant and Equipment can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Depreciation, Estimated Useful Lives and Residual Value

Depreciation on each item of Property, Plant and Equipment of the Company is provided as per the useful lives of Assets.

The Property, Plant and Equipment acquired under finance lease is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within Other income / other expenses respectively.

Capital Work-in-Progress

Capital work-in-progress assets in the course of installation for production or/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction/ installation is transferred to the appropriate category of Property, Plant and Equipment costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(e) Intangible Assets

Intangible Assets are stated at acquisition cost net of tax / duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Profit or Loss. Intangible Assets are amortized on the straight line method as follows:

Asset	Useful Life
Software	5 Years

(f) Impairment of Assets

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

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.

(g) Revenue Recognition

(1) Sale of Products

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and are accounted for inclusive of excise duty and net of returns, Trade Allowances, Rebates, Value Added Taxes, Goods and Service Tax (GST).

(2) Export Benefits

Export entitlements under the Duty Draw Back Scheme / Other Schemes are recognised 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.

(3) 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.

(h) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are recognised in the Profit or Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(i) Inventories

- (1) 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.
- (2) 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.
- (3) Semi-finished goods Including those held for captive consumption is valued at factory cost Including depreciation.
- (4) 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.
- (5) Purchases of finished goods are valued at the lower of cost and net realizable value.

(j) Financial Instruments

A Financial Instrument is any contract that gives rise to a Financial Asset of one entity and a Financial Liability or Equity instrument of another entity.

A. Financial Assets

(1) Classification

The Group Classifies its Financial Assets in the following Measurement Categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Profit or Loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the Financial Assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Profit or Loss or Other Comprehensive Income. For Investments in debt Instruments, this will depend on the business model in which the investment is held. For Investments in Equity Instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the Equity investment at Fair Value Through Other Comprehensive Income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(2) Measurement

At initial recognition, the Group measures a Financial Asset at its fair value plus, in the case of a Financial Asset not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried at fair value through Profit or Loss are expensed in Profit or Loss statement.

Financial Assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Profit or Loss when the asset is derecognised or impaired. Interest income from these Financial Assets is included in other income using the effective interest rate method.

Equity Instruments

The Group subsequently measures Equity investment at fair value. The group's Management elects to present fair value gains and losses on Equity Investments in Other Comprehensive Income or Profit and Loss account on an instrument by instrument basis.

(3) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 34 (A) for details of credit risk.

For Trade Receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(4) Derecognition of Financial Assets

A Financial Asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the Financial Asset or
- Retains the contractual rights to receive the cash flows of the Financial Asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognised. Where the entity has neither transferred a Financial Asset nor retains substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is derecognised if the Group has not retained control of the Financial Asset. Where the Group retains control of the Financial Asset, the asset is continued to be recognised to the extent of continuing involvement in the Financial Asset.

B. Financial Liability**(1) Initial Recognition and Measurement:**

The Group recognizes a Financial Liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All Financial Liabilities are recognised initially at fair value minus, in the case of Financial Liabilities not recorded at Fair Value Through Profit or Loss (FVTPL), transaction costs that are attributable to the acquisition of the Financial Liability.

Where the fair value of a Financial Liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the Financial Liability.

(2) Measurement:

All Financial Liabilities of the Group are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the Financial Liability over the relevant period of the Financial Liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the Financial Liability. The same is included under finance cost in the Statement of Profit and Loss.

(3) Derecognition:

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the Financial Liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

(k) Derivative Financial Instruments

Derivative Financial Instruments such as forward contracts to hedge foreign currency risk are initially recognised at fair value and subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit & Loss in the period when they arise.

(l) Foreign Currency Translation**(1) Functional and Presentation Currency**

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates the functional currency. The Consolidated Financial Statements are presented in Indian (₹), which is the Company's functional and presentation currency.

(2) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary Assets and Liabilities denominated in foreign currencies at year end exchange rates are recognised in Profit and Loss and are presented in the Statement of Profit or Loss on a net basis. Non - monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. A monetary item for which settlement is neither Planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation. Foreign exchange gains and losses on foreign currency borrowings is accounted by addition or deduction to the cost of asset so far it relates to capital asset to the extent that they are regarded as an adjustment to interest cost and in Other cases by charging it to the statement of Profit and Loss as a gain or loss on account of exchange differences under the head finance costs.

(3) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and Liabilities are translated at the closing rate at the date of that Balance Sheet.
- Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in Other Comprehensive Income (on disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in Profit or Loss).

(m) Leases

As a Lessee

Leases of Property, Plant and Equipment, where the Group, as lessee has substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Profit or Loss on a straight-line basis over the period of the lease, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(n) Cash and Cash Equivalents

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

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Profit or Loss over the period of the borrowings using the effective interest method. Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

(p) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(q) Provisions and Contingent Liabilities & 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the Consolidated Financial Statements.

(r) Employee Benefits**(i) Short-Term Obligations**

Liabilities for wages and salaries, Including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other Long-Term Employee Benefit Obligations

The Liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-Employment Benefits

The Group operates the following post-employment schemes:

- (a) Defined benefit plans such as Gratuity and Pension; and
- (b) Defined contribution plans such as Provident Fund.

Define Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of Defined Benefit Pension and Gratuity Plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the statement of changes in Equity and in the Balance Sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a trust administered by the Group. The interest payable by the trust is notified by the Government. The Group has an obligation to make good the shortfall, if any.

Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due for more than 12 months after the end of the reporting period are discounted to present value.

(s) Earnings Per Share

Earnings per share are calculated by dividing the net Profit or Loss for the year attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the year.

(t) Income Taxes

Deferred Tax is provided using the Balance Sheet Liability Method, providing for temporary differences between the carrying amounts of Assets and Liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of Deferred Tax provided is based on the expected manner of realization or settlement of the carrying amount of Assets and Liabilities, using tax rates enacted or substantially enacted at the Balance Sheet date. Deferred Tax Assets are recognised for all deductible temporary differences and unused Tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and Deferred Tax is recognised in Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In this case, the Tax is also recognised in Other Comprehensive Income or directly in Equity, respectively. 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.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Balance Sheet date, and any adjustment to Tax payable in respect of previous years.

(u) Significant Accounting Judgements, Estimates and Assumptions

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. The management overview the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of Assets and Liabilities within the next financial year, are described below. The Group has based assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. However existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions as and when they occur.

i. Taxes

The Group provides for tax considering the applicable tax regulations and based on reasonable estimates, management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of Deferred Tax Assets is based on availability of sufficient taxable profits in the Group against which such assets can be utilised.

ii. Defined Benefit Obligations

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameters subject to change is the discount rate, escalation rate, expected rate of return and mortality rate. Future salary increases are based on expected future inflation rates.

iii. Recoverability of Trade Receivables

Required judgements are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

AMENDMENTS ISSUED, BUT NOT YET EFFECTIVE

Standards Issued But Not Yet Effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018. The Rules shall be effective from reporting period beginning on or after April 1, 2018.

(1) Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of Consolidated Financial Statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised goods or services and thus has the ability to direct the use and obtain the benefits from the goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. There are consequential amendments to other Ind AS due to notification of Ind AS 115. The Group is in the process of evaluating the impact on the Consolidated Financial Statements in terms of the amount and timing of revenue recognition under the new standard.

(2) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

The MCA has notified Appendix B to Ind AS 21, foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The Group is in the process of evaluating the impact on the Consolidated Financial Statements.

(3) Ind AS 40 – Investment Property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction / development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- (i) Retrospectively without the use of hindsight; or
- (ii) Prospectively to changes in use that occur on or after the date of initial application (i.e. April 1, 2018). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date. There is no impact of this amendment to the group.

(4) Ind AS 12 – Income Taxes

The amendments clarify the accounting for Deferred Taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for Deferred Tax Assets set out below:

A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period. The estimate of future Taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.

Where the tax law restricts the source of taxable profits against which particular types of Deferred Tax Assets can be recovered, the recoverability of the Deferred Tax Assets can only be assessed in combination with other Deferred Tax Assets of the same type.

Tax deductions resulting from the reversal of Deferred Tax Assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening Equity of the earliest comparative period may be recognised in opening Retained Earnings (or in another component of Equity, as appropriate), without allocating the change between opening Retained Earnings and Other components of equity. There is no impact of this amendment to the Group.

(5) Ind AS 28 – Investment in Associates and Ind AS 112 – Disclosure of Interest in Other Entities

Amendment clarifies that:

- (i) Disclosure requirements of Ind AS 112 are applicable to interest in other entities classified as held for sale except for summarised financial information.
- (ii) The option available with venture organizations, mutual funds, unit trusts and similar entities to measure their investments in associate or joint ventures at Fair Value Through Profit or Loss (FVTPL) is available for each investment in an associate or joint venture. There is no impact of this amendment to the group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. PROPERTY, PLANT AND EQUIPMENT

₹ In Lakhs

Description	Gross Carrying Amount			Depreciation / Amortisation				Net Carrying Amount	
	Gross Carrying Amount as at April 1, 2017	Additions / Adjustments during the year	Disposal/ Adjustments during the year	As at March 31, 2018	Up to April 1, 2017	Charge for the year	Disposal during the year	Up to March 31, 2018	As at March 31, 2018
Property, Plant and Equipment :-									
Land (Freehold)	77,066.97	-	-	77,066.97	-	-	-	-	77,066.97
Land (Leasehold)	23,580.99	-	-	23,580.99	-	-	-	-	23,580.99
Buildings	5,010.07	23.72	-	5,033.79	244.44	251.82	-	496.26	4,537.53
Plant & Machinery	17,135.97	460.22	-	17,596.19	758.94	773.59	-	1,532.53	16,063.66
Electrical Installations	51.14	32.61	-	83.75	18.87	7.23	-	26.10	57.65
Laboratory Equipments	243.54	43.73	-	287.27	29.88	32.98	-	62.86	224.41
Furniture & Fixtures	271.76	44.57	-	316.33	99.18	35.13	-	134.31	182.02
Office Equipments	134.65	21.51	-	156.16	32.74	33.85	-	66.59	89.57
Vehicles	19.51	6.65	-	26.16	5.19	5.61	-	10.80	15.36
Vehicles on Finance Lease	611.72	151.19	-	762.91	67.84	113.67	-	181.51	581.40
Capital Expenditure On Research & Development	15.36	-	-	15.36	1.76	1.77	-	3.53	11.83
Data Processing Equipments	85.84	20.27	-	106.11	29.12	25.97	-	55.09	51.02
Data Processing Equipments on Finance Lease	135.18	-	0.30	134.88	67.86	53.96	0.22	121.60	13.28
TOTAL (A)	1,24,362.70	804.47	0.30	1,25,166.87	1,355.82	1,335.58	0.22	2,691.18	1,22,475.69
Intangible Assets :-									
Software	78.73	102.86	-	181.59	20.08	27.71	-	47.79	133.80
TOTAL (B)	78.73	102.86	0.00	181.59	20.08	27.71	0.00	47.79	133.80
TOTAL (A + B)	1,24,441.43	907.32	0.30	1,25,348.46	1,375.90	1,363.29	0.22	2,738.97	1,22,609.49
Capital Work-in-Progress, Refer Note 2 (a)									972.55

Refer Note No. 28 (d) for disclosure of contractual commitments for Property, Plant and Equipment.
Refer Note No. 13 for Property pledged as security.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. PROPERTY, PLANT AND EQUIPMENT

₹ In Lakhs

Description	Gross Carrying Amount					Depreciation / Amortisation				Net Carrying Amount As at March 31, 2017		
	Carrying amount as at April 1, 2016	Fair Value adjustment	Other Ind AS adjustments	Fair Value as deemed Cost as at April 1, 2016	Additions / Adjustments during the year	Disposal/ Adjustments during the year	As at March 31, 2017	Up to April 1, 2016	Charge for the year		Disposal during the year	Impairment during the year
Property, Plant & Equipment :-												
Land (Freehold)	25,476.92	51,590.05	-	77,066.97	-	-	77,066.97	-	-	-	-	-
Land (Leasehold)	6,745.08	16,835.91	-	23,580.99	-	-	23,580.99	-	-	-	-	-
Buildings	4,962.80	(43.62)	-	4,919.18	90.89	-	5,010.07	-	244.44	-	-	244.44
Plant & Machinery	26,633.56	(10,024.19)	(30.91)	16,578.46	557.51	-	17,135.97	-	758.94	-	-	758.94
Electrical Installations	24.84	-	-	24.84	26.30	-	51.14	-	18.87	-	-	18.87
Laboratory Equipments	227.26	-	-	227.26	16.28	-	243.54	-	29.88	-	-	29.88
Furniture & Fixtures	236.28	-	-	236.28	35.48	-	271.76	-	35.84	-	63.34	99.18
Office Equipments	62.00	-	-	62.00	72.65	-	134.65	-	32.74	-	-	32.74
Vehicles	19.51	-	-	19.51	-	-	19.51	-	5.19	-	-	5.19
Vehicles on Finance Lease	134.58	-	-	134.58	490.18	13.04	611.72	-	73.71	5.87	-	67.84
Capital Expenditure On Research & Development	14.60	-	-	14.60	0.76	-	15.36	-	1.76	-	-	1.76
Data Processing Equipments	54.90	-	-	54.90	30.94	-	85.84	-	29.12	-	-	29.12
Data Processing Equipments on Finance Lease	135.18	-	-	135.18	-	-	135.18	-	67.86	-	-	67.86
TOTAL (A)	64,727.51	58,358.15	(30.91)	1,23,054.75	1,320.99	13.04	1,24,362.70	-	1,298.35	5.87	63.34	1,355.82
Intangible Assets :-												
Software	40.93	-	-	40.93	37.80	-	78.73	-	20.08	-	-	20.08
TOTAL (B)	40.93	-	-	40.93	37.80	-	78.73	-	20.08	-	-	20.08
TOTAL (A + B)	64,768.44	58,358.15	(30.91)	1,23,095.68	1,358.79	13.04	1,24,441.43	-	1,318.43	5.87	63.34	1,375.90
Capital Work-in-Progress. Refer Note 2 (a)												815.88

2. (a) The breakup of expenses shown under capital work in progress (Pending allocation) as on March 31, 2018 is as under :

Particulars	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
Opening Balance	815.88	518.47
Additions during the year	604.09	674.04
Less: Capitalised during the year	(452.45)	(376.63)
Finance Charges	5.03	0.00
Closing Balance #	972.55	815.88

#Note : Includes Intangible Assets Under Development ₹ Nil (March 31, 2017: ₹ 34.58 Lakhs)]

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. (a) NON - CURRENT INVESTMENTS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Investment at Fair Value Through Other Comprehensive Income (FVTOCI) in Quoted Equity Instruments			
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 50 Equity Shares) of M. M. Rubber Ltd., of the face value of ₹ 2/- each, fully paid-up.	-	-	0.01
262,543 Equity Shares (400,300 Equity Shares March 31, 2017; April 1, 2016 - 400,300 Equity Shares) of Garware Wall Ropes Limited, of the face value of ₹ 10/- each, fully paid-up.	2,414.41	2,848.53	1,348.21
Investment at Fair Value Through Profit and Loss (FVTPL) in Unquoted Equity Instruments			
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 2500 Equity Shares) of The New India Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid-up.	-	-	0.25
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 2500 Equity Shares) of The North Kanara Goud Saraswat Brahmin Co-Operative Bank Ltd. Mumbai, of the face value of ₹ 10/- each, fully paid up.	-	-	0.25
500 Equity Shares (March 31, 2017 - 500; April 1, 2016 - 500 Equity Shares) of The Co-Operative Stores Ltd. (New Delhi), of the face value of ₹ 10/- each, fully paid-up.	0.05	0.05	0.05
10,000 Equity Shares (March 31, 2017 - 10,000; April 1, 2016 - 10,000) of S I C O M Ltd., of the face value of ₹ 10/- each fully paid-up.	8.00	8.00	8.00
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 20,000 Equity Shares) of Deogiri Nagari Sahakari Bank Ltd., of the face value of ₹ 25/- each fully paid up	-	-	5.00
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 4,000 Equity Shares) of Vaidyanath Urban Co-Operative Bank Ltd., of the face value of ₹ 25/- each fully paid-up.	-	-	1.00
Nil Equity Shares (March 31, 2017 - Nil; April 1, 2016 - 1,000 Equity Shares) of Poornawadi Co-Operative Bank Ltd., of the face value of ₹ 100/- each fully paid-up.	-	-	1.00
100 Equity Shares (March 31, 2017 - 100; April 1, 2016 - 100 Equity Shares) of Cosmos Co-Operative Bank Ltd., of the face value of ₹ 10/- each fully paid up.	0.02	0.02	0.02
TOTAL	2,422.48	2,856.60	1,363.79
Aggregate Amount of Quoted Investments	2,414.41	2,848.53	1,348.22
Aggregate Amount of Unquoted Investments	8.07	8.07	15.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. (b) CURRENT INVESTMENTS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Investment at Fair Value Through Profit and Loss (FVTPL) In Quoted Mutual Funds			
54,33,696 units in Aditya Birla Sunlife Enhance Arbitrage Fund Regular Plan of Dividend Reinvestment	586.62	-	-
52,81,003 units in HDFC Arbitrage Fund Regular Plan of Dividend Reinvestment	574.73	-	-
TOTAL	1,161.35	-	-
Aggregate Cost of Quoted Investments	1,166.91	-	-
Aggregate Fair Value of Quoted Investments (NAV)	1,161.35	-	-

4. OTHER FINANCIAL ASSETS - NON - CURRENT

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Security Deposits (Unsecured, Considered Good)	176.62	169.70	206.13
TOTAL	176.62	169.70	206.13

Security Deposit Includes Rental Deposits of ₹ 64.50 Lakhs given to Directors (March 31, 2017 ₹ 64.50 Lakhs; April 1, 2016 ₹ 64.50 Lakhs) and ₹ 43.50 Lakhs given to Companies in which Directors are a Director / Member (March 31, 2017 ₹ 43.50 Lakhs; April 1, 2016 - ₹ 43.50 Lakhs).

5. TRADE RECEIVABLES

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Secured, Considered Good	-	-	-
Unsecured, Considered Good	3,861.92	6,191.58	4,663.76
Unsecured Considered Doubtful	251.83	251.83	258.85
Less: Allowance for Doubtful Debts	(251.83)	(251.83)	(258.85)
Due from Company in which the Directors are Director/ Member	-	7.66	139.59
TOTAL	3,861.92	6,199.24	4,803.35

The Carrying Amounts of Trade Receivables Discounted are as follows:

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Total Trade Receivables Discounted	1,241.71	618.27	808.96
Corresponding Borrowings against Trade Receivables Discounted (Refer note 13 b)	1,241.71	618.27	808.96

6. (a) CASH AND CASH EQUIVALENTS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Balances with Banks			
In Current Accounts	1,741.00	1,156.19	1,227.18
In Deposit Accounts	2,414.37	7,269.32	4,669.72
Cash on Hand	4.97	6.62	33.07
TOTAL	4,160.34	8,432.13	5,929.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6. (b) OTHER BANK BALANCES	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
In Earmarked Accounts			
Unclaimed Dividend Accounts	52.55	61.33	66.46
Margin Money Deposit	367.45	96.16	24.95
TOTAL	420.00	157.49	91.41
7. LOANS - CURRENT	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Loans and Advances To Employees	53.59	22.16	26.67
TOTAL	53.59	22.16	26.67
8. OTHER FINANCIAL ASSETS - CURRENT	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Interest Accrued on Fixed Deposits	2.84	151.35	65.80
Derivative Financial Instrument	-	69.60	41.93
Other Receivables	207.61	257.91	319.46
TOTAL	210.45	478.86	427.19
9. INVENTORIES	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Stores, Spares and Packing Materials	2,478.16	2,377.12	2,226.97
Stores, Spares and Packing Materials - In Transit	89.63	-	-
Raw Materials	1,738.48	1,562.84	1,981.75
Raw Materials - In Transit	547.69	-	-
Finished Goods	198.03	339.07	515.60
Finished Goods - In Transit	1,053.61	645.05	463.20
Semi-Finished Goods	3,392.44	6,331.80	8,419.73
TOTAL	9,498.04	11,255.88	13,607.25
10. (a) OTHER NON CURRENT ASSETS	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Capital Advances			
Secured, Considered Good	-	20.00	16.26
Unsecured, Considered Good	9.21	-	10.83
	9.21	20.00	27.09
Advances Other than Capital Advances			
Balances with Government Authorities	1,754.25	1,690.78	1,456.58
TOTAL	1,763.46	1,710.78	1,483.67

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

10. (b) OTHER CURRENT ASSETS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Prepaid Expenses	221.58	583.80	591.89
Balances with Government Authorities.	2,929.24	2,347.61	2,483.71
Advances Paid to Suppliers / Vendors	603.55	893.88	591.54
TOTAL	3,754.37	3,825.29	3,667.14

11. (a) DEFERRED TAX ASSETS

The Balance of Deferred Tax Comprises Temporary Differences Attributable to:

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Deferred Tax Assets			
Expenses Allowed on Payment Basis	243.85	312.28	295.15
Unabsorbed Business Losses & Depreciation	-	-	531.13
Minimum Alternate Tax Credit Entitlement	7,984.58	7,743.98	7,200.69
Unrealised Profits on Inter Companies Stock	226.62	37.20	-
Others	89.01	290.75	293.54
TOTAL (a)	8,544.06	8,384.21	8,320.51
Deferred Tax Liabilities			
Excess of Written Down Value as per Books and as per Income Tax Act, 1961	2,578.70	2,173.24	1,679.25
Remeasurement of Post Defined Benefit Obligations	27.00	22.21	-
TOTAL (b)	2,605.70	2,195.45	1,679.25
Deferred Tax Assets (Net)	TOTAL (a-b)	5,938.36	6,641.26

Changes in Deferred Tax Assets / (Liabilities) in Statement of Profit and Loss [(Charged) / Credited during the year]

	Year Ended	
	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Expenses Allowed on Payment Basis	(68.43)	17.13
Unabsorbed Business Losses & Depreciation	-	(531.13)
Others	(201.74)	(2.78)
Minimum Alternate Tax Credit Entitlement	240.60	543.29
Reversal of MAT Credit Entitlement of Previous Year	7.40	-
Unrealised Profits on Inter Companies Stock	189.42	37.20
Excess of Written Down Value as per Books and as per Income Tax Act, 1961	(405.46)	(493.99)
TOTAL	(238.21)	(430.28)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11. (b) INCOME TAXES

The major components of Income Tax expense for the year ended March 31, 2018 and March 31, 2017 are:

Statement of Profit and Loss**Profit and Loss Section**

	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
Current Income Tax		
Current Tax on Profit for the Current Year	1,432.91	682.85
Deferred Tax	486.21	973.57
MAT Credit Entitlement	(248.00)	(543.29)
Income Tax Expense Reported in the Statement of Profit or Loss	1,671.12	1,113.13

Other Comprehensive Income Section

Deferred Tax Relating to Remeasurement of Post Employment Benefit Obligations	4.78	22.21
Income Tax Charged to OCI	4.78	22.21

Movement in income Tax (Assets) / Liabilities (Net)

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs
Opening Balance [Payable/ (Receivable)]	(119.82)	1.51
Add : Current Tax Payable for the year	1,432.91	682.85
Less : Taxes Paid	(1,240.15)	(804.18)
Less : Prior Period Refund Received (Net)	155.21	-
Closing Balance [Payable/ (Receivable)]	228.15	(119.82)

Reconciliation of Tax Expense and Accounting Profit for the year:

	Year ended March 31, 2018 ₹ In Lakhs	Year ended March 31, 2017 ₹ In Lakhs
Accounting Profit Before Tax	4,983.50	3,357.46
Tax at Statutory Income Tax Rate of @ 34.61%	1,724.69	1,161.95
Tax Effect of Amounts which are Not Deductible (Taxable) in Calculating Taxable Income		
Dividend Income	(24.24)	(4.58)
Donations	13.41	14.69
Research and Development Expenditure	(22.24)	(52.91)
Other Items	(6.18)	0.11
Difference in Tax Rates of Subsidiaries	(14.32)	(6.13)
Income - Tax Expense	1,671.12	1,113.13

12. (a) EQUITY AND SHARE CAPITAL

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Authorised Equity Share Capital:			
40,000,000 (March 31, 2017: 40,000,000; April 1, 2016: 40,000,000) Equity Shares of ₹ 10/- each	4,000	4,000	4,000
6,000,000 (March 31, 2017: 6,000,000; April 1, 2016: 6,000,000) Preference Shares of ₹ 100/- each	6,000	6,000	6,000
TOTAL	10,000	10,000	10,000
Issued, subscribed and Paid up :			
23,232,394 (March 31, 2017: 23,232,394; April 1, 2016: 23,315,150) Equity Shares of ₹ 10/- each	2,323.24	2,331.52	2,331.52
Less: Unpaid Allotment / Call Money (from others) on cancellation of 82,756 Shares	-	6.21	6.21
Less: Amount Paid up on Cancellation of 82,756 Shares Transferred to Capital Reserve	-	2.07	-
TOTAL	2,323.24	2,323.24	2,325.31

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(i) Reconciliation of Number of Equity Shares

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Shares Outstanding at the Beginning of the year	23,232,394	23,315,150	23,315,150
Less: Forfeited During the year	-	82,756	-
Outstanding at the End of the year	23,232,394	23,232,394	23,315,150

(ii) Terms / Rights Attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/-. Each shareholder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders. The Company declares and pays dividend in Indian Rupees.

Final Dividend of ₹ 2 /- per Equity share for the financial year ended 31st March, 2018 proposed by Board of Directors in its meeting held on May 29, 2018 is subject to approval of shareholders in the ensuing Annual General Meeting and if approved, would result in Cash outflow of ₹ 559.24 Lakhs including dividend distribution Tax of ₹ 94.59 Lakhs.

(iii) Details of Equity Shares held by Shareholders holding more than 5% of the Aggregate Shares in the Company.

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	% holding	No. of Shares	% holding	No. of Shares	% holding	No. of Shares
S. B. Garware Family Trust	38.09%	8,849,867	42.97%	9,982,401	45.43%	10,592,401
B. D. Garware Research Centre	5.35%	1,242,216	5.35%	1,242,216	-	-
Shri S. B. Garware	5.01%	1,163,001	5.01%	1,163,001	-	-
Hridaynath Consultancy Pvt. Ltd.	-	-	5.74%	1,334,612	-	-
Finquest Securities Pvt. Ltd.	8.02%	1,862,284	-	-	-	-

12. (b) OTHER EQUITY

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2016	5,446.00	592.14	76,387.31	6,909.91	28,725.90	-	1,291.24	119,352.50
Profit for the year	-	-	-	-	2,244.33	-	-	2,244.33
Amount Paid on cancellation of 82,756 Shares	-	-	2.07	-	-	-	-	2.07
Other Comprehensive Income:								
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	41.98	-	-	41.98
b) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	-	1,500.31	1,500.31
Currency Translation Adjustments Relating to Subsidiaries	-	-	-	-	-	(83.39)	-	(83.39)
As at March 31, 2017	5,446.00	592.14	76,389.38	6,909.91	31,012.21	(83.39)	2,791.55	123,057.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	Capital Redemption Reserve	Securities Premium Account	Capital Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	Total ₹ In Lakhs
As at April 1, 2017	5,446.00	592.14	76,389.38	6,909.91	31,012.21	(83.39)	2,791.55	123,057.80
Profit for the year	-	-	-	-	3,312.38	-	-	3,312.38
Other Comprehensive Income:								
a) Remeasurement of Post Employment Benefit Obligations (Net of Tax)	-	-	-	-	9.04	-	-	9.04
b) Realised Gain on Equity Instrument Carried at Fair Value through OCI	-	-	-	-	1,091.95	-	(1,091.95)	-
c) Changes in Fair Value of Equity Instruments through OCI	-	-	-	-	-	-	677.37	677.37
Currency Translation Adjustments Relating to Subsidiaries	-	-	-	-	-	86.65	-	86.65
Reductions during the year:								
Dividends Paid (Including Tax thereon)	-	-	-	-	(279.62)	-	-	(279.62)
As at March 31, 2018	5,446.00	592.14	76,389.38	6,909.91	35,145.96	3.26	2,376.97	126,863.62

Nature and Purpose of Other Reserves:

1 Capital Redemption Reserve

Capital redemption reserve is towards the redemption of Preference Shares allotted to Industrial Development Bank of India (IDBI) in FY 2014 - 15. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

2 Securities Premium Reserve

Securities premium reserve is towards the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of The Companies Act, 2013.

3 Capital Reserve

Capital Reserve of ₹ 4,439.48 was created on demerger of manufacturing business of erstwhile Garware Chemicals Limited (GCL) as per the scheme of arrangement between the Company and GCL under provisions of section 391 - 394 of the Companies Act, 1956 and ₹ 61,842.43 Lakhs (net of Deferred Tax) on account of fair valuation of Property, Plant and Equipment done as at the transition date of Ind AS. Capital reserve also includes Revaluation Reserve amounting to ₹ 4,584.49 Lakhs pertains to revaluation of Land at Mumbai at Vile Parle in 2007 and ₹ 18,755.94 Lakhs revaluation of land situated at Aurangabad and Nashik in FY 2012 - 13 and ₹ (13,235.03) Lakhs pertains to impairment of assets taken over from GCL in FY 2012 - 13 and ₹ 2.07 Lakhs amount paid up on cancellation of 82,756 shares.

4 Fair Value Through Other Comprehensive Income (FVTOCI) Equity Instruments

The Group has elected to recognise changes in fair value of certain investments in equity instruments through Other Comprehensive Income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

5 Foreign Currency Translation Reserve

Exchanges differences arising on translation of foreign operations are recognised in Other Comprehensive Income as described in accounting policies and accumulated in separate reserve with in equity. The cumulative amount is reclassified to Profit and Loss Account when the net instrument is disposed of.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

13. (a) NON-CURRENT BORROWINGS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Secured:			
Term Loans			
Indian Rupee Loans from Banks	14,132.97	2,280.06	4,634.28
Long-Term Maturities of Finance Lease Obligations			
Obligations Under Finance Leases	601.91	591.68	203.26
Unsecured:			
Term Loans			
Sales Tax Deferral Loan from SICOM	749.26	923.44	996.55
TOTAL	15,484.14	3,795.18	5,834.09
Less: Current Maturities of Long Term Debt (Included in Note 15)	1,619.82	1,851.06	2,543.34
Less: Current Maturities of Finance Lease Obligations (Included in Note 15)	153.09	106.08	57.93
TOTAL	13,711.23	1,838.04	3,232.82

13. (b) CURRENT BORROWINGS

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Cash / Packing Credit from Banks (Secured):			
Indian Rupee Loans from Banks.	-	215.16	980.88
Foreign Currency	421.60	5,984.04	8,728.46
Working Capital Loans	-	20,558.44	15,722.53
Payable to Banks (in Respect of Trade Receivables Discounted)	1,241.71	618.27	808.96
TOTAL	1,663.31	27,375.91	26,240.83

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Terms of Repayment for Borrowings

Particulars	Terms of Repayment
Non - Current:	
Indian Rupee Loans from Banks	Loan of ₹ 671.61 Lakhs is repayable in 20 quarterly installments from quarter ended March 2014 till December 2018 & ₹ 565.61 Lakhs is repayable in 4 quarterly installment from June-2018 till March 2019 & ₹ 12,895.75 Lakhs is repayable in monthly installments from December 2017 till March 2024. Rate of interest: 9.50 % p.a.
Obligations Under Finance Leases	Installments are repayable in 84 monthly installments / 20 quarterly installments from November 2014 to January 2024 Rate of interest: 9 - 11.80% p.a.
Sales Tax Deferral Loan from SICOM	Payable from April 2016 to April 2026
Current:	
Indian Rupee Loans from Banks	Rate of interest: 9 % to 13.83% p.a.
Foreign Currency	Interest is between LIBOR + 2 % to LIBOR + 3.5%
Payable to Banks (In Respect of Trade Receivables Discounted)	Amount payable ranges between 0 to 120 days from the date trade receivables are discounted

Details of security for the Non - Current and Current Borrowings:

Particulars	Nature of Security
Non - Current:	
Indian Rupee Loans from Banks	First pari-passu charge on Property, Plant and Equipment (present and future) except land and building at Vile Parle, Mumbai and second pari-passu charge on Current Assets except for ₹ 565.61 Lakhs which has first and exclusive charge on machineries and equipments to be purchased out of said term loan.
Obligations Under Finance Leases	Hypothecation of specific Assets
Current:	
Indian Rupees and Foreign Currency and Working Capital Loans	Hypothecation of all the Current Assets Including all inventory, book debts etc. and second charge on Property, Plant and Equipment of the Company excluding property at Vile Parle.
Payable to Banks (In Respect of Trade Receivables Discounted)	Trade receivables are discounted on with recourse basis.

14. TRADE PAYABLES

	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Total Outstanding dues of Micro Enterprises and Small Enterprises	417.43	236.00	292.60
Total Outstanding dues of Creditors Other than Micro Enterprises and Small Enterprises	5,887.01	4,635.61	4,199.80
TOTAL	6,304.44	4,871.61	4,492.40

Details of Dues to Micro and Small Enterprises as Defined Under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

Sr. No.	Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs	April 1, 2016 ₹ In Lakhs
a)	Principal amount due to Suppliers registered under MSMED Act and Remaining Unpaid as at the year end	417.43	236.00	292.60
b)	Interest due thereon	-	-	-
c)	Interest Paid by the Company in Term of Section 16	-	-	-
d)	Interest due and Payable for the Period of Delay in Payment	-	-	-
e)	Interest Accrued and Remaining Unpaid	-	-	-
f)	Interest Remaining due and Payable even in Succeeding Years	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

15. OTHER FINANCIAL LIABILITIES - CURRENT	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Current Maturities of Long Term Debt	1,619.82	1,851.06	2,543.34
Current Maturities of Finance Lease Obligations	153.09	106.08	57.93
Unclaimed Dividend	52.55	61.33	66.46
Creditors for Capital Expenditure	331.69	218.36	153.81
Payable for Expenses	71.25	172.02	172.29
Payable to Employees	544.91	560.70	126.24
Deposit from Customers	201.75	240.06	146.84
Derivative Financial Instrument.	15.83	-	-
TOTAL	2,990.89	3,209.61	3,266.91
There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.			
16. (a) NON-CURRENT PROVISIONS	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Provision for Employee Benefits (Refer Note 29)			
Provision for Compensated Absences	644.98	542.69	500.13
TOTAL	644.98	542.69	500.13
16. (b) CURRENT PROVISIONS	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Provision for Employee Benefits (Refer note 29)			
Provision for Gratuity	43.28	28.81	264.87
Provision for Compensated Absences	644.19	1,030.15	1,064.54
TOTAL	687.47	1,058.96	1,329.41
17. OTHER NON CURRENT LIABILITY (GOVERNMENT GRANT)	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Interest Free Sales Tax Deferral Loan (SICOM)	71.90	130.38	206.91
Less: Current Maturities of SICOM Interest Free Sales Tax Deferral Loan	40.67	58.48	76.53
Interest Free Sales Tax Deferral Loan (SICOM)	31.23	71.90	130.38
18. OTHER CURRENT LIABILITIES	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Statutory Liabilities	204.34	262.55	263.28
Advances from Customers	1,309.45	627.33	649.97
Interest Free Sales Tax Deferral Loan (SICOM)	40.67	58.48	76.53
TOTAL	1,554.46	948.36	989.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

19. REVENUE FROM OPERATIONS	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Sale of Products (Inclusive of Excise Duty)	82,268.10	89,941.20
Other Operating Revenue		
Export Incentives	1,719.47	1,642.02
Sale of Scrap and Others	211.91	262.88
TOTAL	84,199.48	91,846.10

Note: Revenue from Operations for the year ended March 31, 2018 includes excise duty which is discontinued w.e.f. July 1, 2017 upon implementation of Goods and Services Tax (GST). Accordingly, GST is not included in Revenue from Operations.

20. OTHER INCOME	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Interest Income On:		
Bank Deposits	293.62	457.72
Income Tax & Sales Tax Refund	73.66	-
Others	4.40	2.11
Dividend from Quoted Equity Investments Measured at Fair Value through OCI	13.12	13.86
Dividends from Mutual fund Investments Measured at Fair Value through Profit and Loss	56.91	-
Insurance Claims	8.52	24.82
Profit on Sale of Property, Plant and Equipment	0.21	17.63
Profit on Sale of Investments	0.05	0.01
Bad Debts Recovered	-	12.32
Excess Provision / Sundry Credit Balances Written Back	1.51	7.24
Gain on Exchange Rate Fluctuations	-	148.48
Net Gain on Financial Asset Measured at Amortised Cost	10.27	12.10
Government Grant (Refer Note 36 (vi) (f))	58.48	76.53
TOTAL	520.75	772.82

21. COST OF MATERIALS CONSUMED	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Opening Inventory	1,562.84	1,981.75
Add: Purchases	40,424.02	43,500.59
Less: Sales	(104.09)	(158.45)
Less: Closing Inventory	(2,286.17)	(1,562.84)
TOTAL	39,596.60	43,761.05

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

22. CHANGE IN INVENTORIES OF FINISHED GOODS AND SEMI - FINISHED GOODS	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Closing Inventory		
Semi-Finished Goods	3,392.44	6,331.80
Finished Goods	1,251.64	984.12
	<u>4,644.08</u>	<u>7,315.92</u>
Less: Opening Inventory		
Semi-Finished Goods	6,331.80	8,419.73
Finished Goods	984.12	978.80
	<u>7,315.92</u>	<u>9,398.53</u>
Net Change in Inventory	<u>2,671.84</u>	<u>2,082.61</u>
23. EMPLOYEE BENEFITS EXPENSE	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Salaries, Wages and Bonus	6,438.27	6,432.65
Contributions to Provident Fund and Other Funds	685.41	754.25
Staff Welfare Expenses	442.20	444.27
TOTAL	<u>7,565.88</u>	<u>7,631.17</u>
<p>The remuneration of ₹ 944.67 Lakhs (March 31, 2017: ₹ 868.66 Lakhs) paid to the Managing Director, Joint Managing Directors and Directors is as per the sanction received from the Central Government and ₹ 275.56 Lakhs paid to Director from Subsidiary company.</p>		
24. FINANCE COSTS	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Interest Expense	1,326.50	986.80
Other Borrowing Cost	1,269.02	2,530.35
Applicable (Gain) / Loss on Foreign Currency Translation and Transactions	(92.06)	(204.88)
TOTAL	<u>2,503.46</u>	<u>3,312.27</u>
<p>Finance Costs amounting to ₹ 5.03 Lakhs (March 31, 2017 : ₹ Nil) is capitalised in the cost of assets during the Current year.</p>		
25. DEPRECIATION AND AMORTIZATION EXPENSE	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Depreciation on Property, Plant and Equipment	1,335.58	1,298.35
Amortisation of Intangible Assets	27.71	20.08
Impairment of Assets	-	63.34
TOTAL	<u>1,363.29</u>	<u>1,381.77</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

26. OTHER EXPENSES

	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Stores, Spares & Packing Materials Consumed	4,910.36	4,912.58
Power and Fuel	6,977.04	7,840.57
Processing Charges	3,086.89	3,145.85
Water Charges	87.16	96.32
Rent, Hire Charges and Compensation	417.26	437.21
Rates, Taxes and License Fees	62.72	80.71
Insurance	287.02	294.53
Freight & Forwarding (Net)	2,832.33	2,933.02
Research and Development Expenses	128.51	152.88
Advertisement Expenses	128.54	106.25
Repairs and Maintenance Expenses:		
Plant and Machinery	991.72	1,017.40
Building	579.76	461.32
Others	882.26	940.80
Travelling & Conveyance	598.22	706.46
Postage, Telegrams & Telephones	106.36	128.13
Commission on Sales	177.27	127.15
Contribution towards Corporate Social Responsibilities (Refer Note 26a)	25.50	60.00
Donations	57.16	4.69
Legal and Professional Charges*	1,175.58	1,170.46
Auditors Remuneration (Refer Note 26b)	52.51	51.82
Directors Sitting Fees	9.37	4.81
Loss on Exchange Rate Fluctuations	3.33	-
Net Loss on Financial Assets Measured at FVTPL	5.55	-
Miscellaneous Expenses	1,588.24	1,984.27
TOTAL	25,170.66	26,657.23

*Legal and professional charges include ₹ 3 Lakhs (March 31, 2017: ₹ 3.05 Lakhs) paid to a firm in which one of the partner of auditor's firm is interested as a partners and ₹ 9.61 Lakhs (March 31, 2017: ₹ 6.36 Lakhs) paid to a firm in which one of the Director is a proprietor for Corporate Law and Tax Services.

26 .(a) CORPORATE SOCIAL RESPONSIBILITY (CSR)

	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Gross Amount Required to be spent by the Company during the year	25.23	44.35
TOTAL	25.23	44.35
Amount spent during the year		
a. Construction / Acquisition of any asset	-	-
b. On Purposes Other than (a) above	25.50	60.00
TOTAL	25.50	60.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

26. (b) PAYMENT TO AUDITORS	2017-18	2016-17
As Auditor:	₹ In Lakhs	₹ In Lakhs
Statutory Audit Fees	36.37	35.41
Tax Audit Fees	5.00	5.10
In Other Capacity:		
For Certification / Others	9.03	10.37
Reimbursement of Out of Pocket Expenses	2.11	0.94
TOTAL	52.51	51.82

27. EARNINGS PER SHARE (EPS)	2017-18	2016-17
	₹ In Lakhs	₹ In Lakhs
Net Profit Attributable to the Equity Shareholders of the Company	3,312.38	2,244.33
Weighted Average Number of Equity Shares	23,232,394	23,242,653
Basic & Diluted Earnings per Share (In ₹)	14.26	9.66

28. CONTINGENCIES AND COMMITMENTS

a) Contingent Liabilities	As at March 31, 2018 ₹ In Lakhs	As at March 31, 2017 ₹ In Lakhs	As at April 1, 2016 ₹ In Lakhs
Disputed Matters in Appeal / Contested in Respect of:			
Income Tax	1,633.17	1,633.17	10.59
Excise Duty and Service Tax	41.40	41.40	48.87
Sales Tax	1,178.30	1,178.30	1,178.30
Maharashtra State Electricity Board (MSEB)	27.72	27.72	27.72
TOTAL	2,880.59	2,880.59	1,265.48

b) The Company has given counter-guarantees for ₹ 6,101.99 Lakhs (March 31, 2017: ₹ 4,456.29 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 ₹ 1,150.38 Lakhs (March 31, 2017: ₹ 22,237.95 Lakhs).

d) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 203.72 Lakhs (March 31, 2017: ₹ 161.77 Lakhs) against which an advance of ₹ 9.21 Lakhs (March 31, 2017: ₹ 20.00 Lakhs) has been paid.

e) Finance Leases

The Company has entered into finance leases arrangements. The future minimum lease payments are as follows:

Hire Purchase / Finance Leases (Property, Plant and Equipment)

₹ In Lakhs

Particulars	Future Lease Payments			Present Value of Minimum Future Minimum Lease Payments			Finance Charges	
	2018	2017	2016	2018	2017	2016	2018	2017
As at 31st March,								
Not later than one year	203.75	160.38	78.94	153.08	106.08	57.93	50.67	54.30
Later than one year and not later than five years	535.24	561.46	172.30	446.46	442.67	145.33	88.77	118.79
Later than five years	2.40	44.13	-	2.36	42.93	-	0.04	1.20

f) Operating Leases

The Company has taken various residential/ commercial premises and vehicles on operating leases. These operating leases are in the nature of 'cancellable lease' and therefore disclosure as per Ind AS 17 - Leases is not required.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

29. EMPLOYEE BENEFIT OBLIGATIONS

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs	April 1, 2016 ₹ In Lakhs
Gratuity (Refer Note C)	43.28	28.81	264.87
Non-Current	-	-	-
Current	43.28	28.81	264.87

A Defined Contribution Plan

The Company has certain Defined Contribution Plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government, however certain employees are covered under the contributory Plans with trust "Garware Polyester Limited Office Staff and Officers Provident Fund". The expense recognised during the period towards defined contribution Plan is ₹ 225.25 Lakhs (March 31, 2017 - ₹ 227.93 Lakhs).

B Compensated Absences

The leave Obligations is towards encashment of balance leave. The provision reversed during the year is ₹ 151.33 Lakhs and provided during the year ended March 31, 2017 is ₹ 46.73 Lakhs.

C Gratuity

The Group provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan.

I The Amounts Recognised in Balance Sheet and Movements in the Net Benefit Obligation over the year are as follows :

Particulars	₹ In Lakhs		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
April 1, 2016	2,297.89	(2,033.02)	264.87
Current Service Cost	164.13	-	164.13
Interest Expense / (Income)	176.54	(169.09)	7.45
Total Amount Recognised in Profit or Loss	340.67	(169.09)	171.59
Return on Plan Assets	-	(5.38)	(5.38)
(Gain) / Loss from Experience Changes	(188.49)	-	(188.49)
(Gain) / Loss from Change in Financial Assumptions	129.69	-	129.69
Total Amount Recognised in Other Comprehensive Income	(58.81)	(5.38)	(64.19)
Employer Contributions	-	(343.46)	(343.46)
Benefits Paid	(182.35)	182.35	-
March 31, 2017	2,397.41	(2,368.60)	28.81

Particulars	₹ In Lakhs		
	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
April 1, 2017	2,397.41	(2,368.60)	28.81
Current Service Cost	125.49	-	125.49
Interest Expense / (Income)	154.58	(158.00)	(3.42)
Total Amount Recognised in Profit or Loss	280.06	(158.00)	122.07
Return on Plan Assets	-	(16.30)	(16.30)
(Gain) / Loss from Experience Changes	17.02	-	17.02
(Gain) / Loss from Change in Financial Assumptions	(14.53)	-	(14.53)
Total Amount Recognised in Other Comprehensive Income	2.49	(16.30)	(13.81)
Employer Contributions	-	(95.85)	(95.85)
Benefits Paid	(275.07)	275.07	-
Mortality Charges and Taxes	-	2.07	2.07
March 31, 2018	2,404.89	(2,361.61)	43.28

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

II The Net Liability Disclosed Above Relates to Funded Plans are as Follows :

Particulars	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs	April 1, 2016 ₹ In Lakhs
Present Value of Funded Obligation	2,404.89	2,397.41	2,297.89
Fair Value of Plan Assets	(2,361.61)	(2,368.60)	(2,033.02)
Deficit	43.28	28.81	264.87

III Estimates

The Actuarial Assumptions were as follows :

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Discount Rate	7.80%	6.84%	8.00%

IV Sensitivity of Actuarial Assumptions

The Sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on Defined Benefit Obligation	
	March 31, 2018	March 31, 2017
Discount Rate		
1 % Increase	(109.40)	(112.57)
1 % Decrease	119.20	123.15
Future Salary Increase		
1 % Increase	98.32	121.44
1 % Decrease	(92.05)	(112.87)

Projected Benefits Payable from the Fund in Future years from the date of reporting:

	March 31, 2018 ₹ In Lakhs	March 31, 2017 ₹ In Lakhs
Less than a year	395.67	337.21
Between 1 to 2 years	272.52	460.10
Between 2 to 3 years	616.90	578.34
Between 3 to 4 years	307.19	701.71
Between 4 to 5 years	299.71	879.84
Between 6 to 10 years	1,600.60	1,823.78
Total	3,492.59	4,780.98

The weighted duration of the defined benefit obligation is 5.63 years.

V The Major Categories of Plan Assets are as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Funds Managed by Insurer	100%	100%	100%

VI Risk Exposure

- Asset Volatility** : All plan assets are maintained in a trust managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all Assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- Discount Rate Risk** : Variations in the discount rate used to compute the present value of the Liabilities may seem small, but in practice can have a significant impact on the Defined Benefit Liabilities.
- Future Salary Increase and Inflation Risk** : Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of Liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- Asset-Liability Mismatch Risk** : Risk arises if there is a mismatch in the duration of the Assets relative to the Liabilities. By matching duration with the Defined Benefit Liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

30. RELATED PARTY TRANSACTIONS - AS PER IND AS 24

Name of the Related Parties and Nature of Relationship

Key Management Personnel	Shri. S. B. Garware - Chairman and Managing Director Mrs. S. S. Garware - Director (Resigned w.e.f. August 10, 2017) 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 (Resigned w.e.f. September 30, 2017) Mr. C. J. Pathak - Whole Time Director (from October 16, 2017) Mr. B. D. Doshi - Director (from October 16, 2017) Mr. Sunil Dalmia - Chief Financial Officer (Resigned w.e.f. September 07, 2017) Mr. Manoj Gupta - Chief Financial Officer (From January 15, 2018) Mr. Nimesh Shah - Company Secretary
Non Executive Director	Mr. N. P. Chapalgaonkar - Non Executive and Independent Director Mr. B. Moradian - Non Executive and Independent Director Mr. Ramesh P. Makhija - Non Executive and Independent Director Mr. M. C. Agarwal - Non Executive and Independent Director Mr. T. M. Parikh - Non Executive and Independent Director Mr. Nilesh R. Doshi - Non Executive and Independent Director
Entities in which some of the Directors are Interested	Garware Industries Ltd. Great View Real Estates Pvt. Ltd. Shashvat Investment Consultancy & Properties Pvt. Ltd. Garware Community Centre Garware Charitable Trust S. B. Garware Family Trust Monika Garware Benefit Trust Sarita Garware Benefit Trust Sonia Garware Benefit Trust
Post Employment Benefit Plans	Garware Polyester Limited Office Staff And Officers Provident Fund

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

30. TRANSACTIONS WITH RELATED PARTIES

A Key Management Personnel Compensation

Particulars	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
Short Term Employee Benefits	1,286.42	1,178.47
Post-Employment Benefits	3.00	2.00
Total	1,289.42	1,180.47

The remuneration of ₹ 944.67 Lakhs (March 31, 2017: ₹ 868.66 Lakhs) paid to the Managing Director, Joint Managing Directors and Directors is as per the sanction received from the Central Government and ₹ 275.56 Lakhs paid to director from a subsidiary company.

Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and Other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the Financial Statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

B Transactions with the Related Parties

Particulars	Relationship	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
i) Sale of Goods			
Garware Industries Ltd.	Entities in which some of the Directors are interested	9.92	28.88
ii) Purchase of Materials			
Garware Industries Ltd.	Entities in which some of the Directors are interested	132.64	46.98
iii) Service Received / Processing / Commission / Rent Paid / Reimbursement of Expenses/ Donation & CSR Expenses			
Garware Industries Ltd. (Rent)	Entities in which some of the Directors are interested	188.88	174.38
Garware Industries Ltd. (Processing Charges)	Entities in which some of the Directors are interested	3,030.72	3,054.50
Great View Real Estates Pvt. Ltd. (Rent)	Entities in which some of the Directors are interested	74.70	82.74
Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent)	Entities in which some of the Directors are interested	30.08	30.28
Mrs. Monika Garware Modi (Rent)	Key Management Personnel	72.00	72.00
Mrs. Sarita Garware Ramsay (Rent)	Key Management Personnel	42.00	42.00
Ms. Sonia S. Garware (Rent)	Key Management Personnel	72.00	72.00
Garware Community Centre (Expenses)	Entities in which some of the Directors are trustees	11.72	19.63
Garware Charitable Trust (Donation & CSR)	Entities in which some of the Directors are trustees	77.50	60.00
Garware Polyester Limited Office Staff And Officers Provident Fund (Employer Contribution)	(Post Employment Benefit Plans)	103.92	105.11
T. M. Parikh & Co. (Legal and Professional Fees)	Director is Proprietor	9.61	6.36
iv) Managerial Remuneration			
Shri. S. B. Garware	Chairman and Managing Director	412.38	385.90
Mrs. Monika Garware Modi	Vice Chairperson & Joint Managing Director	260.33	233.41
Mrs. Sarita Garware Ramsay	Director	237.05	212.95
Ms. Sonia S. Garware	Director	275.56	275.74
Mr. M. S. Adsul	Director - Technical	18.20	36.40
Mr. C. J. Pathak	Whole Time Director	16.71	-
Mr. Sunil Dalmia	Chief Financial Officer	18.44	-
Mr. Manoj Gupta	Chief Financial Officer	14.58	-
Mr. Nimesh Shah	Company Secretary	36.17	36.07

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

B Transactions with the Related Parties

Particulars	Relationship	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
v) Director Sitting Fees			
Mrs. S. S. Garware	Director	-	0.30
Ms. Sonia S. Garware	Director	0.30	0.10
Mr. B. D. Doshi	Director	1.20	-
Mr. N. P. Chapalgaonkar	Independent Director	0.10	0.20
Mr. B. Moradian	Independent Director	1.48	0.82
Mr. Ramesh P. Makhija	Independent Director	1.00	0.60
Mr. M. C. Agarwal	Independent Director	2.37	1.28
Mr. T. M. Parikh	Independent Director	1.69	0.78
Mr. Nilesh R. Doshi	Independent Director	1.22	0.68
vi) Net Balances (Dr / Cr)			
Garware Industries Ltd.	Entities in which some of the Directors are interested	104.99	295.87
Shashvat Investment Consultancy & Properties Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	7.50	7.50
Great View Real Estates Pvt. Ltd. (Rent Deposit)	Entities in which some of the Directors are interested	36.00	36.00
Shri. S. B. Garware (Remuneration Payable)	Chairman and Managing Director	28.27	21.76
Ms. Sonia S. Garware (Rent Deposit)	Director	36.00	36.00
Mrs. Monika Garware Modi (Rent Deposit / Remuneration Payable)	Vice Chairperson & Joint Managing Director	28.06	27.91
Mrs. Sarita Garware Ramsay (Rent Deposit / Remuneration Payable)	Joint Managing Director	19.68	19.55
T. M. Parikh & Co. (Legal and Professional Fees)	Director is Proprietor	0.38	0.37

31. SEGMENT REPORTING

- i) Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Board of Directors have been identified as the Chief Operating Decision Maker. The Group has organised its operating segments based on product groupings. These operating segments have been aggregated into one reportable business segment: Polyester films.
- ii) Geographical Segments

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers is shown in the table below:

₹ In Lakhs

	Within India		China		Rest of the world		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Segment revenue by geographical area based on geographical location of customers	29,997.14	41,140.76	7,968.52	11,032.97	46,233.82	39,672.37	84,199.48	91,846.10

The total of Non-Current Assets (other than Financial Instruments, Deferred Tax Assets and Income Tax Assets) are located in the Company's country of domicile i.e. in India.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

32. (a) INTEREST IN OTHER ENTITIES

i) Subsidiary and Step Down Subsidiary

Name of the entity	Place of Business	Ownership held by Group			Principal Activities
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	
Subsidiary					
Garware Polyester International Ltd.	United Kingdom	100%	100%	100%	Trading, marketing and distribution solely for Garware Polyester Limited.
Step down Subsidiary					
Global Pet Films Inc.	USA	100%	100%	100%	Trading, marketing and distribution solely for Garware Polyester Limited.

32. (b) ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

Particulars	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit Or Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent								
Garware Polyester Limited								
March 31, 2018	99.92%	1,29,086.00	101.93%	3,376.32	100.00%	686.41	101.60%	4,062.73
March 31, 2017	99.94%	1,25,302.89	97.47%	2,187.58	100.00%	1,542.29	98.50%	3,729.87
Foreign Subsidiary								
Global Pet Films Inc.								
March 31, 2018	0.18%	236.45	6.37%	210.98	-	-	5.28%	210.98
March 31, 2017	0.17%	219.33	4.53%	101.77	-	-	2.69%	101.77
Garware Polyester International Ltd.								
March 31, 2018	0.71%	911.33	7.12%	235.72	-	-	5.89%	235.72
March 31, 2017	0.56%	705.22	8.02%	179.89	-	-	4.75%	179.89
Subtotal 2018	100.81%	1,30,233.78	115.42%	3,823.02	100.00%	686.41	112.77%	4,509.43
Subtotal 2017	100.68%	1,26,227.44	110.02%	2,469.24	100.00%	1,542.29	105.94%	4,011.53
Inter company elimination and consolidation adjustment								
March 31, 2018	-0.81%	(1,046.92)	-15.42%	(510.64)	-	-	-12.77%	(510.64)
March 31, 2017	-0.68%	(846.40)	-10.02%	(224.91)	-	-	-5.94%	(224.91)
Grand Total								
March 31, 2018	100%	1,29,186.86	100%	3,312.38	100%	686.41	100%	3,998.79
March 31, 2017	100%	1,25,381.04	100%	2,244.33	100%	1,542.29	100%	3,786.62

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

33. FAIR VALUE MEASUREMENTS

Financial Instruments by category

₹ In Lakhs

	March 31, 2018			March 31, 2017			April 1, 2016		Amortised Cost
	Fair Value through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised Cost	Fair Value through Profit and Loss Account	Fair Value Through Other Comprehensive Income	Amortised Cost	Fair Value through Profit and Loss Account	Fair Value Through Other Comprehensive Income	
Financial Assets:									
Investments in Quoted Equity Instruments	-	2,414.41	-	-	2,848.53	-	-	1,348.22	-
Investments in Unquoted Equity Instruments	-	8.07	-	-	8.07	-	-	15.57	-
Investment in Unquoted Mutual Funds	1,161.35	-	-	-	-	-	-	-	-
Security Deposits	-	-	176.62	-	-	169.70	-	-	206.13
Trade Receivables	-	-	3,861.92	-	-	6,199.24	-	-	4,803.35
Cash and Cash Equivalents	-	-	4,160.34	-	-	8,432.13	-	-	5,929.97
Bank Balances Other than above	-	-	420.00	-	-	157.49	-	-	91.41
Loans and Advances to Employees	-	-	53.59	-	-	22.16	-	-	26.67
Interest accrued on Fixed Deposits	-	-	2.84	-	-	151.35	-	-	65.80
Other Receivables	-	-	207.61	-	-	257.91	-	-	319.46
Derivative Financial Instrument	-	-	-	69.60	-	-	41.93	-	-
Total Financial Assets	1,161.35	2,422.48	8,882.92	69.60	2,856.60	15,389.98	41.93	1,363.79	11,442.79
Financial Liabilities:									
Non Current Borrowings	-	-	12,961.97	-	-	914.60	-	-	2,236.27
Sales Tax Deferral Loan from SICOM	-	-	749.26	-	-	923.44	-	-	996.55
Current Borrowings	-	-	1,663.31	-	-	27,375.91	-	-	26,240.83
Trade Payables	-	-	6,304.44	-	-	4,871.61	-	-	4,492.40
Current Maturities of Long Term Debt	-	-	1,619.82	-	-	1,851.06	-	-	2,543.34
Current Maturities of Finance Lease Obligations	-	-	153.09	-	-	106.08	-	-	57.93
Unclaimed Dividend	-	-	52.55	-	-	61.33	-	-	66.46
Creditors for Capital Expenditure	-	-	331.69	-	-	218.36	-	-	153.81
Payable for Expenses	-	-	71.25	-	-	172.02	-	-	172.29
Payable to Employees	-	-	544.91	-	-	560.70	-	-	126.24
Deposit from Customers	-	-	201.75	-	-	240.06	-	-	146.84
Derivative Financial Instrument	15.83	-	-	-	-	-	-	-	-
Total Financial Liabilities	15.83	-	24,654.04	-	-	37,295.17	-	-	37,232.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

i) Fair Value Hierarchy

The fair values of the Financial Instruments that are recognised and measured at fair value are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its Financial Instruments into three levels prescribed under the accounting standard.

Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2018					
Financial Assets:					
Derivative Financial Instrument (Liability)	15	-	15.83	-	15.83
Investment in Unquoted Mutual Funds	3 (b)	1,161.35	-	-	1,161.35
Investment in Quoted Equity Instruments	3 (a)	2,414.41	-	-	2,414.41
Investments in Unquoted Equity Instruments	3 (a)	-	8.07	-	-
Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial Assets:					
Derivative Financial Instrument (Asset)	8	-	69.60	-	69.60
Investment in Quoted Equity Instruments	3 (a)	2,848.53	-	-	2,848.53
Investments in Unquoted Equity Instruments	3 (a)	-	8.07	-	-
Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements	Notes	Level 1	Level 2	Level 3	Total
At April 1, 2016					
Financial Assets:					
Derivative Financial Instrument (Asset)	8	-	41.93	-	41.93
Investment in Quoted Equity Instruments	3 (a)	1,348.22	-	-	1,348.22
Investments in Unquoted Equity Instruments	3 (a)	-	15.57	-	-

Level 1: Level 1 hierarchy includes Financial Instruments measured using quoted prices. This includes quoted equity instruments. The fair value of all the Equity Instruments which are treated in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of derivatives and investment in unquoted equity instruments and unquoted mutual funds is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Mutual Funds are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation Technique used to Determine Fair Value

Specific valuation techniques used to value Financial Instruments include:

The use of quoted market prices or dealer quotes for similar instruments.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the Balance Sheet date.

The fair value of Mutual Funds is calculated by valuing them at closing NAV.

iii) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

The carrying amount of Financial Assets and Financial Liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

34. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative Financial Instruments, such as foreign exchange forward contracts are taken.

The Company's risk management is carried out by the Company's treasury department under policies approved by the Board of Directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative Financial Instruments and non-derivative Financial Instruments, and investment of excess liquidity.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(A) Credit Risk

Credit risk refers to a risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities primarily Trade Receivables, derivative Financial Instruments, investment in Mutual Funds, Deposits held with banks, loans and other receivables.

The Group has a policy of only dealing with counter parties that have sufficiently high credit rating. The Group's exposure and credit ratings of its customers are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

For investment in mutual funds, derivative Financial Instruments and balances held with banks, banks and recognised financial institutions with only high credit rating are accepted.

(i) Trade Receivables

Credit risk arises from the possibility that customer will not be able to settle their Obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the Financial condition, Current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

Movement of provision for Doubtful Debts:

	₹ In Lakhs
Provision for Doubtful Debts as on April 1, 2016	258.85
Change during the year	(7.02)
Provision for Doubtful Debts as on March 31, 2017	251.83
Change during the year	-
Provision for Doubtful Debts as on March 31, 2018	251.83

(B) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with Financial Instruments that are settled by delivering cash or another Financial Asset. Liquidity risk may result from an inability to sell a Financial Asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

(i) Maturities of Financial Liabilities:

Group's Financial Liabilities into relevant maturity groupings based on their contractual maturities for all non - derivative Financial Liabilities are as follows:

Particulars	₹ In Lakhs			
	Carrying amount as at March 31, 2018	< 1 year	1 to 3 years	> 3 years
Non Current Borrowings	12,961.97	-	8,030.23	4,931.74
Sales Tax Deferral Loan from SICOM	749.26	-	517.24	232.02
Current Borrowings	1,663.31	1,663.31	-	-
Trade Payables	6,304.44	6,304.44	-	-
Current Maturities of Long Term Debt	1,619.82	1,619.82	-	-
Current Maturities of Finance Lease Obligations	153.09	153.09	-	-
Unclaimed Dividend	52.55	52.55	-	-
Creditors for Capital Expenditure	331.69	331.69	-	-
Payable for Expenses	71.25	71.25	-	-
Payable to Employees	544.91	544.91	-	-
Deposit from Customers	201.75	201.75	-	-
Derivative Liability	15.83	15.83	-	-
Total	24,669.87	10,958.64	8,547.47	5,163.76

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ In Lakhs

Particulars	Carrying amount as at March 31, 2017	< 1 year	1 to 3 years	> 3 years
Non Current Borrowings	914.60	-	914.60	-
Sales Tax Deferral Loan from SICOM	923.44	-	691.42	232.02
Current Borrowings	27,375.91	27,375.91	-	-
Trade Payables	4,871.61	4,871.61	-	-
Current Maturities of Long Term Debt	1,851.06	1,851.06	-	-
Current Maturities of Finance Lease Obligations	106.08	106.08	-	-
Unclaimed Dividend	61.33	61.33	-	-
Creditors for Capital Expenditure	218.36	218.36	-	-
Payable for Expenses	172.02	172.02	-	-
Payable to Employees	560.70	560.70	-	-
Deposit from Customers	240.06	240.06	-	-
Total	37,295.17	35,457.13	1,606.02	232.02

₹ In Lakhs

Particulars	Carrying amount as at April 1, 2016	< 1 year	1 to 3 years	> 3 years
Non Current Borrowings	2,236.27	-	2,236.27	-
Sales Tax Deferral Loan from SICOM	996.55	-	696.06	300.49
Current Borrowings	26,240.83	26,240.83	-	-
Trade Payables	4,492.40	4,492.40	-	-
Current Maturities of Long Term Debt	2,543.34	2,543.34	-	-
Current Maturities of Finance Lease Obligations	57.93	57.93	-	-
Unclaimed Dividend	66.46	66.46	-	-
Creditors for Capital Expenditure	153.81	153.81	-	-
Payable for Expenses	172.29	172.29	-	-
Payable to Employees	126.24	126.24	-	-
Deposit from Customers	146.84	146.84	-	-
Total	37,232.96	34,000.14	2,932.33	300.49

(C) Market Risk**i) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). Group's risk management policy is to hedge sales and purchases. The Group uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

i) **Foreign Currency Risk Exposure**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ In Lakhs, are as follows :-

	March 31, 2018			March 31, 2017			April 1, 2016			
	EUR	USD	GBP	EUR	USD	GBP	EUR	USD	GBP	JPY
Financial Assets:										
Trade Receivables	394.97	2,886.62	82.40	551.55	3,250.78	150.73	425.56	2,274.26	55.74	49.04
Derivative Assets - Foreign Exchange Forward Contracts (Sell Foreign Currency)	(407.37)	-	-	-	(1,134.88)	-	(753.95)	(1,325.10)	-	-
Net Exposure to Foreign Currency Risk (Assets)	(12.39)	2,886.62	82.40	551.55	2,115.91	150.73	(328.39)	949.16	55.74	49.04
Financial Liabilities:										
Trade Payables	344.99	957.65	181.38	488.87	547.26	225.91	131.03	753.33	130.98	-
Packing credit in Foreign Currency	347.47	74.13	-	133.76	5,850.28	-	929.26	7,799.35	-	-
Net Exposure to Foreign Currency Risk (Liabilities)	692.46	1,031.78	181.38	622.63	6,397.54	225.91	1,060.29	8,552.68	130.98	-

ii) **Sensitivity**

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	Impact on Profit Before Tax	
	March 31, 2018	March 31, 2017
	₹ In Lakhs	₹ In Lakhs
EUR Sensitivity		
₹ / EUR - Increase / Decrease by 5% (March 31, 2017 5%)*	35.24	3.55
USD Sensitivity		
₹ / USD - Increase / Decrease by 5% (March 31, 2017 5%)*	92.74	214.08
GBP Sensitivity		
₹ / GBP - Increase / Decrease by 5% (March 31, 2017 5%)*	4.95	3.76

* Holding all other variables constant

ii) **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on financial liabilities such as borrowings, non-current and current. The Group has not used any interest rate derivatives. The Group is also exposed to interest rate risk on its financial assets that include fixed deposits and liquid investments such as deposits which are part of cash and cash equivalents. Since all these are generally for short durations, the Group believes it has manageable risk for achieving satisfactory returns.

35. **CAPITAL MANAGEMENT**a) **Risk Management**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group's capital management, capital includes issued Equity capital and all Other Equity Reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholders value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

b) **Dividends**

₹ In Lakhs

		March 31, 2018	March 31, 2017
(i)	Equity Shares		
	Final dividend paid for the year ended March 31, 2017 ₹ 1/- (March 31, 2016 of ₹ Nil) per fully paid share	279.62	-
(ii)	Dividends not recognised at the end of the reporting period		
	The Directors have recommended the payment of a final dividend of ₹ 2/- (March 31, 2017 ₹ 1/-) per fully paid Equity Share. This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	559.24	279.62

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

36. FIRST-TIME ADOPTION OF IND AS

The accounting policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Group's date of transition). In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in Financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and Other relevant provisions of the Act previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's Financial position, financial performance and cash flows is set out in the following tables and notes.

I Exemptions Availed**a) Fair value as Deemed Cost - Property, Plant and Equipment and Intangible Assets**

Ind AS 101 permits a first time adopter to Fair Value Property, Plant and Equipment and use that as deemed cost as at the transition date. Accordingly, the Company has opted for this exemption and measured its Property, Plant and Equipment at fair value as at the date of transition to Ind AS.

b) Government Grants

The requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109 - Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of the transition to Ind AS. However, as permitted by Ind AS Transition Facilitation Group (ITFG), the carrying amount of such interest free loans as per previous GAAP is present value by considering the effective interest rate as on the transition date.

c) Designation of Previously Recognised Financial Instruments

Ind AS 101 allows an entity to designate Investments in Equity Instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in Equity Instruments.

d) Cumulative Translation Differences

As per Ind AS 101, the cumulative translation differences for all foreign operations may be deemed to be zero at the transition date. In such case, the gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition to Ind AS but includes later translation differences by transferring the entire amount accumulated in Foreign Currency Translation Reserve (FCTR) as per previous GAAP to Retained Earnings. The Group has opted to avail this exemption and transferred entire cumulative translation differences lying in Foreign Currency Translation Reserve under previous GAAP to opening Retained Earnings on transition date.

II Exceptions Applied**a) Estimates**

The estimates as at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP. The estimates used by the Company to present these amounts in accordance with Ind AS, reflect conditions at April 1, 2016 the date of transition to Ind AS and as of March 31, 2017.

III Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

₹ In Lakhs			
	Notes to first time adoption	As at March 31, 2017	As at April 1, 2016
Total Equity as per previous GAAP	A	60,455.63	58,546.90
Ind-AS Adjustments [Increase in Equity/ (Decrease in Equity)]:			
1 Effect of measuring Financial Instruments in accordance with Ind AS 109	a,b,e,f	(6.55)	(2.74)
2 Fair valuation of quoted equity instruments	c	2,791.55	1,291.24
3 Fair valuation of Property, Plant and Equipment	d	58,358.15	58,358.15
4 Effect of depreciation due to fair valuation of Property Plant and Equipment	d	430.70	-
5 Deferred Tax on Ind As adjustments	i	3,351.56	3,484.26
Total Ind-AS adjustments	B	64,925.41	63,130.91
Total Equity as per Ind-AS	A + B	125,381.04	121,677.81

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

IV Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

		₹ In Lakhs	
		Notes to first time adoption	Year ended March 31, 2017
	Net Profit After Tax Under Previous GAAP	A	1,992.12
	Ind AS adjustments [Increase in Profits / (Decrease in Profits)]:		
1	Effect of measuring Financial Instruments in accordance with Ind AS 109	a,b,c,e,f	(3.81)
2	Fair valuation of Property, Plant and Equipment impact of depreciation thereof	d	430.70
3	Remeasurement of post employment defined benefit obligations, presented under OCI under Ind AS	g	(64.19)
4	Deferred tax on Ind As adjustments	i	(110.49)
	Total of Adjustments		252.21
	Profit After Tax as per Ind-AS	B	2,244.33
	Other Comprehensive Income:		
1	Fair valuation of quoted equity instruments	c	1,500.31
2	Remeasurement of post employment defined benefit obligations, presented under OCI under Ind AS	g	64.19
3	Deferred tax on all above adjustments	i	(22.21)
	Total Other comprehensive income	C	1,542.29
	Total Comprehensive Income as per Ind-AS	B + C	3,786.62

V Impact of Ind AS adoption on the Statements of Cash Flows for the year ended March 31, 2017

The transition adjustments are not expected to have any material impact on the statement of cash flows for the year ended March 31, 2017.

VI Notes to First-Time Adoption

a Recognition of Borrowings at Amortised Cost

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Profit or Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at April 1, 2016 have been reduced by ₹ 30.91 Lakhs with a corresponding adjustment to property plant and equipment. The transaction costs are accrued as a part of the interest expense for year ended March 31, 2017 equivalent to ₹ 14.14 Lakhs. The profit for the year ended March 31, 2017 reduced by the equivalent interest expense.

b Recognition of Security Deposits at Amortised Cost

Under the previous GAAP, interest free lease security deposits (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 21.04 Lakhs as at March 31, 2017 (April 1, 2016 ₹ 33.13 Lakhs). The prepaid expenses decreased by ₹ 18.38 Lakhs as at March 31, 2017 (April 1, 2016 ₹ 30.37 Lakhs). The profit for the year and total equity as at March 31, 2017 decreased by ₹ 0.11 Lakhs due to amortisation of the prepaid rent of ₹ 11.99 Lakhs which is partially off-set by the notional interest income of ₹ 12.10 Lakhs recognised on security deposits.

c Fair Valuation of Financial Instruments

Under Ind AS, the Group has recognized the financial instruments under three categories i.e. Fair Value through Profit and Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVTOCI) and at amortized cost. On the date of transition, the Fair Value Impact on FVTPL and FVTOCI instruments has been taken to retained earnings and Other Comprehensive Income (OCI) respectively. As at March 31, 2017 the fair value impact on FVTPL instruments has been taken in statement of profit and loss whereas fair value impact on FVTOCI instruments has been routed through OCI. As at April 1, 2016 the Group has exercised one time option and classified the investments in equity instruments as FVTOCI. The gain / (loss) on any future extinguishment of such equity investments will not be reflected in statement of profit and loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

d Fair Value as Deemed Cost - Property, Plant and Equipment

The Company has elected the option of fair value as deemed cost for Property, Plant and Equipment as on the date of transition to Ind AS. This has resulted in net increase of ₹ 58,358.15 Lakhs with corresponding increase in Capital Reserve.

Fair value as deemed cost as on transition date for respective category of Property, Plant and Equipment is as under:

₹ In Lakhs			
Category	Carrying Value Under I GAAP	Fair Value Adjustments	Carrying Value Under Ind AS
Land	32,217.86	68,425.97	100,643.83
Buildings	4,968.59	(43.63)	4,924.96
Plant & Machinery	26,633.17	(10,024.19)	16,608.98
TOTAL	63,819.62	58,358.15	122,177.77

e Fair Valuation of Derivative Financial Instruments

Under the previous GAAP, derivative financial instruments in the nature of forward contracts entered into to hedge sales / purchases were fair valued and was recognized as per the guidance applicable under the previous GAAP. However, as per Ind AS 109 Financial Instruments, all derivative financial instruments have to be measured at fair value at each reporting date. Consequently, profit for the year and total equity increased by ₹ 5.11 Lakhs as at March 31, 2017.

f Recognition of Sales Tax Deferral Loan as Government Grant

Under Previous GAAP, the carrying value of interest free loan (sales tax deferral loan) was recognised at the principal amounts payable by the Group. Under Ind AS, interest free borrowing being a Financial Liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as deferred income (Government grant) disclosed under other liabilities. On the date of transition, sales tax deferral loans have been recognised at fair value, thereby leading to creation of Government grant amounting to ₹ 206.91 Lakhs. The above changes do not affect equity as at date of transition to Ind AS. It has resulted in decrease in borrowings and increase in other liabilities by ₹ 206.91 Lakhs as at 1st April, 2016. The interest expense on the sales tax deferral loan is ₹ 71.44 Lakhs and income on Government grant is ₹ 76.53 Lakhs for the year ended March 31, 2017.

g Remeasurement of Post-Employment Benefit Obligations

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of Profit or Loss. Under the previous GAAP, these remeasurement were forming part of the Profit or Loss for the year. As a result of this change, the profit for the year ended March 31, 2017 decreased by ₹ 64.19 Lakhs. There is no impact on the total equity as at March 31, 2017.

h Trade Receivables Discounted

The carrying amounts of the trade receivables includes receivables which have been discounted with banks. The Group has the obligation to pay to the bank in case the customer makes a default in payment. Hence, the Group has continued to recognise the trade receivable along with a corresponding liability of equivalent amount under current borrowings.

i Deferred Tax

Deferred tax has been recognised on the adjustments made on transition to Ind AS.

37. Previous GAAP figures have been reclassified / regrouped to conform to the presentation requirements under Ind AS and the requirements laid down in Division II to the Schedule III of the Companies Act, 2013.

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	C. J. PATHAK Director
P. N. SHAH Partner M.No.: 001738 Mumbai, May 29, 2018	SANDEEP D. WELLING Partner M.No.: 044576 Mumbai, May 29, 2018	T. M. PARIKH Director MANOJ GUPTA Chief Financial Officer	NIMESH S. SHAH Company Secretary & Vice-President (Legal)

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

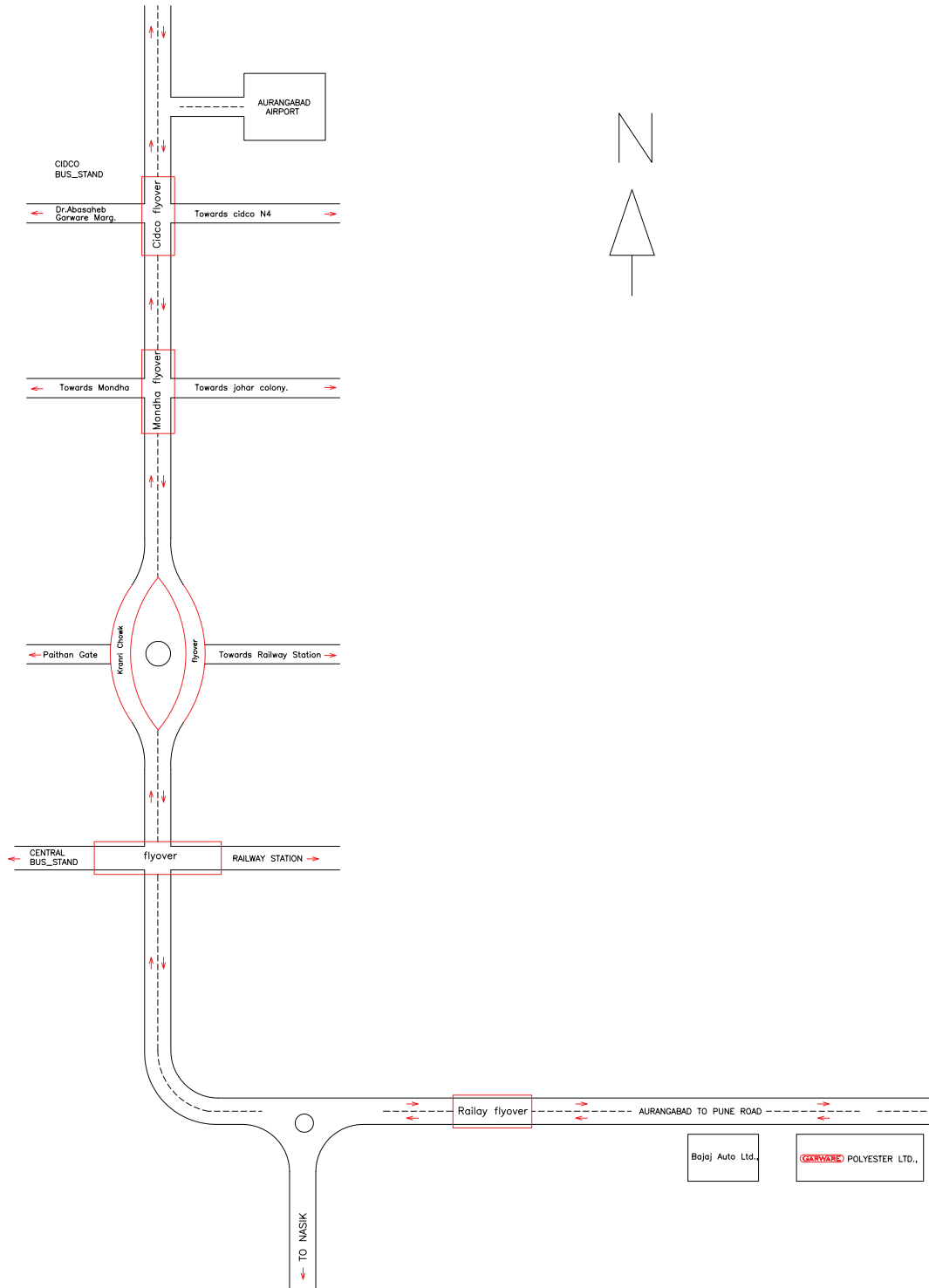
₹ In Lakhs

Sr. No.	Particulars	Garware Polyester International Limited (GPIL) (100% wholly owned by the Company)	Global Pet Films Inc. (100% wholly owned by GPIL)
		2017-18	2017-18
1	Reporting Currency	GBP	USD
2	Exchange Rate considered at the close of the year	95.47	66.26
3	Share Capital	230.69	65.18
4	Reserves & Surplus	832.06	205.45
5	Total Assets	1,533.98	667.30
6	Total Liabilities	1,533.98	667.30
7	Investment	0.00	0.00
8	Turnover & other Income	4,274.44	11,244.16
9	Profit / (Loss) Before Taxation	286.54	335.67
10	Provision for taxation	34.36	122.53
11	Profit / (Loss) after taxation	252.18	213.14
12	Dividend Proposed / Paid	0.00	162.94
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 31.03.2018 (₹ 92.2775 = 1 GBP).
- 2 The final Audited accounts of Global Pet Films Inc. are in U S Dollars (USD) and translated at closing rate as on 31.03.2018 (₹ 65.175 = 1 USD).

ROUTE MAP FOR AGM



VENUE: AGM Hall, GARWARE POLYESTER LIMITED.,
WALUJ, AURANGABAD.



GARWARE POLYESTER LIMITED

CIN: L10889MH1957PLC010889

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

ATTENDANCE SLIP (To be presented at the entrance)

Name of the Shareholder or Proxy _____

DP ID _____ Folio No. / Client ID _____

I/We hereby record my/our presence at the 61st **ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad – 431 133 on Friday, 28th September, 2018 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 :

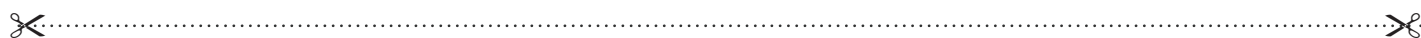
Address : Signature :

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 61st Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 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, 2018 with reports		
2.	Declaration of Dividend on Equity Shares.		
3.	Re-appointment of Mrs. Sarita Garware Ramsay, who retires by rotation.		
4.	Re-appointment of Ms. Sonia Garware, who retires by rotation.		
5.	Ratification of appointment of M/s. Manubhai & Shah, LLP, Chartered Accountants, as Statutory Auditors of the Company.		
6.	Appointment of M/s. Kirtane & Pandit LLP, Chartered Accountants as Joint Statutory Auditor of the Company.		
Special Business			
7.	Ratification of Cost Auditor Remuneration.		
8.	Appointment of Mr. C. J. Pathak as an Executive and Non-Independent Director of the Company.		
9.	Appointment of Mr. B. D. Doshi as a Non-Executive and Non-Independent Director of the Company.		
10.	Appointment of Mr. Vivekanand H. Kamath as a Non-Executive & Independent Director of the Company.		
11.	Re-appointment of Mr. T. M. Parikh as a Non-Executive & Independent Director of the Company for a second term of five consecutive years w.e.f. 1 st April, 2019 to 31 st March, 2024.		
12.	Re-appointment and Payment of Remuneration to Mrs. Monika Garware Modi as Joint Managing Director of the Company for the period from 01 st November, 2018 to 31 st October, 2021.		
13.	Re- appointment and Payment of Remuneration to Mrs. Sarita Garware Ramsay as Joint Managing Director of the Company for the period from 01 st November, 2018 to 31 st October, 2021.		
14.	Increase the Contribution/donation towards charitable and other welfare funds from time to time.		

Signed thisday of2018

Signature of Shareholder

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

Affix Revenue Stamp Of Rs.1/-
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Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 61st Annual General Meeting.
3. *It is optional to put a ' X ' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of members(s) in above box before submission.
5. Appointment of Proxy does not prevent a member from personally attending in person if he/she wishes.
6. In case of joint holder, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

