

GARWARE-WALL ROPES LIMITED

37th Annual Report 2013-2014



CHANGING **PARADIGMS**

In Respectful Memory



Ramesh B. Garware

(14th October 1940 – 7th February 2014)

Our visionary former Chairman whose principles and ideals
will continue to guide us in all our endeavours.



GARWARE-WALL ROPES LIMITED

37th Annual General Meeting

Day & Date : Thursday, 25 September 2014

Time : 10.30 am

Venue :

Auto Cluster Auditorium,
Auto Cluster Development And Research Institute Limited,
H-Block, Plot No. C-181, Off Old Pune-Mumbai Highway,
Chinchwad, Pune - 411 019.

INSIDE

From the Chairman's Desk	2
Directors' Report	5
Management Discussion and Analysis	9
Corporate Governance Report	16
Independent Auditors' Report	24
Balance Sheet	28
Statement of Profit and Loss	29
Cash Flow Statement	30
Notes to Financial Statements	32

Consolidated Financials

Independent Auditors' Report	57
Balance Sheet	58
Statement of Profit and Loss	59
Cash Flow Statement	60
Notes to Financial Statements	62
Section 212 Statement	86
Progress through the Years	87



“ Building on the internal processes and systems developed during the year, we are determined to deal with challenges and maintain profitable volume growth. ”

From the Chairman's Desk

Dear Shareholders,

I am pleased to present the Annual Report of Garware-Wall Ropes Limited (GWRL) for the financial year 2013-14.

On behalf of all members of the GWRL family, I would like to first express deep sorrow on the demise of my father, our former Chairman, Mr. Ramesh Garware, on February 7, 2014. As you know, Mr. Garware was a visionary and dynamic leader, who ably charted the course of your Company for many years and helped it achieve its present stature. On this occasion, I would like to reaffirm our commitment to his values and business principles. Your Company will continue to be guided by his emphasis on three fundamentals: Cost, Quality and Time.

The year under review was one of opportunities and challenges. There was a gradual revival in the global economy, especially in Europe and USA, which constitute your Company's major markets. However, on the domestic front, demand continued to be lukewarm in major industry segments. Inflationary pressures on costs remained significant.

Your Company addressed this situation through a combination of well-planned strategies. Adopting the principles of lean manufacturing and value engineering, we made focused efforts to improve efficiencies and profitability. Internally, we worked

to increase throughput and reduce consumption of materials, power and fuel. On the external front, our efforts included expansion of customer base, widening our distribution reach, securing repeat orders from existing customers, and improving our delivery lead times and responsiveness to customer feedback.

In tune with our mission of providing application-focused solutions to add value to customers' businesses, our R&D team worked to capture the voice of the customer and translate this need into innovative products. Consequently, we successfully launched several new products that redefine paradigms and add value in application sectors such as aquaculture, deep-sea fishing, high-value agriculture and coated fabrics.

Our human resources are our biggest asset and we strengthened this asset during the year by deepening bonds and capabilities across the various layers of the organisation, by building cross-functional teams for the long term, and through a series of training and development programmes.

Through all these initiatives and efforts, your Company registered good performance in FY 2013-14. Our export revenue increased by 29%. Gross revenue increased by 12.4% and profits before tax went up by 17%. Your Board of Directors has recommended a dividend of 27%.

Speaking of the near future, the prospects are encouraging. There are significant signs of revival in the global economy. On the domestic front,

there are strong indications of pro-growth policy initiatives. We expect these indicators to translate into higher demand for your Company's products, though the speed at which this will happen is not clear at this time. We also foresee some challenges. The domestic infrastructure sector is yet to get out of a prolonged lull and may take some time to do so. Inflationary pressures continue to push costs up and passing on these costs is a challenge.

Building on the internal processes and systems developed during the year, we are determined to deal with challenges and maintain profitable volume growth. Our manufacturing team will continue to work on optimisation of costs without compromising on quality. Our focus on new product development will remain strong. Leveraging our considerable exports presence, we will work towards growth across geographies and product segments. We will also take special efforts to attract good new talent and enhance our employee engagement.

I take this opportunity to acknowledge the support we received during the year from all our stakeholders.

On behalf of the entire GWRL team and the Board of Directors, I seek your continued support and goodwill for our efforts.

With warm regards,

V. R. Garware

Chairman & Managing Director



Corporate Information

Founder Chairman

- Late Mr. B. D. Garware

Chairman Emeritus

- Late Mr. R. B. Garware

Board of Directors

- V. R. Garware - Chairman & Managing Director
- Ms. Diya Garware Ibanez
- Ms. M. V. Garware (w.e.f. 16-8-2014)
- P. N. Shah (Up to 30-6-2014)
- R. M. Telang
- S. P. Kulkarni
- A. D. Goel (w.e.f. 16-8-2014)

Company Secretary

- R. H. Yadav

Bankers

- Bank of India
- Bank of Baroda
- DBS Bank Ltd.
- Citibank NA
- HDFC Bank Ltd.
- IDBI Ltd.
- HSBC Bank Ltd.

Auditors

- Patki & Soman, Chartered Accountants

Share Transfer Agent

Link Intime India Pvt. Ltd.
202, 2nd Floor, Akshay Complex,
Off Dhole Patil Road,
Near Ganesh Temple, Pune - 411 001.
Tel : +91-20-2616 0084, 2616 1629
Telefax : +91-20-2616 3503
E-mail : pune@linkintime.co.in

Registered Office

Plot No. 11, Block D-1, MIDC, Chinchwad,
Pune - 411 019.

Tel : +91-20-3078 0000 Fax : +91-20-3078 0341

E-mail : pune_admin@garwareropes.com

Website : www.garwareropes.com

CIN : L25209MH1976PLC018939

Mumbai Offices

- Chowpatty Chambers, Sandhurst Bridge,
Mumbai - 400 007. Tel : +91-22-2263 4696/97
E-mail : mum_admin@garwareropes.com

- 39, S. K. Hafizuddin Marg, Byculla,
Mumbai - 400 008.

Tel : +91-22-2309 1164 / 68

E-mail : mum_accounts@garwareropes.com

Foreign Branch

Narrows Reach Business Centre,
6102 North 9th Street,
Unit#500, Tacoma, WA 98406, U.S.A.

Tel : 001-25356 40217

E-mail : gwrlusa@garwareropes.com



Directors' Report

FOR THE YEAR ENDED 31ST MARCH, 2014

TO THE MEMBERS,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

■ WORKING RESULTS:

Particulars	(₹ in Lacs)	
	Year ended 2013-2014	Year ended 2012-2013
Profit subject to Depreciation & Taxation	5,347.01	4,972.44
Less: Depreciation, net of transfer from Revaluation Reserve	1,439.33	1,632.44
Profit Before Tax	3,907.68	3,340.00
Less: Provision for Taxation		
Current Tax	1,017.80	851.13
Deferred Tax	210.65	15.40
Wealth Tax	8.50	6.09
Previous year short tax provision	4.54	--
Profit After Tax	2,666.19	2,467.38
Add: Profit brought forward from the previous year	13,387.95	11,861.01
Amount available for Appropriation	16,054.14	14,328.39
APPROPRIATIONS		
Proposed Dividend	593.25	592.71
Tax on Proposed Dividend	100.82	100.73
General Reserve	267.00	247.00
Balance in the Statement of Profit & Loss	15,093.07	13,387.95
	16,054.14	14,328.39

■ 2013-2014 THE YEAR UNDER REVIEW:

Your Company earned revenue of ₹ 688.79 crores for the year ended 31st March, 2014, as against ₹ 603.05 crores of previous year. Domestic Sales stood at ₹ 347.38 crores, whereas Export Sales amounted to ₹ 341.41 crores for the year ended 31st March, 2014. The business environment in the year under review offered opportunities as well as challenges for the growth of your Company. While there was a gradual revival in the global economy, recessionary trends ruled over major domestic industry segment. There was also continued pressure on costs. Your Company successfully navigated through these challenges.

Despite the constraints and challenging environment, your Company earned Net Profit after Tax of ₹ 26.66 crores, in the year under review, with an improvement of 7.50%, compared to previous year, even after higher incidence of tax.

Your Company continues to be the world leader in manufacturing of products in this field. With a strong

Research and Development team, the marketing of new products has enabled growth of market share in the international market. The new business segments of coated fabrics and agri-tech products are showing promising performance. With the budget already in place, there are early indications of a revival in the economy. Recent indicators from the global economy have also been positive. This is expected to have a positive impact on the business of your Company.

■ DIVIDEND:

Your Directors have recommended a Dividend at 27% (₹ 2.70 per share) for the year 2013-2014 for your consideration. The proposed dividend will absorb an amount of ₹ 694.07 lacs (including Dividend Tax).

The Dividend, if approved by the Shareholders of the Company, will be paid to the eligible members within the stipulated time.

■ DIRECTORS*:

Mr. R. B. Garware, a senior member of Board of Directors, who led the Company for many years,



expired on 7th February, 2014. Under his astute guidance and stewardship, the Company grew exponentially and notched many achievements to its credit. The Company has an uninterrupted profit-making record and enjoys an excellent brand reputation amongst stakeholders. These achievements are reflective of the distinctive and meritorious contribution of Mr. R. B. Garware in the capacity of Chairman from 20.11.1990 till 31.10.2006, as Chairman and Managing Director till 31.10.2011, and thereafter as Chairman Emeritus. The Board places on record its appreciation for the valuable services and contribution of late Mr. R. B. Garware over the last 23 years.

Mr. P. N. Shah, Director resigned from the Board of the Company with effect from 1st July, 2014. Your Directors place on record its appreciation for the services rendered by him.

Ms. Diya Garware Ibanez retires by rotation and being eligible, offers herself for re-appointment.

Pursuant to Section 161 of the Companies Act, 2013 read with Article of Association of the Company, Ms. Mayuri V. Garware was appointed as Director with effect from 16th August, 2014 against casual vacancy of Mr. P. N. Shah. She retires by rotation and being eligible, offers herself for re-appointment.

Pursuant to Section 161 of the Companies Act, 2013 read with Article of Association of the Company, Mr. Ashish D. Goel is appointed as an Additional Director (Independent Director) with effect from 16th August, 2014 and shall hold office up to the date of the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013, Independent Directors shall not be liable to retire by rotation. The resolutions proposing appointment of Mr. R. M. Telang, Mr. S. P. Kulkarni, and Mr. Ashish D. Goel, Independent Directors, form part of the Notice of the Annual General Meeting.

■ DIRECTORS' RESPONSIBILITY STATEMENT:

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

1. that in the preparation of the annual accounts, they have followed the applicable accounting standards;
2. that 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 31st March, 2014 and of the profit of the Company for the year ended 31st March, 2014;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies

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

4. that they have prepared annual accounts on a going-concern basis.

■ STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 M/s Patki & Soman, Chartered Accountants (F. R. No. 107830W), the Statutory Auditors of the Company, would hold office for a period commencing from the conclusion of the Annual General Meeting till the conclusion of the 40th Annual General Meeting, subject to the ratification of their appointment at every Annual General Meeting of the Company.

■ COST AUDIT AND COST COMPLIANCE:

The Central Government has issued industry-wide General Cost Audit Order and the Company is covered under the purview of the Cost Audit. M/s Joshi Apte & Associates, Cost Accountants, were appointed as Cost Auditors for conducting an audit of Cost Accounting records maintained by the Company, for the financial year 2013-2014. The Cost Auditors have completed the Cost Audit for the cost accounting records maintained by the Company, for the financial year 2013-2014 and have submitted the Cost Audit Report. The said Cost Audit Report will be filed with the Central Government, within the prescribed time limit.

■ SHARE CAPITAL

The share buy-back scheme (the Scheme) announced by the Company was closed on 9th April 2014. The Scheme was successfully completed having bought back 18,26,290 equity shares of ₹ 10/- each for an aggregate consideration of Rs.10,99,99,884.41 as against maximum amount of ₹ 11 crores provided in the Scheme.

The paid up capital of the Company post buyback stands at 2,18,82,060 equity shares of ₹ 10/- each.

■ INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

Information in accordance with Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report is given at 'Annexure I'.

■ PERSONNEL:

The relations with employees at all levels continued to be cordial throughout the year.

■ PARTICULARS OF EMPLOYEES:

The particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and accounts are being sent to all the Shareholders of the Company, excluding the statement of particulars of employees. Any Shareholder interested in obtaining a copy may write to the Company Secretary at the Registered Office of the Company.

■ SUBSIDIARY:

Garware Environmental Services Private Ltd. Is the wholly-owned subsidiary of your Company. This Subsidiary Company is yet to start its commercial operations.

■ CONSOLIDATED FINANCIAL STATEMENTS:

In terms of Section 212(8) of the Companies Act, 1956, read with the General Circular No.2/2011 dated 8th February, 2011, issued by the Ministry of Corporate Affairs, Government of India, general exemption has been granted to companies from compliance of the provisions of Section 212(1) of the Companies Act, 1956. The Board of Directors of the Company has decided to avail this exemption. Accordingly, the Balance Sheet, Statement of Profit and Loss and other documents of the Subsidiary Company are not attached with the Annual Report of the Company. However, certain key information of the Subsidiary Company, as required to be provided in terms of the said circular, is disclosed in the Annual Report.

The Annual Accounts of the Subsidiary Company and the related detailed information will be made available to any member of the Company / its Subsidiaries who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Company will also be kept for inspection by any member at the Company's Registered Office and that of the Subsidiary Company.

The Annual Report of the Company contains the consolidated Audited Financial Statements.

■ CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Management Discussion and Analysis, Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance is set out in Annexure forming part of this report.

■ CORPORATE SOCIAL RESPONSIBILITY (CSR):

As a part of its Social Responsibility, your Company continues to be supportive and is actively participating in various activities of social benefit. It has been helping in setting up ancillary units. The sphere of CSR activities includes organising health camps, blood donations camps, summer vacation camps, cycle rally, tree plantation drive, etc. Your Company also supports schools and colleges by providing them educational equipments and sport nets manufactured by the Company.

■ ACKNOWLEDGMENT:

Your Directors gratefully acknowledge the support given by the Customers, Dealers, Distributors, Suppliers, Bankers, various departments of the Central and State Governments, Local Authorities and also the Shareholders of the Company.

Your Directors would further like to record their appreciation for the unstinted efforts put in by all Employees of the Company during the year.

On behalf of the Board of Directors,

Pune,
16th August, 2014

V. R. GARWARE
Chairman & Managing Director

* The Board of Directors at its meeting held on 16th August 2014, decided to revise the text of Para as was approved earlier on 29th May 2014 and then authorized afresh Chairman to sign with revised text.

ANNEXURE I TO DIRECTORS' REPORT 2013-14

As per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY:

- i) The Company constantly takes effective steps towards energy conservation. Some of the measures taken by the Company during the year are as under:
 - a) Installation of various energy efficient devices, such as Automatic Voltage Regulator for Transformer, Motion Detector for Tube Lights, Occupancy Sensors for Lightings and Air Conditioners and Pull Cord Switches for Lightings,
 - b) Replacement of existing high power Fluorescent Tube Lights by low power LED Tube Lights, Old Motors, Existing high power Mercury Vapour fitting by low power LED Lamp Fitting and Ring Twister by Winding Machines and
 - c) Temperature optimisation of chilling plant and optimisation of water pump.
- ii) The Company is not covered by Schedule of Industries which are required to furnish information in Form 'A'.



B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per "Form 'B'" of the Annexure to the rules:

Research & Development:

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

Your Company has well-equipped R & D facilities at Wai and Chinchwad, both recognised by The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The main thrust of R & D has been the development of new products, ropes, nettings and coated fabric with different / new applications.

2. Benefits derived/to be derived as a result of the R & D activities:

New products help the Company to tap new markets / customers. It also helps the Company to provide solutions meeting customers' requirements and delivering greater value addition to them.

3. Future Plan of Action:

Your Company has invested resources in developing sophisticated next generation products which will allow significant fuel savings in fishing applications.

4. Expenditure on R & D:

(₹ in lacs)

a) Capital	205.33
b) Revenue / Recurring	289.87
c) Total	495.20
d) Total of R & D as a percentage of Revenue from Operations	0.72%

Technology Absorption, Adaptation and Innovation:

Your Company does not employ any foreign technology, which needs absorption or adaptation. Your Company has developed its own various new products.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

Your Company is the country's largest manufacturer and exporter of Synthetic Cordage and Netting. Your Company has earned net foreign exchange of ₹ 23,858.89 lacs during the year. Your Company is a Government recognised 'Export House' and has received Export Awards for its excellent performance.

2. Total Foreign Exchange earned and used:

(₹ in lacs)

A. Total Foreign Exchange earned:	34,140.63
Total value of exports	34,140.63
B. Total Foreign Exchange used:	
a) Import of raw materials stores & spares, traded goods and capital goods	8,454.41
b) Expenditure in foreign currencies for business travel, subscription, professional fees, commission on export sales and overseas branch expenses, etc.	1,827.33
	10,281.74

On behalf of the Board of Directors

Pune,
16th August, 2014

V. R. GARWARE
Chairman & Managing Director

Management Discussion and Analysis

Overview of Company

Your Company, Garware-Wall Ropes Limited (GWRL), is one of India's leading players in technical textiles with a widespread global presence. Deploying its expertise in engineering of polymers and its in-depth knowledge of customer needs, your Company provides application-focused solutions for various sectors including deep-sea fishing, aquaculture, shipping, agriculture, sports, infrastructure, defence and transportation. Your Company has three large integrated manufacturing facilities in Pune, Wai and Silvassa, where a wide variety of products are produced, including ropes, nets and aquaculture cages for capturing and breeding fish; nets for sports such as tennis and soccer; insect and shade nets for high-value agriculture; coated fabrics for covers, tarps, tents, etc; and geosynthetic solutions for water management, waste management and erosion-control applications.

Driven by the mission to provide innovative, application-focused solutions to enhance value of customers globally, your Company has secured customers across all continents in over 75 countries. End-users include fishermen, shipping companies, oil drillers, agriculturists, packers, transporters, construction companies, municipalities, government organisations, clubs, universities and manufacturing plants.

Correspondingly, your Company's sales are spread across several verticals and geographies, providing stability and hedge against fluctuations in particular

business segments, and thereby ensuring a steady stream of revenue and profitability. Users of your Company's products are serviced through branches, depots, dealers, associates and partners located across the globe. Marketing offices in USA, UK, Russia and Canada improve customer responsiveness in respective time zones and ensure better understanding of local needs.

Apart from being a leading player in the domestic market, your Company has a dominant share of markets in North America, parts of Europe and Australia, for several products.

Your Company has a long history of paying dividend and is committed to enhancing stakeholder value through profitable growth in sales and earnings.

Business Environment in FY 2013-14

In FY 2013-14, the global economy picked up slowly, especially in Europe and USA. Resultantly, there was growth in demand for your Company's products from Europe, Canada and USA, which are the key markets for your Company outside India. The domestic economy was marked by severe inflationary pressures. Nevertheless, your Company's domestic revenue increased, notably due to better performance in agriculture and fisheries sectors.

The persistent slowdown in the domestic infrastructure sector affected demand for your Company's products for industrial and shipping applications. The geosynthetics business, which is



driven largely by infrastructure-related policies of the government, was also affected. However, demand was good in some specific areas like erosion-control and landfill lining.

Despite macro factors that were not favourable for rapid growth, your Company could improve upon its performance through innovative products and exploration of new business segments. Concerted efforts were made for addition of new customers across the globe to compensate for low growth in traditional markets. New business lines were further developed and this helped boost the Company's revenues to some extent. Innovative solutions launched in the aquaculture industry were particularly successful.

Opportunities and Threats

The near-term outlook for the domestic and global economies appears good. Hence, your Company sees growing opportunities in both domestic and global markets. With relentless focus on providing reliable and innovative solutions, your Company sees development of new markets and business segments as a key driver for revenue generation.

In the same vein, your Company's focus on the new business areas of agriculture, coated fabrics and defence is showing good outcomes and potential.

In the domestic market, the emergence of a strong government at the Centre, with a clear mandate, is expected to revive the economy and boost the manufacturing and infrastructure sectors. However, in the immediate future, indications of a weak monsoon in some parts of the country are worrisome, and demand in domestic markets is

expected to be sluggish. Your Company expects to nullify the downsides of a weak monsoon through expansion into newer markets, and increased revenue from new products.

Existing and emerging opportunities are being maximized with strong commitment and focus on quality. Quality culture programmes permeate each level of manufacturing and all operations.

Company's Performance in FY 2013-14

GWRL registered total revenue of ₹ 688.79 crores for the year ended 31st March, 2014, an increase of 12.4% over the previous year's revenue. Export revenue accounted for 49.6% of the total revenue. Compared to the previous year, export sales rose by 29.8%. Profit before tax in the year under review was ₹ 39.08 crores, registering an increase of 17% over the previous year.

Profitability was affected by steep increases in cost of raw materials, interest, power, labour and transportation. While the Company has been able to pass on cost increases in most customer segments, slowdown in the domestic fishery sector, which is our core business area, put pressure on margins. To mitigate cost increases, your Company undertook several initiatives to improve productivity per machine and person.

Key Financial Indicators

- The Operating Profit Ratio of the Company is 5.07%.
- The Current Ratio of the Company is 1.49.
- The Company has a total Debt-Equity Ratio of 0.25 :1.

Risks and Concerns

Your Company's products are heavily dependent on petroleum-based raw material, power and labour. Cost increases under these heads are generally passed on, or mitigated, by delivering higher value to customers, and by improving manufacturing efficiency and productivity. However, as cost pressures are likely to continue, your Company faces the challenge of reducing operational costs and increasing productivity without compromising on quality.

As international sales constitute nearly 50% of your Company's sales, any uncertainty in global market conditions would be a matter of concern. The Company's counter-strategy is to push for growth in all geographies and all product segments. Slow growth in the domestic fishing sector remains a challenge. The situation in Iraq is cause for concern, as it could affect supplies and costs of petroleum products, which are the base for your Company's raw materials.

Internal Control Systems

Your Company has set up elaborate systems to efficiently monitor and manage procurement, inventory management, manufacturing and delivery lead times, within clear quality and cost parameters. Accurate calibration of prices with costs enables your Company to deal effectively with rises in cost of raw materials and inputs. Together, these systems help the Company limit financial risks. A rigorous budgetary control system ensures tight control over all internal costs and new-product development. Your Company has

also taken steps to improve speed and quality of responsiveness to customer feedback.

Human Resources Management

Your Company's biggest asset is a strong team of professionals with domain knowledge and functional specialisation, driven by sharp focus on existing and emerging customer needs. In the year under review, many training programmes continued to be organised to improve the performance of our employees and their potential to grow. Celebration of festivals and birthdays, participation in sports events, organisation of treks, tree plantation drives and health camps helped strengthen the bonding and family feeling among employees. Many activities were organised for employees' children. Your Company's bonds with employees and business partners were strengthened through constant interactions and communication.

Cautionary Statement :

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.



Widening the Net in Fisheries

In the year under review, GWRL strengthened its presence in the domestic fisheries sector, especially in the trawling segment, by offering customers and end-users new products, which deal effectively with challenges they face in their daily operations, and deliver higher value-realisation and cost savings. Successfully commercialised and ramped-up innovations include: OPENER, for the mouth portion of the net; ROCKY, for safe fishing on rocky grounds; STAR, for better speed and water outflow in the belly portion of the net; and KNOTLESS CODEND, which makes sure that there is no damage to the catch.



An integrated combination of these products in one net gives boat-owners substantially higher catch, savings and profit. These benefits have been intensively communicated to existing and potential customers through close interactions, leading to firm enquiries and orders.



Transforming Aquaculture

Continuing its deep engagement with the rapidly growing aquaculture sector, GWRL provided an innovative solution to a persistent problem faced by users: their net-pens (marine cages) are frequently fouled by algae, mussels and other living organisms. As a result, the flow of clean, oxygenated water to the fish being cultured is impeded and a growth environment is provided for parasites and pathogens that can infect fish.



Fouling also increases the drag forces on the net-pens and requires stronger cages and mooring systems. Conventionally, the problem of fouling is prevented by applying copper-based solutions on the net. Apart from increasing operating cost, this solution raises environmental concerns and is considered undesirable by many consumers.

Studying the problem intensively, GWRL's engineers came up with an inventive and path-breaking solution. They went down to the very root of the problem and came up with STAR, a net-pen made, not from nylon, the traditional net-material, but a new material that inherently resists fouling, and does not require copper treatment. Delivering multiple benefits, GWRL's STAR has revolutionised aquaculture.





Expanding Use of Technical Textiles in Agriculture

Used for value-adding applications such as shade nets, crop covers, mulch nets, anti-hail nets, bird-protection nets and greenhouse covers, technical textiles are expected to usher in the second 'Green Revolution' in the country. GWRL is well-poised to contribute to this transformation, with a range of products for applications in high-value agriculture. In FY 2013-14, it expanded the range, with the launch of insect-protection nets, which prevent infestation by thrips and other insects that damage crops of horticulturists and other farmers. In the process, the GWRL product serves an important environmental goal: it prevents or reduces use of chemical insecticides and pesticides.



While cultivation of fruits and vegetables in protected environments is well-established, other application areas for technical textiles, like sericulture and floriculture, are gaining recognition. Users are looking for long-lasting nets that provide uniform light dispersion, diffusion, coloration, and protection from ultraviolet rays. Meeting these needs, GWRL's R&D team is devising a range of products with varied specifications to suit different terrains.



Adding a New Dimension to Coated Fabrics

Building on its recent foray in technologically enhanced coated fabrics, GWRL expanded the application range, introducing a multi-purpose, multi-benefit product for users of tents and pandals. Called GURU Max, the product provides five-pronged protection, against fire, UV rays, dust, wind and water. Rigorously tested, GURU Max has surpassed customer expectations. As importantly, the product lasts longer than



conventional materials and is thus economical over the long term. While the conventional textile used to erect tents or pandals is made from highly ignitable materials which may act as the primary source of fire percolation, the GWRL product is made from fire-retardant fabrics that prevent the spread of flames and also provide a pleasant aesthetic environment.

The application range of coated fabrics was also expanded by launch of a product to prevent infestation of farmed salmon. The product complements GWRL's offerings for the aquaculture sector worldwide.





ANNEXURE TO DIRECTORS' REPORT: CORPORATE GOVERNANCE REPORT

Your Company has already complied with the mandatory requirements on Corporate Governance of Clause 49 of the Listing Agreements. A detailed report is set out below.

I. MANDATORY REQUIREMENTS

1) PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance aims at adopting and practising prudent corporate practices, while achieving Company's business objectives in a way that serves the interest of all Stakeholders. Towards this, the Company has adopted the practices mandated in Clause 49 of the Listing Agreement.

2) BOARD OF DIRECTORS

i. Composition: The Board of Directors of the Company as on 31st March, 2014 consisted of:

Sr. No.	Name of Director	DIN	Designation	Position
1	Mr. V. R. Garware	00092201	Chairman & Managing Director	Promoter - Executive
2	Ms. Diya Garware Ibanez	00415841	Director	Promoter - Non-Executive
3	Mr. P. N. Shah	00096793	Director	Independent - Non-Executive
4	Mr. R. M. Telang	00092103	Director	Independent - Non-Executive
5	Mr. S. P. Kulkarni	00006914	Director	Independent - Non-Executive

ii. Attendance at the meetings of the Board of Directors and last Annual General Meeting and details of memberships of Directors in other Boards and Board Committees.

- Five meetings of the Board were held during the financial year – on 30th May, 2013, 14th August, 2013, 24th September, 2013, 9th November, 2013, and 14th February, 2014.

Name of Director	No of Board Meetings attended	Sitting Fees paid (₹)	Whether attended last A.G.M.	Directorships in other Companies and Membership of Committees and Post held in committees as on 31st March, 2014*			No of Equity Shares held as on 31st March, 2014
				Other Boards	Other Board Committees**		
					Chairman	Member	
Mr. V. R. Garware	5	N.A.	Yes	5	---	---	17,763
Ms. Diya Garware Ibanez	3	60,000	Yes	6	1	1	1,001
Mr. P. N. Shah	2	40,000	No	7	4	2	700
Mr. R. M. Telang	5	1,00,000	Yes	1	---	1	200
Mr. S. P. Kulkarni	5	1,00,000	Yes	1	—	—	0

* Excludes Foreign Companies, Private Limited Companies and Alternate Directorships.

** Only Audit Committee and Shareholders/Investors Grievance Committee are reckoned for this purpose.

3) AUDIT COMMITTEE

i. Constitution:

Terms of Reference of the Audit Committee have been set out in accordance with the requirements of Clause 49 of the Listing Agreements, and Section 292A of the Companies Act, 1956, as amended from time to time.

ii. Composition:

Chairman - Mr. S. P. Kulkarni
 Members - Mr. V. R. Garware
 Mr. R. M. Telang

Two Members are Non-executive Directors, and one is an Executive Director. All members are financially literate and two of them are Independent Directors. The Chairman of Audit Committee is an Independent Director, having accounting and financial management expertise.

iii. Meetings and Attendance:

The details of meetings held during the year, and the attendance thereat, are as follows:

- Four meetings of the Audit Committee were held during the financial year – on 30th May, 2013, 14th August, 2013, 9th November, 2013, and 14th February, 2014.

Name of Member	No. of Meetings attended.	Sitting Fees paid (₹)
Mr. V. R. Garware	4	N.A.
Mr. S. P. Kulkarni	4	80,000
Mr. R. M. Telang	4	80,000

The Statutory Auditors of the Company attended all four meetings. The Company Secretary acted as Secretary to the Committee.

4) REMUNERATION COMMITTEE/REMUNERATION – COMPENSATION OF DIRECTORS

The Board has not constituted a Remuneration Committee during the year. All matters relating to review and approval of compensation payable to the Executive and Non-Executive Directors are considered by the Board as prescribed under the Companies Act, 1956, within the overall limits approved by the Members.

i. Non-executive Directors' Compensation:

The remuneration of Non-Executive Directors is decided by the Board of Directors. At present, only sitting fees are paid to Non-Executive Directors. The payment of sitting fees is within the limits prescribed under the Companies Act, 1956.

During the year, the Company paid fees of ₹ 3,35,890/- towards professional services to M/s Shah & Associates, in which Mr. P. N. Shah, Director of the Company is a partner.

ii. Executive Directors' Remuneration:

A. Mr. V. R. Garware, Chairman and Managing Director is the Executive Director. Mr. V. R. Garware was re-appointed as Chairman and Managing Director for a further period of 5 years with effect from 1st December, 2011 and his appointment and terms thereof including remuneration was approved by the members of the Company, by voting through Postal Ballot. The Agreement relating to the terms of said appointment including remuneration, was entered into with Mr. V. R. Garware by the Company, on 3rd February, 2012

In pursuance of the resolution passed by the members of the Company through postal ballot dated 29th December, 2011, the Board of Directors of the Company, at its meeting held on 30th May, 2013 had revised the remuneration of Mr. V. R. Garware, Chairman and Managing Director of the Company, effective from 1st April, 2013. Abstract and Memorandum under Section 302 of the Companies Act 1956 to that effect was sent to the members of the Company.



Particulars of the remuneration are detailed below:

a. Salary: Basic Salary of ₹ 59,00,000/- per annum.

Perquisites in the form of reimbursement or allowance, which include rent-free fully-furnished accommodation or HRA, medical expenses, LTA, health insurance policies coverage.

Provident Fund, Employees Pension Scheme and Superannuation as per Company's Rules. Gratuity as per the Scheme for Senior Executives.

Car with a driver for Company's business and telephone and other communication facilities, which are not to be considered as Perquisites.

b. Special Allowance: ₹ 54,53,000/- per annum.

c. Performance linked Incentives: Not applicable.

d. Remuneration by way of commission, as shall be determined by the Board of Directors every year such that total remuneration shall not exceed 5% of Net Profit as per the provisions of Section 198 read with Section 309 of the Companies Act, 1956.

e. Notice period: 90 days

f. Stock option details: Not applicable

5) SHAREHOLDERS / INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE

i. Composition:

Chairman - Mr. R. M. Telang

Members - Mr. V. R. Garware

ii. During the year, eighteen (18) Meetings of the Shareholders' / Investors' Grievances and Share Transfer Committee were held.

iii. Company Secretary is working as Compliance Officer for ensuring secretarial compliance.

iv. The Committee reviews the system of dealing with and responding to correspondence from shareholders. The complaint letters received from the Stock Exchanges, SEBI, Ministry of Corporate Affairs and quality of responses thereto also reviewed by this Committee.

v. During the year two (2) complaints received were satisfactorily resolved. Other Communications received were also replied/resolved satisfactorily.

vi. There were no unresolved / unattended communications / complaints of shareholders received upto 31st March, 2014.

vii. There were no pending share transfers as of 31st March, 2014.

viii. The Share Transfer Agents, M/s. Link Intime India Private Limited, has been authorised to authenticate all routine transfers, transmission and transposition of share certificates. Presently, transfers, transmissions etc., are effected within 15 days.

6) GENERAL BODY MEETINGS

i. Details of location and time of holding the last three Annual General Meetings:

Date	Time	Venue of the Meetings
Saturday, 24th September, 2011	10.30 a.m.	Auto Cluster Auditorium, Auto Cluster Development and Research Institute Limited, H-Block, Plot No. C-181, Off Old Pune-Mumbai Highway, Chinchwad, Pune 411 019.
Friday, 28th September, 2012	10.30 a.m.	
Tuesday, 3rd September, 2013	10.30 a.m.	

One Special Resolution was passed at the Annual General Meeting held on Saturday, 24th September, 2011, relating to alteration of Articles of Association of the Company in respect of Nomination of shares (Article 66A & 66B), Passing of Resolutions through Postal Ballot (Article 79A), Chairman of General Meetings (Article 90) and Chairman of the Board Meeting (Article 151).

ii. As on date, no Special Resolution is proposed to be conducted through Postal Ballot.

7) DISCLOSURES

- i. There were no materially significant related-party transactions, which had potential conflict with the interest of the Company at large.
- ii. The Company has complied with the requirements of the Listing Agreements with Stock Exchanges as well as regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI or Stock Exchanges or any statutory authorities during the last three years.
- iii. The Board of Directors have adopted a Code of Conduct for all Board Members and Senior Management of the Company, which came into effect from 1st January, 2006. A copy of the same has been posted at Company's official website. Certificate on compliance is given separately.
- iv. CEO (Chairman and Managing Director), and CFO (Vice President - Corporate), have made the necessary certification on Financial Statements & Cash Flow Statement for the year to the Board of Directors of the Company.
- v. The Board of Directors, on quarterly basis, reviews compliance reports of all laws. There were no instances of non-compliance reported.
- vi. The Company has laid down procedures to inform the Board of Directors about the risk assessment and minimisation procedures.
- vii. There were no transactions disclosed to Board by Senior Management relating to material financial and commercial nature involving potential conflict of interest with the Company. A statement in summary form of transactions with related parties is placed periodically before the Audit Committee.
- viii. The details of the Directors seeking re-appointment and/or election at forthcoming Annual General Meeting (AGM), as required under Clause 49(IV)(G) of the Listing Agreement are annexed to the Notice of AGM and forms part of the Annual Report.

8) MEANS OF COMMUNICATION

- i. Apart from the publication in leading newspapers, the Quarterly Financial Statements as well as Annual Financial Statements are posted on the Company's website www.garwareropes.com.
Further, the Quarterly/Half yearly results and Quarterly Shareholding Patterns are posted on the Company's website.
- ii. A Management Discussion and Analysis Report is enclosed separately as part of this Annual Report.

9) GENERAL SHAREHOLDER INFORMATION

i. 37th Annual General Meeting

- Date and Time
- Venue

Thursday, 25th September, 2014, 10.30 a.m.

Auto Cluster Auditorium,
Auto Cluster Development and Research Institute Limited,
H-Block, Plot No. C-181, Off Old Pune-Mumbai Highway,
Chinchwad, Pune - 411 019.

ii. Financial Calendar

1st April to 31st March

Financial reporting for

- | | |
|---------------------------------------|------------------------|
| • Quarter ending 30th June, 2014 | by 15th August, 2014 |
| • Quarter ending 30th September, 2014 | by 15th November, 2014 |
| • Quarter ending 31st December, 2014 | by 15th February, 2015 |
| • Quarter ending 31st March, 2015 | by 30th May, 2015 |



iii. **Book Closure Date**

From Saturday, 20th September, 2014 to
Thursday, 25th September, 2014
(both days inclusive).

iv. **Dividend Payment Date**

25th September, 2014 onwards.

v. **Listing of Equity Shares**

The equity shares of the Company are listed on the Pune,
Bombay and National Stock Exchanges.
The Listing Fee has been paid up to date, to Pune,
Bombay and National Stock Exchanges.

vi. **Stock Code/Symbol**

Pune Stock Exchange Limited

Code No.9557

Bombay Stock Exchange Limited

Code No.509557

National Stock Exchange of India Limited

Symbol: GARWALLROP

vii. **Stock Market Data**

The high and low prices recorded on the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. were as under:

Month	GWRL Share Price (₹)				BSE		NSE	
	At BSE		At NSE		S&P Sensex		CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr 2013	46.00	40.25	45.95	39.05	19,622.68	18,144.22	5,962.30	5,477.20
May 2013	47.00	43.00	60.85	43.00	20,443.62	19,451.26	6,229.45	5,910.95
Jun 2013	46.65	40.50	45.00	41.65	19,860.19	18,467.16	6,011.00	5,566.25
Jul 2013	43.80	38.70	44.00	40.35	20,351.06	19,126.82	6,093.35	5,675.75
Aug 2013	42.00	37.95	44.70	37.05	19,569.20	17,448.71	5,808.50	5,118.85
Sep 2013	50.10	38.20	50.00	37.70	20,739.69	18,166.17	6,142.50	5,318.90
Oct 2013	51.60	46.00	51.00	46.00	21,205.44	19,264.72	6,309.05	5,700.95
Nov 2013	52.00	49.05	52.00	49.00	21,321.53	20,137.67	6,342.95	5,972.45
Dec 2013	55.05	50.10	55.00	49.00	21,483.74	20,568.70	6,415.25	6,129.95
Jan 2014	56.75	52.30	64.95	51.05	21,409.66	20,343.78	6,358.30	6,027.25
Feb 2014	65.00	53.30	65.00	54.05	21,140.51	19,963.12	6,282.70	5,933.30
Mar 2014	65.95	59.45	65.35	57.00	22,467.21	20,920.98	6,730.05	6,212.25

(Source: BSE website: www.bseindia.com & NSE website: www.nseindia.com)

viii. **Share Transfer Agent**

LINK INTIME INDIA PRIVATE LIMITED

Akshay Complex, Block No. 202, 2nd Floor,

Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001.

Tel. 020 - 2616 1629, 2616 0084, Tel/Fax No. 020 - 2616 3503,

Email: pune@linkintime.co.in

ix. **Share Transfer System**

The power to approve the transfer of securities has been delegated by the Board to the Share Transfer Agents. Share transfer requests are processed within 15 days from the date of receipt.

x. (i) **Distribution of Shareholding as on 31st March, 2014.**

Sr. No.	Category No. of Shares		No. of Shareholders	% to total Shareholders	No. of Shares held	% to total Shares
	From	To				
1	1	to 5,000	11,676	98.19	46,21,433	20.29
2	5,001	to 10,000	102	0.86	7,35,258	3.23
3	10,001	to 20,000	46	0.39	6,68,363	2.93
4	20,001	to 30,000	13	0.11	3,15,789	1.39
5	30,001	to 40,000	6	0.05	2,16,886	0.95
6	40,001	to 50,000	2	0.01	90,626	0.40
7	50,001	to 1,00,000	15	0.13	10,19,352	4.48
8	1,00,001	and above	31	0.26	1,51,05,239	66.33
Total			11,891	100.00	2,27,72,946	100.00

(ii) **Pattern of Shareholding as on 31st March, 2014.**

Category code	Category of Shareholder	Shareholding details			
		Number of Share holders	Total number of Shares held	Number of Shares held in dematerialised form	As a % of (A+B)
(A)	Shareholding of Promoter and Promoter Group				
(1)	Indian Promoters	14	1,10,42,011	1,10,42,011	48.49
(2)	Foreign Promoters	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	14	1,10,42,011	1,10,42,011	48.49
(B)	Public Shareholding				
(1)	Institutions				
(a)	Indian Institutions	14	12,18,944	12,17,158	5.36
(b)	Foreign Institutions	6	9,34,000	9,34,000	4.10
	Sub-Total (B)(1)	20	21,52,944	21,51,158	9.45
(2)	Non-Institutions				
(a)	Bodies Corporate	217	15,33,588	15,28,341	6.73
(b)	Individual Shareholders	11,518	61,30,581	53,67,171	26.92
(c)	Individuals NRI/Foreign Nationals	120	1,66,629	1,63,751	0.73
(d)	Trust	1	9,46,500	5,46,500	4.16
(e)	*Shares bought back by the Company in the month of March, 2014 under the buy-back scheme	1	8,00,693	8,00,693	3.52
	Sub-Total (B)(2)	11,857	95,77,991	84,06,456	42.06
	Total Public Shareholding (B) = (B)(1)+(B)(2)	11,877	1,17,30,935	1,05,57,614	51.51
	TOTAL (A)+(B)	11,891	2,27,72,946	2,15,99,625	100.00

Note: No Shares Pledged or otherwise encumbered by Promoter and Promoter Group.

* The shares bought back in the month of March, 2014 under the buy-back scheme were extinguished in the month of April, 2014. Further, 90,193 shares bought back during the period from 1st April, 2014 to 9th April, 2014 were also extinguished in the month of April, 2014.



xi. Dematerialisation of Shares and Liquidity

ISIN No. - INE276A01018

The shares of the Company can be held and traded in electronic form. SEBI has stipulated compulsory delivery of shares of the Company in dematerialisation form only, by all investors from 8th May, 2000. 94.85% shares have already been dematerialised.

The shares of the Company are actively traded on Bombay Stock Exchange Limited & National Stock Exchange of India Limited and have good liquidity.

xii. Email Addresses:

In order to enable us to further extend our support towards paperless compliance, as a part of Green initiatives in the Corporate Governance, which was introduced by MCA in the year 2011, the Shareholders' who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, Shareholders are requested to register their e-mail addresses with the Company / R & T Agent. (With Depository Participant in case of shares held in dematerialised form.)

xiii. Plant Locations

Plot No. 11, Block D-I,
MIDC, Chinchwad,
Pune - 411 019, Maharashtra
Tel. No. 020 - 3078 0000

Plot No. C-I & B-226/227/228, D-I,
MIDC, Wai - 412 803
Dist. Satara, Maharashtra
Tel. No. 02167 - 308301 / 02

Plot No. 75, 80, 81 and 86
Danudyog Sahakari Sangh Ltd.,
Piparia, Amla - 396 230
Tel. No. 0260 - 2640 867

xiv. Address for Correspondence

The Shareholders may send their communications to the Company at its Registered Office mentioned below or directly to the Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.

Company Secretary
Garware-Wall Ropes Limited
Plot No. 11, Block D-I, MIDC,
Chinchwad, Pune - 411 019, Maharashtra
Tel. No. 020 - 3078 0177
Email: secretarial@garwareropes.com

Link Intime India Private Limited
Akshay Complex, Block No. 202, 2nd Floor,
Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001
Tel. No. 020 - 2616 1629, 2616 0084
Tel/Fax No. 020 - 2616 3503
Email: pune@linkintime.co.in

II. REPORT OF CORPORATE GOVERNANCE

This Chapter of the Annual Report together with the information given under "Management Discussion and Analysis" constitutes a detailed compliance report on Corporate Governance during 2013-2014.

DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement, I, V. R. Garware, Chairman and Managing Director of the Company hereby declare that all Board Members and Senior Management Personnel of the Company have given the affirmation for the year 2013-2014 on compliance with Code of Conduct of the Company as applicable to them respectively.

Pune,
30th April, 2014

For **Garware-Wall Ropes Ltd.**
Sd/-

V. R. Garware
Chairman and Managing Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of GARWARE-WALL ROPES LIMITED

We have examined the compliance of conditions of Corporate Governance by Garware-Wall Ropes Limited, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we report that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no Investor Grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievances and Share Transfer Committee.

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

For **Patki & Soman**
Chartered Accountants

S. M. Patki
Partner

M. No. 037315
F. R. No. 107830W

Pune,
29th May, 2014



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GARWARE-WALL ROPES LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Garware-Wall Ropes Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves, performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the State of Affairs of the Company, as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches or depots, not visited by us.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 in respect of Section 133 of the Companies Act, 2013; and
- (e) On the basis of the written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **Patki & Soman**
Chartered Accountants

S. M. Patki
Partner

M. No. 037315

F. R. No. 107830W

Pune,
29th May, 2014

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS OF GARWARE-WALL ROPES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) (1) As per the Company's policy continuous verification of Fixed Assets is carried out covering the entire Fixed Assets within a period of three years. The same is followed during the year.
- (2) Discrepancies noticed on such verification have been properly dealt with in the books of account.
- (c) Fixed Assets disposed off during the year were not substantial and, therefore, it has not affected the going concern status of the Company.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company maintains proper records of inventory. The discrepancies noticed on physical verification of inventory, as compared to the book records, were not material and have been dealt with in the books of account.
- (iii) (a) The Company has not granted Secured/unsecured loans to Companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any secured loans from the Companies, firms or other parties covered in the register maintained under section 301 of the Act. However, the Company has taken unsecured loans from such parties. The number of parties and the amount involved in the transactions is as under:

Number of Parties	Amount of Unsecured Loans taken (Balance as at 31 March 2014 ₹ 1322 Lacs) (₹ Lacs)
Sixteen	3462.83

- (c) In our opinion, the rate of interest and other terms and conditions of the unsecured loans taken by the Company, are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the unsecured loans taken by the Company, where stipulations have been made, the repayments of the principal amount and interest have been regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal controls.



- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301, of the Companies Act, 1956, have been recorded in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, the transactions referred to under sub clause (a) above have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year and there were no unclaimed deposits matured and or laying unpaid during the year. We are informed that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of public deposit.
- (vii) The Company has an Internal Audit System, which, in our opinion, is commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for certain products of the company 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.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date those became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the details of dues of Sales Tax and Excise Duty outstanding as at the last day of the financial year are as follows:-

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which Amount relates	Amount (₹ Lacs)
Sales Tax Laws	State and Central Sales Tax	High Court, Delhi	1995-96	11.00
			1996-97	21.52
		Deputy Comm. of Sales Tax (Appeals)- Delhi	1999-00	0.78
			2000-01	3.43
			2001-02	1.65
			2002-03	1.29
		Deputy Comm. of Commercial Tax (Appeals)- Chennai	2006-07	2.00
Central Excise Laws	Excise Duty	CESTAT, Mumbai.	2006-07 to 2011-12	155.00
			2002-03	14.85
			2002-03	12.72

- (c) According to the information and explanations given to us and the records of the Company examined by us, the details of dues have been excluded from the above table, have been decided in favour of the Company but the department has preferred appeals at higher levels are as follows:-

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which Amount relates	Amount (₹ Lacs)
Income Tax Laws	Income Tax	Supreme Court	2002- 03	94.00
			2003- 04	114.00

- (x) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses during the year and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any financial institution or bank. The Company has no debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and, therefore, the question of maintenance of documents and records in respect thereof does not arise.
- (xiii) The provisions of any special statute applicable to Chit Fund, Nidhi, Mutual Benefit Fund or a Society are not applicable to the Company.
- (xiv) The Company is dealing in shares, debentures and other investments and proper records of the transactions and contracts are maintained. All the investments are held in the name of the Company.
- (xv) The Company has not given guarantee for loan taken by others from Bank or Financial Institutions during the year.
- (xvi) During the year, the Company has obtained fresh term loan which is used for the purpose for which it was obtained.
- (xvii) On the basis of our examination of the Cash Flow Statement and the information and the explanations given to us, the funds raised on short term basis have not been used for long term investment and vice versa.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books of the Company carried out by us in accordance with the Auditing Standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of such case by the management.
- (xxii) During the period from 10th October, 2013 to 31st March, 2014, the Company had bought back 17,36,097 equity shares of ₹ 10 each under the buy-back scheme.

For **Patki & Soman**
Chartered Accountants

S. M. Patki
Partner

M. No. 037315
F. R. No. 107830W

Pune,
29th May, 2014



BALANCE SHEET AS AT 31 MARCH, 2014

			(₹ in lacs)
	Note No.	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,197.23	2,370.84
(b) Reserves and Surplus	4	25,292.25	24,297.77
		27,489.48	26,668.61
(2) Non-Current Liabilities			
(a) Long-term Borrowings	5	1,178.49	2,447.40
(b) Deferred Tax Liabilities (Net)	6	2,025.01	1,814.36
(c) Other Long-term Liabilities	7	326.53	305.64
(d) Long-term Provisions	8	158.28	167.97
		3,688.31	4,735.37
(3) Current Liabilities			
(a) Short-term Borrowings	9	4,498.59	6,843.91
(b) Trade Payables	10	6,407.51	5,756.58
(c) Other Current Liabilities	11	5,981.63	3,742.02
(d) Short-term Provisions	12	11,801.40	8,494.63
		28,689.13	24,837.14
TOTAL		59,866.92	56,241.12
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	14,507.62	14,523.95
(ii) Intangible Assets	13	761.17	890.10
(iii) Capital Work-in-Progress	13	743.79	35.11
		16,012.58	15,449.16
(b) Non-current Investments	14	933.46	916.95
(c) Long-term Loan and Advances	15	1,149.21	1,088.52
(d) Other non-current Assets	16	101.42	169.78
		18,196.67	17,624.41
(2) Current Assets			
(a) Inventories	17	12,682.60	12,179.34
(b) Trade Receivables	18	14,254.22	14,036.56
(c) Cash and Cash Equivalents	19	891.95	1,976.28
(d) Short-term Loans and Advances	20	13,841.48	10,424.53
		41,670.25	38,616.71
TOTAL		59,866.92	56,241.12

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT I-47

As Per our Report of even date

For **PATKI & SOMAN**
Chartered Accountants,

V. R. GARWARE
Chairman & Managing Director

DIYA GARWARE IBANEZ
Director

(S. M. PATKI)
Partner
M. No. 037315
F. R. No. 107830W

S. H. BAMNE
VP Corporate (CFO)

R. M. TELANG
Director

S. P. KULKARNI
Director

Pune,
29th May, 2014

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

	Note No.	For the year ended 31 March 2014	(₹ in lacs) For the year ended 31 March 2013
I. REVENUE:			
(a) Revenue from Operations	21	68,879.40	60,305.24
Less: Excise Duty		422.63	368.44
		68,456.77	59,936.80
(b) Other Income (Net)	22	396.20	575.12
Total Revenue		68,852.97	60,511.92
II. EXPENSES:			
(a) Cost of Materials Consumed	23	28,440.69	23,531.05
(b) Purchase of Traded Goods	24	1,808.82	2,618.83
(c) (Increase)/Decrease in inventories of Finished Goods, Work-in-Progress and Traded Goods	25	604.93	318.50
(d) Employee Benefit Expense	26	8,815.36	7,915.59
(e) Operation and Other Expenses	27	22,224.22	19,707.50
Total Expenses		61,894.02	54,091.47
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (I - II)		6,958.95	6,420.45
(f) Depreciation and Amortisation Expenses	13	1,439.33	1,632.44
(g) Finance Costs	28	1,611.94	1,448.01
III. PROFIT BEFORE TAX		3,907.68	3,340.00
IV. TAX EXPENSES			
(a) Current Tax		1,017.80	851.13
(b) Deferred Tax		210.65	15.40
(c) Wealth Tax		8.50	6.09
(d) Adjustment for short provision of earlier year		4.54	-
V. PROFIT AFTER TAX FOR THE YEAR		2,666.19	2,467.38
VI. EARNING PER EQUITY SHARE			
(i) Basic (₹)		12.13	10.41
(ii) Diluted (₹)		11.40	10.41
Face Value per Equity Share (₹)		10.00	10.00

VII. NOTES FORMING PART OF THE FINANCIAL STATEMENT I-47

As Per our Report of even date

For **PATKI & SOMAN**
Chartered Accountants,**V. R. GARWARE**
Chairman & Managing Director**DIYA GARWARE IBANEZ**
Director**(S. M. PATKI)**
Partner
M. No. 037315
F. R. No. 107830W**S. H. BAMNE**
VP Corporate (CFO)**R. M. TELANG**
Director**S. P. KULKARNI**
DirectorPune,
29th May, 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,907.68	3,340.01
Adjustments for :		
Depreciation and Amortisation	1,439.33	1,632.44
Finance Cost	1,611.94	1,448.01
Interest Income	(64.53)	(134.15)
Dividend Income	(1.15)	(2.54)
(Profit) / Loss on Sale of Fixed Assets	-	(4.18)
Provision for Doubtful Debts	-	-
Operating Profits before Working Capital Changes	6,893.27	6,279.59
Trade Receivables, Loans and Advances and other Assets	(3,084.75)	(1,719.02)
Inventories	(503.26)	164.12
Trade and other Payables	5,476.16	(581.03)
Cash generated from Operations	8,781.42	4,143.66
Direct Taxes paid	(542.19)	(756.73)
Net Cash provided by Operating Activities	8,239.23	3,386.93
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,051.43)	(977.92)
Product Development Costs	-	(149.78)
Proceeds from Sale of Fixed Assets	47.63	1,034.46
Purchase / Sale of Investments	(16.51)	(5.00)
Interest received	64.53	134.15
Dividend received	1.15	2.54
Net Cash provided by / (used in) Investing Activities	(1,954.63)	38.45
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Long-term Borrowings	(1,694.60)	(5,583.00)
Proceeds from Long-term Borrowings	-	3,935.92
Finance Cost	(1,616.29)	(1,456.20)
Short-term Borrowings	(2,369.85)	(11.64)
Dividends paid including Dividend Tax	(692.17)	(687.21)
Buyback of Equity Shares	(1,046.02)	-
Net Cash from Financing Activities	(7,368.93)	(3,802.13)
Net Increase / (Decrease) in Cash & Cash Equivalents	(1,084.33)	(376.75)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	For the year ended 31 March 2014	(₹ in lacs) For the year ended 31 March 2013
Cash & Cash Equivalents (Opening Balance):	1,976.28	2,353.03
Cash & Cash Equivalents (Closing Balance):	891.95	1,976.28
Net Increase/ (Decrease) in Cash & Cash Equivalents	<u>(1,084.33)</u>	<u>(376.75)</u>

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENT I-47

As Per our Report of even date

For **PATKI & SOMAN**
Chartered Accountants,**V. R. GARWARE**
Chairman & Managing Director**DIYA GARWARE IBANEZ**
Director**(S. M. PATKI)**
Partner
M. No. 037315
F. R. No. 107830W**S. H. BAMNE**
VP Corporate (CFO)**R. M. TELANG**
Director**S. P. KULKARNI**
DirectorPune,
29th May, 2014



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

I. CORPORATE INFORMATION

Garware-Wall Ropes Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at three Stock Exchanges in India. The Company is engaged in manufacturing and selling various products such as Ropes, Twine, Yarn, Fishnet, other Nets and Technical Textiles. The Company is providing solution to the infrastructure industries which include coastal Protection, land filling etc. The company caters to both domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principle in India (Indian GAAP). The Company has prepared these Financial Statement to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and the Guidelines issued by the Securities and Exchange Board of India (SEBI). The Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for assets acquired before and revalued during the year ended 30th September, 1985.

The accounting policies adopted in the preparation of Financial Statement are consistent with those of previous year, except for the change in accounting policy explained below.

b. Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a materials adjustment to the carrying amounts of assets or liabilities in future periods.

c. Fixed Assets

Fixed Assets are stated at cost of acquisition (subject to revaluation during the year ended 30th September, 1985) less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

d. Depreciation / Amortisation

Depreciation / Amortisation other than on leasehold land and capital work-in-progress is charged so as to write-off the cost of the assets, on the following basis:

Type of Asset	Method	Period / Rate
Freehold Buildings	Written down value	5.00%
Factory Buildings	Written down value	10.00%
Plant and Machinery	Straight-Line	5.28% - 11.31%
Electrical Installations	Straight-Line	7.07%
Furniture & Fixtures	Straight-Line	6.33%
Office Equipments	Straight-Line	4.75% - 16.21%
Vehicles	Straight-Line	9.5% - 11.31%
Helicopter	Straight-Line	5.60%
Technical Knowhow	Straight-Line	10 years
Product Development	Straight-Line	10 years
Computer Software	Straight-Line	5 years

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

e. Impairment

At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss.

f. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term investments are valued at cost less provision, if any, for permanent diminution in the value other than temporary diminution in value. Current investments are valued at the lower of the cost or market value as on the date of the Balance Sheet.

g. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:

- a) Stores, spare, fuel & packing materials and raw material – at costs determined on moving weighted average method.
- b) Cost of finished goods and Work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other cost incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business.

h. Revenue Recognition

Sales excludes amounts recovered towards Sales Taxes and Value Added Taxes (VAT). Domestic Sales are recognised on dispatch of goods from Factory. Export Sales are recognised based on date of Bill of Lading and or Multi Modal Transport Documents on customer acceptance. Excise Duty deducted from Revenue (Gross) is the amount that is included in the Revenue (Gross) and not the entire amount of liability arising during the year.

Revenue from Project Contracts and Services rendered are recognised on the basis of percentage of completion method when works are rendered and related costs are incurred.

Unbilled Revenue represents revenues recognised in excess of the amounts billed as at the Balance Sheet date.

Income from sale of scrap is accounted for on realisation.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head "Other Income" in the Statement of Profit and Loss.

Dividend Income is recognised when the Company's right to receive dividend is established.

i. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated current assets and current liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of the Balance Sheet. Exchange rate differences resulting from foreign exchange transactions settled during the period, including year-end translation of current assets and liabilities are recognised in the Statement of Profit & Loss other than those exchange differences arising in relation to liabilities incurred for acquisition of Fixed Assets, which are adjusted to the carrying value of the underlying Fixed Assets.

In respect of forward exchange contracts, except in case of Fixed Assets, the differences between the forward rate and the exchange rate at the inception of the forward exchange contract are recognised as income/expense over the life of the contract.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these instruments are designated and effective as hedges of future cash flows and are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

j. Research and Development

i) Research costs are expended as incurred. Development expenditure incurred on an individual project is recognised as an Intangible Asset when the Company can demonstrate all the following:

- > The technical feasibility of completing the Intangible Asset so that it will be available for use or sale.
- > Its intention to complete the Asset.
- > Its ability to use or sell the Asset.
- > How the Asset will generate future economic benefits.
- > The availability of adequate resources to complete the development and to use or sell the Asset.
- > The ability to measure reliably the expenditure attributable to the Intangible Asset during development.

Amortisation of the Asset begins on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortisation is recognised in the Statement of Profit and Loss. During the period of development, the Asset is tested for impairment annually.

ii) The Company has in-house R & D facilities at Chinchwad and Wai plant both recognised by The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India (DSIR). It would be endeavour of the Company to achieve the development of new products - Ropes, Nettings and Technical Textiles for various different/new application.

- a) Develop new products to tap new market/customers.
- b) Developing next generation products for future economic benefit.
- c) Developing import substitutes with optimising cost and value benefit.
- d) Improve customer satisfaction with maximising benefits of the products.

k. Employee Benefits

i) Defined Contribution Plan

The Company's contribution paid/payable during the year to Provident Fund, ESIC, Superannuation Fund etc., are recognised as an expenses in the Statement of Profit & Loss. These are approved/recognised schemes of the Company.

ii) Defined Benefit Plan

The Company's annual liability towards Gratuity is funded on the basis of actuarial valuation furnished by the Life Insurance Corporation of India under Group Gratuity Scheme.

iii) The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

l. Borrowing Costs

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which those are incurred.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

m. Taxation

- a) Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and Tax Laws prevailing in the respective tax jurisdictions where the Company operates.
- b) Deferred Tax Expenses or Benefit is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset and Liabilities are remeasured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

n. Provisions and Contingencies Liabilities

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases when there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a Contingent Liability, but discloses its existence in the Financial Statements.

o. Government Grants and Subsidy

Grants and Subsidies from the Government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

A Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the Shareholders' Funds.

p. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operation. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)
	As at 31 March 2014
	As at 31 March 2013
3. SHARE CAPITAL	
(a) Authorised Share Capital	
i) 5,00,00,000 Equity Shares of ₹ 10/- each (31 March 2013 : 5,00,00,000 Equity Shares of ₹ 10/- each)	5,000.00
ii) 1,00,00,000 Unclassified Shares of ₹ 10/- each (31 March 2013 : 1,00,00,000 Unclassified Shares of ₹ 10/- each)	1,000.00
	<u>6,000.00</u>
(b) Issued, Subscribed and Fully Paid-up	
2,19,72,253 Equity Shares of ₹ 10/- each (31 March 2013 : 2,37,08,350 Equity Shares of ₹ 10/- each)	2,197.23
	<u>2,197.23</u>

Note: During the year 2013-14, the Company has bought back 1736,097 Equity Shares of ₹ 10/- each under the Buy Back Scheme (Previous Year NIL)

a) Reconciliation of Number of Shares

	As at 31 March 2014		As at 31 March 2013
	Number of Shares	Amount Rupees	Number of Shares
Equity Shares			
Opening Balance	23,708,350	237,083,500	23,708,350
Changes during the year	(1,736,097)*	(17,360,970)	-
Closing Balance	<u>21,972,253</u>	<u>219,722,530</u>	<u>23,708,350</u>

* During the year 2013-14, the Company has bought back 1736,097 Equity Shares of ₹ 10/- each under the Buy Back Scheme (Previous Year NIL)

b) Details of Shareholders' holding more than 5% Shares in the Company

	As at 31 March 2014	As at 31 March 2013
Equity Shares		
Late Shri Ramesh B. Garware **	3,612,053 15.86%	3,612,053 15.24% *
Garware Capital Markets Limited	3,453,911 15.17%	3,453,911 14.57%

* 9.60% (Previous year 9.22%) shares are held on behalf of a partnership firm.

** Mr. V. R. Garware has informed to the Company that

- His father Late Shri R. B. Garware, expired on 7th Feb, 2014, has left a Will dated 6th April, 2012;
- The Executors of the said Will have informed him in writing that the above stated shares are bequeathed to him and Executors are taking steps in getting them transmitted in his demat account.

Pending transmission of the said shares in the name of Mr. V. R. Garware, the shares in demat accounts continue to be registered in the name of Late Shri R. B. Garware.

c) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March 2014): Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
4. RESERVES AND SURPLUS		
(a) Capital Reserve	24.75	24.75
(b) Capital Redemption Reserve	173.61	-
(c) Share Premium		
Share Premium Account	7,597.37	7,597.37
Share Premium Related to Forfeited Share	102.74	102.74
(d) Revaluation Reserve		
(i) Balance as per last Financial Statement	7.98	9.02
(ii) Less: Transfer to Statement of Profit and Loss	1.04	1.04
	<u>6.94</u>	<u>7.98</u>
(e) General Reserve		
(i) Balance as per last Financial Statement	3,467.07	3,220.07
(ii) Transfer to Capital Redemption Reserve A/c	(1,046.02)	-
(iii) Transferred from Statement of Profit and Loss	267.00	247.00
	<u>2,688.05</u>	<u>3,467.07</u>
(f) Surplus in Statement of Profit and Loss		
(i) Balance as per last Financial Statement	13,387.95	11,861.01
Add : Profit for the year	2,666.19	2,467.38
Less : Appropriations		
(ii) Proposed final Dividend on Equity Shares	593.25	592.71
(iii) Tax on Dividend	100.82	100.73
(iv) Transfer to General Reserve	267.00	247.00
	<u>15,093.07</u>	<u>13,387.95</u>
(g) Hedging Reserve Account (Refer note no (i))		
(i) Balance as per last Financial Statement	(290.09)	(143.42)
(ii) (Deductions) / Additions during the year (net)	(104.19)	(146.67)
	<u>(394.28)</u>	<u>(290.09)</u>
Total	<u><u>25,292.25</u></u>	<u><u>24,297.77</u></u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
5. LONG-TERM BORROWINGS		
SECURED TERM LOANS		
- From Banks and Financial Institutions		
1. IDBI Bank Term Loan under TUFS		
(i) Balance as per reporting date	52.70	263.50
(ii) Current Maturity transfer to other Current Liability	52.70	210.80
	-	52.70
2. CITI Bank ECB Term Loan		
(i) Balance as per reporting date	1,956.78	2,477.58
(ii) Current Maturity transfer to other Current Liability	778.29	707.88
	1,178.49	1,769.70
3. HDFC Rupee Term Loan		
(i) Balance as per reporting date	625.00	1,458.33
(ii) Current Maturity transfer to other Current Liability	625.00	833.33
	-	625.00
Balance as on reporting date	2,634.48	4,199.42
Current Maturity transfer to other Current Liability	1,455.99	1,752.02
Total	1,178.49	2,447.40

Notes :

- 1) IDBI Bank Term Loan under TUFS Loan is repayable in 20 quarterly instalments of ₹ 52.70 Lacs each along with interest from 31st July, 2009. This loan is secured by way of charge on specific assets financed by the Bank.
- 2) CITI Bank ECB Term Loan is repayable in 16 quarterly instalments of ₹ 156.25 Lacs each along with interest from 26th December, 2012. This loan is secured by way of hypothecation of the whole of the Movable Fixed Assets comprising Plant & Machinery, Computers, Furniture and Fixtures, Machinery Spares, Tools & Accessories and other Assets both present & future on first charge on pari-passu basis with others.
- 3) HDFC Bank Rupee Term Loan is repayable in 12 quarterly instalments of ₹ 208.33 Lacs each along with interest from 4th January, 2012. This loan is secured by way of hypothecation of the Movable Properties including Plant & Machinery, Machinery Spares, Tools & Accessories and other Movables both present & future on first charge on pari-passu basis with others.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability		
(i) Depreciation and Amortisation	2,106.84	1,896.45
	<u>2,106.84</u>	<u>1,896.45</u>
(b) Deferred Tax Asset		
(i) Employee Benefits	66.55	67.49
(ii) Provision for Doubtful Debts	15.28	14.60
	<u>81.83</u>	<u>82.09</u>
Deferred Tax liabilities (Net)	<u>2,025.01</u>	<u>1,814.36</u>
7. OTHER LONG-TERM LIABILITIES		
Other liabilities :		
Deposits from Customers and Contractors	326.53	305.64
Total	<u>326.53</u>	<u>305.64</u>
8. LONG-TERM PROVISIONS		
Provision for Employee Benefits	158.28	167.97
Total	<u>158.28</u>	<u>167.97</u>
9. SHORT-TERM BORROWINGS		
Secured Loans		
Loans repayable on demand		
- From banks		
1. Cash Credit, Rupee Loan and Rupee Packing Credit	280.03	2,662.78
2. Packing Credit in Foreign Currency Loan	2,896.09	2,810.96
Unsecured Loans		
Loans repayable on demand		
- From bank		
1. Packing Credit in Foreign Currency Loan	-	1,370.17
2. Loan from Promoter *	1,322.47	-
Total	<u>4,498.59</u>	<u>6,843.91</u>

Note :

The above Secured Loans are availed from Consortium Bankers, viz., Bank of India, Bank of Baroda, IDBI Bank Ltd., HDFC Bank Ltd., CITI Bank N. A., DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Ltd., are secured by a first charge, pari passu, inter-se by way of hypothecation of the Company's Current Assets, viz. raw materials, stock-in-process, semi-finished goods, finished goods, stores & spares not relating to Plant & Machinery, bills receivable and book debts and other movables (except for Plant and Machinery secured by way of second charge), both present and future. Out of above Consortium Bankers, the loans from Bank of India and Bank of Baroda, are also secured to the extent of ₹ 6,170 Lacs by Second Charge over the Company's Immoveable properties, by way of equitable mortgage, ranking pari passu, inter-se. The Cash Credit, Rupee Loan and Rupee Packing Credit (rupee and foreign currency loan) loan is repayable on demand.

* The said deposits were received from Late Shri R. B. Garware, and the same will be repaid according to the terms of his Will.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
10. TRADE PAYABLES		
Trade Payables	6,407.51	5,756.58
Total	6,407.51	5,756.58
11. OTHER CURRENT LIABILITIES		
(a) Current maturity of Long Term Debt	1,455.99	1,752.01
(b) Other Payables	3,603.33	1,480.45
(c) Interest accrued but not due on borrowing	14.33	18.68
(d) Advance received from Customers	878.13	462.84
(e) Unpaid Dividend	29.85	28.04
Total	5,981.63	3,742.02
Other Payables includes:		
(i) Fair value of foreign exchange forward contract secured against Trade Receivables	3,343.74	1,085.60
(ii) Statutory Liabilities	59.66	227.80
12. SHORT-TERM PROVISIONS		
(a) Provision for Employee Benefits	287.00	234.36
(b) Others		
(i) Taxation	5,263.20	4,391.19
(ii) Proposed Dividend	593.25	592.71
(iii) Tax on Proposed Dividend	100.82	100.73
(iv) Other provisions	5,557.13	3,175.64
Total	11,801.40	8,494.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13 FIXED ASSETS

(₹ in Lacs)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Gross Block as at 1 April 2013	Additions	Deletions/ Adjustments	Gross Block as at 31 March 2014	Accumulated as at 1 April 2013	Deletions / Adjustments for the year	Accumulated as at 31 March 2014	Value as at 31 March 2013
(a) TANGIBLE FIXED ASSETS								
Leasehold Land	168.62	-	-	168.62	-	-	-	168.62
Buildings	4,123.49	77.83	-	4,201.32	2,147.69	180.92	2,328.61	1,975.80
Plant and Machinery	22,671.43	443.55	87.28	23,027.70	12,371.15	43.82	13,163.35	10,300.28
R&D Equipments	1,368.47	205.33	-	1,573.80	560.69	63.61	624.30	807.78
Electrical Installations	781.52	46.64	-	828.16	490.56	30.55	521.11	290.96
Furniture and Fixtures	497.76	10.02	0.06	507.72	289.25	20.27	309.46	208.51
Office Equipments	1,089.38	69.29	0.92	1,157.75	796.15	46.01	841.36	293.23
Vehicles	888.61	277.67	16.03	1,150.25	424.69	68.72	481.44	463.92
Helicopter	508.89	161.47	-	670.36	494.04	14.39	508.43	14.85
TOTAL	32,098.17	1,291.80	104.29	33,285.68	17,574.22	56.65	18,778.06	14,523.95
31 March 2013	32,065.47	1,232.82	1,200.12	32,098.17	16,288.55	169.84	17,574.22	15,776.92
(b) INTANGIBLE ASSETS								
Technical Knowhow	45.96	-	-	45.96	44.43	1.53	45.96	1.53
Product Development	1,453.60	-	-	1,453.60	646.49	145.36	791.85	807.11
Computer Software	266.05	50.95	-	317.00	184.59	32.99	217.58	81.46
TOTAL	1,765.61	50.95	-	1,816.56	875.51	-	1,055.39	890.10
31 March 2013	1,571.46	194.15	-	1,765.61	697.54	177.97	875.51	873.92
(c) CAPITAL WORK- IN-PROGRESS	35.11	743.79	35.11	743.79	-	-	-	35.11
31 March 2013	334.38	35.11	334.38	35.11	-	-	-	334.38
Grand Total	33,898.89	2,086.54	139.40	35,846.03	18,449.73	56.65	19,833.45	15,449.16
31 March 2013	33,971.31	1,462.08	1,534.50	33,898.89	16,986.09	169.84	18,449.73	16,985.22

Notes:

- Depreciation has been provided on Straight Line Method except in the case of Buildings, which are depreciated on Written Down Value Method, at the rates specified in Schedule XIV to the Companies Act, 1956.
- Cost of Buildings includes ₹ 500/- (Previous year ₹ 500/-) being the cost of shares held in Co-operative Housing Society.
- No amount is written off on leasehold land.
- Depreciation has been provided on SLM single shift method in case of site equipments
- The Company, in compliance with "AS 26" on Intangible Assets, has recognised the intangible Assets acquired during the year on Product Development Costs at ₹ NIL (Previous Year ₹ 149.78 lacs) and Computer software ₹ 50.96 lacs (Previous Year ₹ 44.37 lacs). Taking into consideration the clarification issued by the Institute of Chartered Accountants of India, dated 7th October, 2003, the expenses that have already been recognised as "Deferred Revenue Expenditure" up to 1st April, 2004, are being continued to be amortised over the remaining period.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
14. NON-CURRENT INVESTMENTS		
I. INVESTMENTS IN EQUITY INSTRUMENTS		
a) In Subsidiary Companies :		
Shares of Garware Environmental Services Pvt. Limited	55.00	55.00
10,00,000 (31 March 2013 : 10,00,000) Equity Shares of ₹ 10/- each, fully paid		
b) In Associate Companies :		
Shares of Garware Meditech Private Limited	0.50	0.50
5,000 (31 March 2013 : 5000) Equity Shares of ₹ 10/- each, fully paid		
c) In Other Companies :		
Shares of Cosmos Co-operative Bank Limited	3.16	3.16
15,805 (31 March 2013 : 15,805) Equity Shares of ₹ 20 each, fully paid		
Shares of Gujarat Filament Corporation Limited	0.01	0.01
50 (31 March 2013 : 50) Equity Shares of ₹ 10/- each, fully paid		
Shares of Intermedia Interactive Solutions Pvt. Limited	807.11	807.11
8,90,680 (31 March 2013 : 8,90,680) Equity Shares of ₹ 10/- each, fully paid		
Shares of Garware Marine Industries Limited (quoted)	5.00	5.00
50,000 (31 March 2013 : 50,000) Equity Shares of ₹ 10/- each, fully paid		
Shares of Garware Polyester Limited (quoted)	319.62	319.62
1,46,350 (31 March 2013 : 1,46,350) Equity Shares of ₹ 10/- each, fully paid		
2. INVESTMENTS IN GOVERNMENT AND TRUST SECURITIES		
7 Year National Savings Certificates.	40.56	24.05
Out of this, National Saving Certificates for Face Value of ₹ 0.16 Lacs (31 March 2013 ₹ 0.16 Lacs) deposited with Sales Tax Authorities		
Sardar Sarovar Narmada Nigam Ltd. Bonds	17.50	17.50
Total investment	1,248.46	1,231.95
Less:		
Aggregate provision for diminution in value of investment		
Contingency Reserve, for possible permanent decline in the value of Investments	315.00	315.00
Total	933.47	916.95
Aggregate Value of Quoted Investments (₹ in lacs)	324.62	324.62
Aggregate Market Value of Quoted Investments (₹ in lacs)	98.60	110.51
Aggregate Value of Unquoted Investments (₹ in lacs)	923.84	907.33

Note : The Company has set aside from its General Reserve, as reserve amounting to ₹ 315 lacs in FY 2000-01 for contingencies that may arise, in the event there is a diminution in the value of investments, of a permanent nature, in the future.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
(i) Security Deposits	431.22	365.33
(ii) Other Loans and Advances	717.99	723.19
Total	1,149.21	1,088.52
Other Loans and Advances includes :		
Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL	12.84	12.84
Advances to Employees	99.25	81.25
16. OTHER NON-CURRENT ASSETS		
Other Non-Current Assets *	101.42	169.78
Total	101.42	169.78
* Other Non-Current Assets includes deposits such as PCMC Octroi, MSEB, Gas, Rajasthan Vat, Share transfer security etc.		
17. INVENTORIES		
(i) Stores, Spares, Fuel and Packing Materials	994.28	1,000.75
(ii) Raw Materials	4,011.96	2,897.30
(iii) Work-in-Progress	1,972.61	1,947.88
(iv) Finished Goods (Including Goods-in-Transit ₹ 139.50 Lacs, Previous Year ₹ 44.33 Lacs)	5,245.32	5,798.64
(v) Traded Goods	458.43	534.78
Total	12,682.60	12,179.34
Inventories are carried at the lower of cost and net realisable value.		
18. TRADE RECEIVABLES (Unsecured, considered good unless other wise specified)		
(a) Trade Receivables for more than six months from due date		
Considered Good	1,322.48	1,759.73
Considered Doubtful	44.93	45.32
	1,367.41	1,805.05
Less: Provision for Doubtful Debts	44.93	45.32
	1,322.48	1,759.73
(b) Other Receivables		
Considered Good	12,931.74	12,276.83
Total	14,254.22	14,036.56

Unbilled revenue as at 31st March, 2014, amounting to ₹ 1437.97 lacs (31st March, 2013: ₹ 1627.90 lacs) primarily comprises of the revenue recognised in relation to efforts made on construction contracts.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
19. CASH AND CASH EQUIVALENTS		
(a) Cash and Cash Equivalents		
(i) Balances with Banks		
- In Current Accounts	852.66	916.16
- In Deposit Accounts with maturity less than 3 months	-	1,000.00
(ii) Cash on hand	7.37	6.94
	<u>860.03</u>	<u>1,923.10</u>
(b) Other Bank balances		
(i) Earmarked balances with Banks	29.85	28.04
(ii) Bank Deposits above 3 months	2.07	25.14
Total	<u>891.95</u>	<u>1,976.28</u>
20. SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	8,696.53	5,904.87
Advance Tax	4,997.62	4,455.43
Deposits	119.31	13.68
Balance with Excise and Customs Authorities	28.02	50.55
Total	<u>13,841.48</u>	<u>10,424.53</u>
Advance recoverable in cash or in kind or for value to be received includes:		
Advance given to Creditors	1,213.21	1,133.52
Advances to Employees	76.22	66.51
21. REVENUE FROM OPERATIONS		
(i) Manufactured Goods	63,862.93	57,017.10
(ii) Traded Goods	3,431.07	631.55
(ii) Contracts for Supply & Installation (Tax deducted at source ₹ 75.07 Lacs; previous year ₹ 47.58 Lacs)	1,585.40	2,656.59
Total	<u>68,879.40</u>	<u>60,305.24</u>
Less:		
Excise Duty	422.63	368.44
Net Revenue	<u>68,456.77</u>	<u>59,936.80</u>

Note :

- A. Disclosure pursuant to Accounting Standard "AS 7 - Construction Contracts", the Construction Work-in-Progress (Fibre & Industrial Product & Project Segment) amounts to ₹ 4107.01 lacs (31st March, 2013 ₹ 2534.25 lacs).
- B. For these Construction Contracts, the progress payments received, advances and retentions on account of Contracts are ₹ 2081.92 lacs, ₹ 218.82 lacs and ₹ 115.14 lacs (31st March, 2013 ₹ 1225.59 lacs, ₹ 73.73 lacs and ₹ 55.42 lacs) respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
22. OTHER INCOME		
Sale of Scrap	190.61	141.61
Interest- Gross		
From Banks (Tax deducted at source ₹ 4.45 Lacs, previous year ₹ 10.64 Lacs)	32.80	103.26
From Other	31.73	30.89
	64.53	134.15
Dividend	1.15	2.54
Miscellaneous Receipts	138.47	292.64
Profit/(Loss) on sale of Fixed Assets	1.44	4.18
Total	396.20	575.12
23. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	2,897.29	2,817.53
Add : Purchases (Net of Credits)	29,555.36	23,610.82
Less : Closing Stock	4,011.96	2,897.30
Total	28,440.69	23,531.05
24. PURCHASE OF TRADED GOODS		
Purchase of Traded Goods	1,808.82	2,618.83
Total	1,808.82	2,618.83
25. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock		
Work-in-Progress	1,947.88	1,992.58
Finished Goods	5,798.64	6,380.56
Traded Goods	534.77	226.65
	8,281.29	8,599.79
(b) Closing Stock		
Work-in-Progress	1,972.61	1,947.88
Finished Goods	5,245.32	5,798.64
Traded Goods	458.43	534.77
	7,676.36	8,281.29
Net (Increase) / Decrease	604.93	318.50
26. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	7,724.74	6,912.18
Contribution to Provident and other Funds	281.93	248.90
Gratuity	96.91	85.03
Superannuation	38.86	39.61
Staff Welfare	672.92	629.87
Total	8,815.36	7,915.59
Salaries, Wages and Bonus includes :		
Salary Expenses towards R&D	144.51	142.60



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
27. OPERATING AND OTHER EXPENSES		
Stores and Spares consumed	4,223.42	2,947.01
Packing Materials consumed	756.51	737.07
Power, Fuel and Water Charges	3,932.06	3,890.94
Processing and Testing Charges	2,680.95	2,315.63
Installation Contract related expenses	535.34	758.22
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	356.93	282.76
Rent	230.22	146.85
Rates, Taxes and Octroi	203.22	86.91
Insurance	163.20	131.46
Transport and Forwarding Charges	3,579.21	2,956.16
	<u>4,532.78</u>	<u>3,604.14</u>
Repairs and Maintenance		
Buildings	36.74	29.55
Plant and Machinery	697.34	605.72
Others	438.70	384.50
	<u>1,172.78</u>	<u>1,019.77</u>
Travelling Expenses	702.18	676.87
Discount and Commission on Sales	1,965.21	1,590.21
Bad Debts	62.90	79.78
Legal and Professional Charges	594.02	531.70
Auditors' Remuneration		
Audit Fees	6.95	6.95
Fees for other Services	1.30	1.30
Out of Pocket Expenses	0.57	0.33
	<u>8.82</u>	<u>8.58</u>
Establishment and other miscellaneous expenses	2,175.33	1,572.37
Exchange (Gain)/Loss (net)	(1,000.66)	120.99
Directors' Fees	5.40	4.00
Cost Capitalised on Machines	(122.82)	-
Cost Transferred to Product Development Expenditure	-	(149.78)
Total	<u><u>22,224.22</u></u>	<u><u>19,707.50</u></u>
Operating and other expenses includes :		
R&D Revenue Expenses	145.36	83.99

28. FINANCE COSTS

Interest expenses:		
- Term Loans	970.95	640.94
- Cash Credit/Overdraft	412.11	610.03
- Bank Charges	228.88	197.04
Total	<u><u>1,611.94</u></u>	<u><u>1,448.01</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

29. EMPLOYEE BENEFITS :

The Company operates a gratuity defined plan for its employees. Under the gratuity plan, every employee who has completed at least five years of services gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policy.

(₹ in lacs)

Defined Benefit Plans	Gratuity	
	31 March 2014	31 March 2013
I. Change in Obligation		
1. Liability at the beginning of the year	879.73	846.78
2. Interest Cost	71.03	67.74
3. Current Service Cost	67.23	65.15
4. Past Service Cost (Non Vested Benefit)	-	-
5. Past Service Cost (Vested Benefit)	-	-
6. Benefit Paid	(68.58)	(40.74)
7. Actuarial (Gain) / Loss on Obligation	(99.18)	(59.20)
8. Liability at the end of the year	850.23	879.73
II. Fair Value of Plan Assets		
1. Fair Value of Plan Assets at the beginning of the year	799.63	635.63
2. Expected Return of Plan Assets	59.96	53.08
3. Contributions	84.18	147.21
4. Benefit Paid	(68.58)	(40.74)
5. Actuarial Gain / (Loss) on Plan Assets	(0.37)	4.45
6. Fair Value of Plan Assets at the end of the year	874.82	799.63
Total Actuarial Gain / (Loss) to be Recognised	99.55	54.75
III. Actual Return of Plan Assets		
1. Expected Return of Plan Assets	59.96	53.08
2. Actuarial Gain / (Loss) on Plan Assets	(0.37)	4.45
Actual Return on Plan Assets	59.59	57.53
IV. Amount Recognised in the Balance Sheet		
1. Liability at the end of the year	(850.23)	(879.73)
2. Fair Value of Plan Assets at the end of the year	874.82	799.63
3. Difference	24.59	(80.10)
4. Unrecognised Past Service Cost		
5. Amount Recognised in the Balance Sheet	24.59	(80.10)
V. Expenses Recognised in the Income Statement		
1. Current Service Cost	67.23	65.15
2. Interest Cost	71.03	67.74
3. Expected Return on Plan Assets	(59.96)	(53.08)
4. Net Actuarial (Gain) / Loss to be Recognised	(99.55)	(54.75)
5. Past Service Cost (Non Vested Benefit) Recognised	-	-
6. Past Service Cost (Vested Benefit) Recognised	-	-
7. Effect of Curtailment or Settlements	-	-
8. Expenses Recognised in Statement of Profit & Loss	(21.25)	25.06



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(₹ in lacs)

Defined Benefit Plans	Gratuity	
	31 March 2014	31 March 2013
VI. Balance Sheet Reconciliation		
1. Opening Net Liability	80.10	211.15
2. Expense as above	(21.25)	25.06
3. Employer's Contribution	(84.18)	(147.21)
4. Effect of Curtailment or Settlements	-	-
5. Amount Recognised in Balance Sheet	(25.33)	89.00
VII. Actuarial Assumptions		
1. Discount Rate Current	8.00%	8.00%
2. Rate of Return on Plan Assets Current	8.00%	8.00%
3. Salary Escalation Current	7.00%	7.00%

Note: Employer's Contribution includes payments made by the Company directly to its past employees.

Broad category of Plan Assets relating to Gratuity as a percentage of total Plan Assets

The Company's Gratuity Fund is managed by Life Insurance Corporation of India and HDFC Standard Life Insurance. The Plan Assets under the Fund are deposited under approved securities.

30. OPENING AND CLOSING STOCKS OF FINISHED GOODS

(₹ in lacs)

Products	Opening Stock		Closing Stock	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2014	As at 31 March 2013
i) Twines, Ropes & Yarns	2,164.68	2,886.33	1,842.11	2,164.68
ii) Nettings	2,881.52	2,816.95	2,812.13	2,881.52
iii) Woven Fabric	342.18	403.79	227.90	342.18
iv) Metal Gabions	38.15	81.67	30.96	38.15
v) Coated Fabric	371.91	191.82	332.22	371.91
Total	5,798.44	6,380.56	5,245.32	5,798.44

31. SALES

Product & Services

	For the year ended 31 March 2014	For the year ended 31 March 2013
i) Twines, Ropes & Yarns	26,658.71	26,061.52
ii) Nettings	35,006.22	27,224.42
iii) Woven Fabric	1,113.88	1,769.90
iv) Metal Gabions	520.76	589.19
v) Coated Fabric	1,768.95	1,372.22
Sub Total	65,068.52	57,017.25
vi) Machineries and Parts (Nos.)	6.45	-
vii) Traded Goods (including Supplied under Contract)	3,804.44	3,288.14
Total	68,879.41	60,305.39

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	For the year ended 31 March 2014	(₹ in lacs) For the year ended 31 March 2013
32. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	8,009.92	6,915.83
Traded Goods, Stores, Spares, etc.	1,352.01	2,231.95
Capital Goods	110.78	119.41
Total	9,472.71	9,267.19

33. RAW MATERIALS CONSUMED

High Density Polyethylene	14,182.21	9,565.88
Polypropylene	10,754.68	9,709.51
Nylon	4,174.07	2,712.80
Polyester Yarn	1,398.96	1,234.87
G.I. Wire	88.75	307.98
Total	30,598.67	23,531.04

34. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED

	(₹ in lacs)	Percentage
	For the year ended 31 March 2014	For the year ended 31 March 2013
(i) Raw materials		
Imported	9,123.35	7,838.03
Indigenous	21,386.57	15,693.01
Total	30,509.92	23,531.04
(ii) Stores, Spares, etc.		
Imported	171.47	522.98
Indigenous	4,051.95	2,424.03
Total	4,223.42	2,947.01

35. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

a. Travelling Expenses	310.49	252.32
b. Commission on Exports	203.47	173.36
c. Subscriptions	6.48	6.47
d. Advertisement & Sales Promotion	19.48	20.60
e. Interest & Finance Charges	211.99	157.37
f. Overseas Branch Office Expenses	1,075.41	912.89
Total	1,827.32	1,523.01

36. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

FOB Value of Exports	32,715.82	25,414.56
----------------------	-----------	-----------



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

37. SEGMENT REPORTING

- (a) The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves in different markets. These business segments are : 1. Synthetic Cordage 2. Fibre and Industrial Products & Projects. Segments based on the location of the customers are identified as secondary segments.
- (b) Segment accounting policies are the same as those used in the preparation of the Financial Statements. The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.
- (c) The segment revenues and segment expenses are directly attributable to the segments, except certain expenses which are not allocated to any segments by using appropriate basis. All other expenses which are not attributable or allocable to the segments have been disclosed as unallocable expenses.
- (d) The segment assets and liabilities are directly attributable to the segments, except certain assets and liabilities which are allocated to the segments using appropriate basis. All other assets and liabilities are disclosed as unallocable.

(₹ in lacs)

i) Primary Segment Report

Year 2013-2014

Year 2012-2013

PARTICULARS	Synthetic Cordage	Fibre and Industrial Products and Projects	Eliminations	Total	Synthetic Cordage	Fibre and Industrial Products and Projects	Eliminations	Total
REVENUE								
Gross External Sales	57,765.01	11,114.40		68,879.41	48,662.03	11,643.21		60,305.24
Inter-segment Sales	271.79	2,187.66	(2,459.45)	-	240.91	2,102.86	(2,343.77)	-
Less : Excise Duty	35.65	386.98	-	422.63	36.17	332.27	-	368.44
Total Revenue	58,001.15	12,915.08	(2,459.45)	68,456.78	48,866.77	13,413.80	(2,343.77)	59,936.80
RESULT								
Segment Result	6,929.07	456.55		7,385.62	5,534.98	750.86		6,285.84
Unallocated Corporate expenses (net of income)				1,931.69				1,634.52
Operating Profit				5,453.93				4,651.32
Finance Costs				1,611.94				1,447.99
Interest & Dividend Income				65.68				136.68
Profit from Ordinary Activities				3,907.67				3,340.01
Income Tax				1,241.48				872.62
Extraordinary Items				-				-
Net Profit				2,666.19				2,467.39
OTHER INFORMATION								
Segment Assets	37,387.19	11,143.78		48,530.97	33,468.89	11,864.48		45,333.37
Unallocated Corporate Assets				12,492.15				12,476.86
Total Assets				61,023.12				57,810.23
Segment Liabilities	11,025.38	2,653.94		13,679.32	7,761.52	2,400.75		10,162.27
Unallocated Corporate Liabilities				47,343.80				47,647.96
Total Liabilities				61,023.12				57,810.23
Capital Expenditure	1,338.78	201.91		1,540.69	1,230.83	212.70		1,443.53
Unallocated Capital Expenditure				545.85				20.80
Total Capital Expenditure				2,086.54				1,464.33
Depreciation	1,118.07	271.68		1,389.75	1,241.41	316.68		1,558.09
Unallocated Depreciation on Corporate Assets				50.63				74.35
Total Depreciation				1,440.38				1,632.44
Other non-cash expenses				-				-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ii) Secondary Segment Report

(₹ in Lacs)

PARTICULARS	Year 2013-2014				Year 2012-2013			
	India	Outside India	Eliminations	Total	India	Outside India	Eliminations	Total
Gross Sales	35,043.85	33,835.55		68,879.40	34,305.74	25,999.50		60,305.24
Less : Excise Duty	422.63	-		422.63	368.44	-		368.44
Net Sales	34,621.22	33,835.55		68,456.77	33,937.30	25,999.50		59,936.80
Fixed Assets	16,010.50	2.08		16,012.58	15,446.71	2.45		15,449.16
Capital Expenditure	2,086.55	-		2,086.55	1,464.33	-		1,464.33

iii) Notes :

The business segments viz. 'Synthetic Cordage' and 'Fibre and Industrial Products' and Projects' are considered as the primary segments. Synthetic Cordage comprises of ropes, twines and nettings made of twine. Fibre and Industrial Products & Projects segment comprises of fibre, synthetic fabric, yarn, woven and non-woven textiles, secugrids, coated steel gabions, machinery and projects. Inter-segment sales are accounted for at market value.

The geographical segments on the basis of location of customers are considered as Secondary Segments. Sales are recognised as sales to customers in India and sales to customers outside India.

38. TRANSACTIONS WITH RELATED PARTIES

(I) List of Related Parties and Relationship:

A. Associates Companies

- I. Garware Meditech Pvt. Limited

B. Subsidiary / Joint Venture Companies

- I. Garware Environmental Services Pvt. Ltd.

C. Enterprises Owned or Significantly Influenced by Key Management Personnel or Their Relatives

1. Manmit Investment & Trading Company Pvt. Ltd.
2. Garware Capital Markets Ltd.
3. Gurukrupa Investments & Trading Company Pvt. Ltd.
4. Sanand Investments & Trading Company Pvt. Ltd.
5. Moonshine Investments & Trading Company Pvt. Ltd.
6. Starshine Investments & Trading Company Pvt. Ltd.
7. Sukukar Holdings & Trading Company Pvt. Ltd.
8. Garware Utzon Cordage Ltd.
9. Garware Indus Consulting Ltd.
10. Garware Infrastructure Pvt. Ltd
11. Garware Beststretch Ltd.
12. Garware Holdings Limited
13. Suramex Exim Pvt. Ltd.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

14. Garware Apparel Private Ltd.
15. Gartex Industries Ltd.
16. Ramesh Trading Company
17. Sunita Trading Company
18. Diya Trading Company
19. Vayu Trading Company
20. RSDV Investments Pvt. Ltd. of ₹ 2183 lacs (Previous year ₹ 2153 lacs)
21. RSDV Finance and Trading Company Pvt. Ltd. of ₹ 80.50 lacs (Previous year ₹ 78.50 lacs)
22. Garware Securities Broking Ltd. of ₹ 3.50 Lacs (Previous year ₹ 6.50 lacs)
23. Ceebeegee Investments Company Pvt. Ltd. of ₹ 87 lacs (Previous year ₹ 85 lacs)
24. Garware Resach Institute
25. Vimlabai Garware Research Institute
26. Consolidated Agricultural & Dairy Farming Company Pvt. Ltd.

D. Directors - Key Management Personnel

Mr. V. R. Garware

E. Relatives of Key Management Personnel

Ms. Diya Garware Ibanez

(II) Following are the transactions with the related parties mentioned in A, B & C above: (₹ in Lacs)

Sr. No.	Nature of Transaction	Associate Companies		Companies/ other organisations under the control of Directors		Directors - Key Management Persons		Relatives of key management persons having significant influence over the Company by reason of voting power		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Sale of Goods / Services				-	-	-	-	-	-	-
2	Purchase of Goods / Services	6.63	9.98		-	-	-	-	-	6.63	9.98
3	Sale of Flat				-	-	1,020.00	-	-	-	1,020.00
4	Rent of Flat					63.00				63.00	-
5	Purchase of Shares			-	5.00	-	-	-	-	-	5.00
6	Deposits placed					-	-	-	-	-	-
7	Placed deposits refunded					-	-	-	-	-	-
8	Deposits received			3,462.83	3,799.35	1,382.50	-	-	-	4,845.33	3,799.35
9	Deposits refunded			3,462.83	3,799.35	118.00	-	-	-	3,580.83	3,799.35
10	Interest paid on deposits			269.16	369.32	14.08	-	-	-	283.24	369.32
11	Interest received on deposits				-	-	-	-	-	-	-
12	Directors' Remuneration										
	Mr. V. R. Garware				-	200.93	111.27	-	-	200.93	111.27
13	Directors' Sitting Fees				-	-	-	1.40	0.20	1.40	0.20
14	Balance receivable				-	-	-	-	-	-	-
15	Balance payable (Principal)	0.18	0.18		-	1,264.50	-	-	-	1,264.68	0.18
16	Balance payable (Interest)					66.66				66.66	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(III) Disclosure in Respect of Material Related Party Transactions during the year :

- 1 Purchase of Good/Services include Purchase from Garware Bestrech Ltd. of ₹ 6.63 lacs (Previous year ₹ 9.98 lacs).
- 2 Purchase of Shares includes :
Shares of Garware Environmental Services Pvt. Ltd. of ₹ Nil lacs (Previous year ₹ 5 lacs).
- 3 Sales of Flat to Mr. V. R. Garware of ₹ Nil lacs (Previous year ₹ 1,020 lacs),
Rent paid to Mr. V. R. Garware of ₹ 63 Lacs (Previous year ₹ Nil) for the Flat taken on Leave & License.
- 4 Deposit received of ₹ 4,845.33 lacs and refunded of ₹ 3,580.83 lacs (Previous year ₹ 3,799.35 lacs) include deposits from :
Mr. V. R. Garware of ₹ 91 lacs (Previous year ₹ Nil),
Late Shri Ramesh Bhalchandra Garware of ₹ 1291.50 lacs and paid of ₹ 27 lacs (Previous year ₹ Nil),
Garware Capital Markets Ltd. of ₹ 664.50 lacs (Previous year ₹ 1,190 lacs),
Manmit Investments & Trading Co. Pvt. Ltd. of ₹ 66.70 lacs (Previous year ₹ 55 lacs),
Moonshine Investments and Trading Co. Pvt. Ltd. of ₹ 35 lacs (Previous year ₹ 21.50 lacs),
RSDV Investments Pvt. Ltd. of ₹ 2,183 lacs (Previous year ₹ 2,153 lacs),
RSDV Finance and Trading Co. Pvt. Ltd. of ₹ 80.50 lacs (Previous year ₹ 78.50 lacs),
Sanand Investment & Trading Co. Pvt. Ltd. of ₹ 21.20 lacs (Previous year ₹ 13 lacs),
Starshine Investments and Trading Co. Pvt. Ltd. of ₹ 15.28 lacs (Previous year ₹ 9.50 lacs),
Garware Securities Broking Ltd. of ₹ 3.50 Lacs (Previous year ₹ 6.50 lacs),
Suramex Exim Pvt. Ltd. of ₹ 49.70 (Previous year ₹ Nil),
Gurukrupa Investments and Trading Co. Pvt. Ltd. of ₹ 5.20 lacs (Previous year ₹ 2.60 lacs),
Garware Utzon (Cordage) Ltd. of ₹ 119.50 lacs (Previous year ₹ 89.25 lacs),
Sukukar Holdings & Trading Co. Pvt. Ltd. of ₹ 19.50 lacs (Previous year ₹ 12.50 lacs),
Garware Indus Consulting Ltd. of ₹ 112.25 lacs (Previous year ₹ 83 lacs),
Ceebeegee Investments Co. Pvt. Ltd. of ₹ 87 lacs (Previous year ₹ 85 lacs).
- 5 Interest paid on Deposit of ₹ 216.58 lacs (Previous year ₹ 369.32 lacs) includes :
Mr. V. R. Garware of ₹ 5.62 lacs (Previous year ₹ Nil),
Late Shri Ramesh B. Garware of ₹ 8.46 lacs (Previous year ₹ Nil),
Garware Capital Markets Ltd. of ₹ 63.55 lacs (Previous year ₹ 112.79 lacs),
Manmit Investments & Trading Co. Pvt. Ltd. of ₹ 6.64 lacs (Previous year ₹ 5.42 lacs),
Moonshine Investments and Trading Co. Pvt. Ltd. of ₹ 3.07 lacs (Previous year ₹ 1.68 lacs),
RSDV Investments Pvt. Ltd. of ₹ 90.34 lacs (Previous year ₹ 219.86 lacs),
RSDV Finance and Trading Co. Pvt. Ltd. of ₹ 3.58 lacs (Previous year ₹ 5.87 lacs),
Sanand Investment & Trading Co. Pvt. Ltd. of ₹ 1.83 lacs (Previous year ₹ 1.04 lacs),
Starshine Investments and Trading Co. Pvt. Ltd. of ₹ 1.30 lacs (Previous year ₹ 0.74 lacs),
Garware Securities Broking Ltd. of ₹ 0.06 Lacs (Previous year ₹ 0.18 lacs),
Suramex Exim Pvt. Ltd. of ₹ 3.96 lacs (Previous year ₹ NIL),
Gurukrupa Investments and Trading Co. Pvt. Ltd. of ₹ 0.30 lacs (Previous year ₹ 0.15 lacs),
Garware Utzon (Cordage) Ltd. of ₹ 11.51 lacs (Previous year ₹ 8.21 lacs),
Sukukar Holdings & Trading Co. Pvt. Ltd. of ₹ 1.70 lacs (Previous year ₹ 0.99 lacs),
Garware Indus Consulting Ltd. of ₹ 10.73 lacs (previous year ₹ 7.60 lacs),
Ceebeegee Investments Co. Pvt. Ltd. of ₹ 3.93 lacs (Previous year ₹ 4.79 lacs).
- 6 Payment to Key management personnel includes
Mr. V. R. Garware ₹ 200.93 lacs (Previous year ₹ 111.27 lacs).



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

39. EARNING PER SHARE (EPS)

EPS computed in accordance with Accounting Standard 20 "Earning Per Share"

Basic Earning Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period. For the purpose of calculating diluted Earning Per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

(₹ in lacs)

	31 March 2014	31 March 2013
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders	2666.19	2467.38
Basic EPS (in ₹)	12.13	10.41
Diluted EPS (in ₹)	11.40	10.41

40. DISCLOSURE IN RELATION TO DERIVATIVE INSTRUMENTS

(a) No. of Contracts	11	5
(b) Purpose	Hedging	Hedging
(c) Net un-hedged exposure	₹ 3059.11 lacs	₹ 4067.26 lacs

41. OPERATING LEASE

Operating lease payments are recognised as Expenses in the Statement of Profit and Loss on a straight-line basis over the lease term.

(a) Future Lease Rental Payment		
i) Not later than one year.	0.05	0.05
ii) Later than one year not later than five years.	Nil	Nil
iii) Later than five years.	Nil	Nil
(b) Lease Payment recognised in the Statement of Profit and Loss	0.05	0.05
(c) General Description of the Leasing Arrangement :		
i) Leased Assets : Twisting Machine with Spindles and related equipments.		
ii) Future lease rental payment are determined on the basis of lease rent and use of leased Machine for processing operation of third party.		
iii) At the expiry of the lease term, the Company will negotiate for extension of lease / formation of Joint Venture to carry out the activities.		

42. EXPENDITURE INCURRED ON R&D ACTIVITIES ARE AS FOLLOWS

	31 March 2014	31 March 2013	31 March 2012
Research and Development Equipments	205.33	108.17	192.98
Research and Development Revenue Expenditure	289.87	226.59	139.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

43. CONTINGENT LIABILITIES

- (i) Disputed Excise Duty ₹ 27.57 lacs (Previous year ₹ 32.12 lacs).
- (ii) Bank Guarantees for ₹ 1,498.71 lacs (Previous year ₹ 1,435.84 lacs), in the ordinary course of business, against which the Company has issued counter guarantees for the overall bank limits of ₹ 14,535 lacs (Previous year ₹ 14,535 lacs).
- (iii) Disputed amount of Sales Tax liability ₹ 196.68 lacs (Previous year ₹ 196.68 lacs).
- (iv) Export Sales Bills Discounted with the Banks ₹ 3,016.05 lacs (Previous year ₹ 1,477.86 lacs).
- (v) The interest portion on delayed payment of Octroi Liability amounting to ₹ 21.64 lacs (Previous year ₹ 21.64 lacs) is under dispute.
- (vi) The Income Tax liability due to the department's appeals at higher levels (Supreme Court) amounting to ₹ 208 lacs (Previous year ₹ Nil).

44. DISCLOSURES UNDER THE MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

- (a) An amount of ₹ 94.10 lacs (31st March, 2013 ₹ 186.84 lacs) and ₹ NIL (31st March, 2012 ₹ 7.36 lacs) was due and outstanding to Suppliers as at the end of the year on account of Principle and Interest respectively.
- (b) No interest was paid during the year.
- (c) No interest outstanding at the end of the year where principle amount has been paid off to the supplier but interest amount is outstanding on 31st March, 2014.
- (d) No amount of interest was accrued and unpaid at the end of the year.

The above information and that given in Note 10 - 'Trade Payable' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the Auditors.

45. ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR NET OF ADVANCES ₹ 31.61 LACS (PREVIOUS YEAR 52.95 LACS)**46. INTEREST IN FIRM / JOINT VENTURES**

- A. The Company has entered into a partnership agreement (Sopan D. Patil & GWRL JV) in which the Company holds 40% share in profit / loss to execute Geo Synthetics Work - Contract value worth ₹ 577.31 lacs. During the year ended 31.03.2014, the said partnership has incurred a loss of ₹ 0.58 lacs (Previous year ₹ 0.74 lac).

(₹ in lacs)

	31 March 2014	31 March 2013
Current Assets	15.30	13.48
Non-current Assets	19.81	19.81
Current Liabilities	24.87	22.47
Non-current Liabilities	12.84	12.84
Equity, Reserve & Surplus	(2.60)	(2.02)
Revenue	-	-
Cost of Materials consumed	47.85	-
Employee benefit expenses	-	-
Other expenses	(48.43)	(0.74)
Profit / (loss) before Tax	(0.58)	(0.74)
Income-tax expenses	-	-
Profit / (loss) after Tax	(0.58)	(0.74)

- B. The Company's joint venture with Waste Management Pacific Pty Ltd. (WMPL), (a company incorporated under the law of Australia) to carry out the business of Environmental Engineering through 'Garware Environmental Services Pvt. Ltd.' JV has become wholly owned subsidiary the Company w.e.f 28.11.2012, on acquisition of Shares held by WMPL.

47. These Financial Statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. This has significantly changed the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.



GARWARE-WALL ROPES LIMITED

(Consolidated)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GARWARE-WALL ROPES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Garware-Wall Ropes Limited ('the Company') and its subsidiary, which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant Accounting Policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Company in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves, performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's Internal Control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally accepted in India:

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

For **Patki & Soman**
Chartered Accountants

S. M. Patki
Partner

Pune,
29th May, 2014

M. No. 037315
F. R. No. 107830W



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

			(₹ in lacs)
	Note No.	As at 31 March 2014	As at 31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,197.23	2,370.84
(b) Reserves and Surplus	4	25,351.16	24,346.24
		27,548.39	26,717.08
(2) Non-Current Liabilities			
(a) Long-term Borrowings	5	1,178.49	2,447.40
(b) Deferred Tax Liabilities (Net)	6	2,025.01	1,814.36
(c) Other Long-term Liabilities	7	326.53	305.64
(d) Long-term Provisions	8	158.28	167.97
		3,688.31	4,735.37
(3) Current Liabilities			
(a) Short-term Borrowings	9	4,498.59	6,843.91
(b) Trade Payables	10	6,407.51	5,756.58
(c) Other Current Liabilities	11	5,981.74	3,743.13
(d) Short-term Provisions	12	11,807.73	8,496.68
		28,695.57	24,840.30
TOTAL		59,932.27	56,293.75
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	14,507.69	14,524.03
(ii) Intangible Assets	13	761.17	890.10
(iii) Capital Work-in-Progress	13	743.79	35.11
		16,012.65	15,449.24
(b) Non-current Investments	14	945.45	928.37
(c) Long-term Loan and Advances	15	1,149.21	1,088.52
(d) Other non-current Assets	16	101.42	169.78
		18,208.73	17,635.91
(2) Current Assets			
(a) Inventories	17	12,682.60	12,179.34
(b) Trade Receivables	18	14,254.22	14,037.56
(c) Cash and Cash Equivalents	19	940.98	2,016.08
(d) Short-term Loans and Advances	20	13,845.74	10,425.86
		41,723.54	38,658.84
TOTAL		59,932.27	56,293.75

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT I-47

As Per our Report of even date

For **PATKI & SOMAN**
Chartered Accountants,

V. R. GARWARE
Chairman & Managing Director

DIYA GARWARE IBANEZ
Director

(S. M. PATKI)
Partner
M. No. 037315
F. R. No. 107830W

S. H. BAMNE
VP Corporate (CFO)

R. M. TELANG
Director

S. P. KULKARNI
Director

Pune,
29th May, 2014

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

			(₹ in lacs)
	Note No.	For the year ended 31 March 2014	For the year ended 31 March 2013
I. REVENUE:			
(a) Revenue from Operations	21	68,879.40	60,305.24
Less: Excise Duty		422.63	368.44
		68,456.77	59,936.80
(b) Other Income (Net)	22	410.44	581.86
Total Revenue		68,867.21	60,518.66
II. EXPENSES:			
(a) Cost of Materials Consumed	23	28,440.69	23,531.05
(b) Purchase of Traded Goods	24	1,808.82	2,618.83
(c) (Increase)/Decrease in inventories of Finished Goods, Work-in-Progress and Traded Goods	25	604.93	318.50
(d) Employee Benefit Expense	26	8,815.36	7,915.59
(e) Operation and Other Expenses	27	22,224.61	19,707.61
Total Expenses		61,894.41	54,091.58
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (I - II)		6,972.80	6,427.08
(f) Depreciation and Amortisation Expenses	13	1,439.34	1,632.45
(g) Finance Costs	28	1,611.94	1,448.01
III. PROFIT BEFORE TAX		3,921.52	3,346.62
IV. TAX EXPENSES			
(a) Current Tax		1,022.08	853.18
(b) Deferred Tax		210.65	15.40
(c) Wealth Tax		8.50	6.09
(d) Adjustment for short provision of earlier year		4.54	-
V. a) Profit after Tax for the year		2,675.75	2,471.95
Share of profit / (loss) of Associate		(0.12)	(0.10)
b) Profit after Tax for the year after share of Associates		2,675.63	2,471.85
VI. EARNING PER EQUITY SHARE			
(i) Basic (₹)		12.18	10.43
(ii) Diluted (₹)		11.44	10.43
Face Value per Equity Share (₹)		10.00	10.00

VII. NOTES FORMING PART OF THE FINANCIAL STATEMENT I-47

As Per our Report of even date

For **PATKI & SOMAN**
Chartered Accountants,**V. R. GARWARE**
Chairman & Managing Director**DIYA GARWARE IBANEZ**
Director**(S. M. PATKI)**
Partner
M. No. 037315
F. R. No. 107830W**S. H. BAMNE**
VP Corporate (CFO)**R. M. TELANG**
Director**S. P. KULKARNI**
DirectorPune,
29th May, 2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,921.52	3,346.62
Adjustments for :		
Depreciation and Amortisation	1,439.34	1,632.44
Finance Cost	1,611.94	1,448.01
Interest Income	(78.77)	(140.89)
Dividend Income	(1.15)	(2.53)
(Profit) / Loss on Sale of Fixed Assets	-	(4.18)
Provision for Doubtful Debts	-	-
Operating Profits before Working Capital Changes	6,892.87	6,279.47
Trade Receivables, Loans and Advances and other Assets	(3,087.68)	(1,719.71)
Inventories	(503.26)	164.12
Trade and other Payables	5,479.43	(588.15)
Cash generated from Operations	8,781.36	4,135.73
Direct Taxes paid	(546.46)	(758.78)
Net Cash provided by Operating Activities	8,234.90	3,376.95
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,051.43)	(977.92)
Product Development Costs	-	(149.78)
Proceeds from Sale of Fixed Assets	47.63	1,034.46
Purchase / Sale of Investments	(17.18)	101.11
Interest received	64.53	140.89
Dividend received	1.15	2.54
Net Cash provided by / (used in) Investing Activities	(1,955.30)	151.30
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Long-term Borrowings	(1,644.60)	(5,583.00)
Proceeds from Long-term Borrowings	-	3,935.92
Finance Cost	(1,602.05)	(1,456.20)
Short-term Borrowings	(2,369.85)	(11.64)
Dividends paid including Dividend Tax	(692.17)	(687.21)
Buyback of Equity Shares	(1,046.02)	-
Net Cash from Financing Activities	(7,354.69)	(3,802.13)
Net Increase / (Decrease) in Cash & Cash Equivalents	(1,075.09)	(273.88)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash & Cash Equivalents (Opening Balance):	2,016.08	2,356.48
Cash & Cash Equivalents (Closing Balance):	940.99	2,082.60
Net Increase/ (Decrease) in Cash & Cash Equivalents	<u>(1,075.09)</u>	<u>(273.88)</u>

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENT I-47

As Per our Report of even date

For **PATKI & SOMAN**
Chartered Accountants,**V. R. GARWARE**
Chairman & Managing Director**DIYA GARWARE IBANEZ**
Director**(S. M. PATKI)**
Partner
M. No. 037315
F. R. No. 107830W**S. H. BAMNE**
VP Corporate (CFO)**R. M. TELANG**
Director**S. P. KULKARNI**
DirectorPune,
29th May, 2014



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

I CORPORATE INFORMATION

Garware-Wall Ropes Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed at three Stock Exchanges in India. The Company is engaged in manufacturing and selling various products such as ropes, Twine, Yarn, Fishnet, other Nets and Technical Textiles. The Company is providing solution to the infrastructure industries which include Coastal Protection, Land Filling etc. The Company caters to both domestic and international markets.

2 BASIS OF CONSOLIDATION

(a) The consolidated financial statements relate to Garware Wall Ropes Ltd(' the Company'), its subsidiaries, jointly Controlled entities and associates. The Company, its subsidiaries and jointly controlled entities together constitute ' the Group'. The consolidated financial statements have been prepared on the following basis:

- The Financial Statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard 21 'Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rule 2006 (as amended).
- Investments in associate companies have been accounted for under the equity method as per Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements', as notified by the Companies (Accounting Standards) Rules, 2006 (as amended).
- The Financial Statements of Subsidiaries, jointly controlled entities and associates consolidated are drawn upto the same reporting date as that of the Company.
- The excess of cost to the Group of its investment in the subsidiaries and jointly controlled entities over the Group's portion of equity as at the date of making the investment is recognised in the Financial Statements as Capital Reserve on consolidation.
- The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates over the cost of the acquisition at the date on which the investment is made, is recognised as Goodwill on consolidation.

(b) The list of subsidiaries, jointly controlled entities and associates, which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:

		As at 31 March 2014		As at 31 March 2013	
Domestic	Country of Incorporation	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)	Directly by Parent or through its subsidiaries Holding (%)	Effective Holding (%)
i. Subsidiary Companies					
Garware Environmental Services Pvt. Ltd.	India	99.99	100.00	50.00	50.00
ii. Associates					
Garware Meditech Private Limited	India	50.00	50.00	50.00	50.00

3 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The Financial Statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these Financial Statement to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and the Guidelines issued by the Securities and Exchange Board of India (SEBI). The Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for assets acquired before and revalued during the year ended 30th September, 1985.

The accounting policies adopted in the preparation of Financial Statement are consistent with those of previous year, except for the change in accounting policy explained below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

b. Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring materials adjustment to the carrying amounts of assets or liabilities in future periods.

c. Fixed Assets

Fixed Assets are stated at cost of acquisition (subject to revaluation during the year ended 30th September, 1985) less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.

d. Depreciation / Amortisation

Depreciation / Amortisation other than on leasehold land and capital work-in-progress is charged so as to write-off the cost of the assets, on the following basis:

Type of asset	Method	Period / Rate
Freehold Buildings	Written down value	5.00%
Factory Buildings	Written down value	10.00%
Plant and Machinery	Straight-Line	5.28% - 11.31%
Electrical Installations	Straight-Line	7.07%
Furniture & Fixtures	Straight-Line	6.33%
Office Equipments	Straight-Line	4.75%-16.21%
Office Equipments (Garware Environment Services Pvt. Ltd.)	Written down value	10.00%
Vehicles	Straight-Line	9.5%-11.31%
Helicopter	Straight-Line	5.60%
Technical Knowhow	Straight-Line	10 years
Product Development	Straight-Line	10 years
Computer Software	Straight-Line	5 years

e. Impairment

At each Balance Sheet date, the management reviews the carrying amounts of its assets included in each unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss.

f. Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are valued at cost less provision, if any, for permanent diminution in the value other than temporary diminution in value. Current investments are valued at the lower of the cost or market value as on the date of the Balance Sheet.

g. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of various categories of inventories is arrived at as follows:

- Stores, spare, fuel & packing materials and raw material – at costs determined on moving weighted average method.
- Cost of finished goods and Work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other cost incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

h. Revenue Recognition

Sales excludes amounts recovered towards Sales Taxes and Value Added Taxes (VAT). Domestic Sales are recognised on dispatch of goods from Factory. Export Sales are recognised based on date of Bill of Lading and or Multi Modal Transport Documents on customer acceptance. Excise Duty deducted from Revenue (Gross) is the amount that is included in the Revenue (Gross) and not the entire amount of liability arising during the year.

Revenue from Project Contracts and Services rendered are recognised on the basis of percentage of completion method when works are rendered and related costs are incurred.

Unbilled Revenue represents revenues recognised in excess of the amounts billed as at the Balance Sheet date.

Income from sale of scrap is accounted for on realisation.

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is included under the head "Other Income" in the Statement of Profit and Loss.

Dividend Income is recognised when the Company's right to receive dividend is established.

i. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated current assets and current liabilities at the Balance Sheet date are translated at the exchange rate prevailing on the date of the Balance Sheet. Exchange rate differences resulting from foreign exchange transactions settled during the period, including year-end translation of current assets and liabilities are recognised in the Statement of Profit & Loss other than those exchange differences arising in relation to liabilities incurred for acquisition of Fixed Assets, which are adjusted to the carrying value of the underlying Fixed Assets.

In respect of forward exchange contracts, except in case of Fixed Assets, the differences between the forward rate and the exchange rate at the inception of the forward exchange contract are recognised as income/expense over the life of the contract.

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these instruments are designated and effective as hedges of future cash flows and are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

j. Research and Development

i) Research costs are expended as incurred. Development expenditure incurred on an individual project is recognised as an Intangible Asset when the Company can demonstrate all the following:

- > The technical feasibility of completing the Intangible Asset so that it will be available for use or sale.
- > Its intention to complete the Asset.
- > Its ability to use or sell the Asset.
- > How the Asset will generate future economic benefits.
- > The availability of adequate resources to complete the development and to use or sell the Asset.
- > The ability to measure reliably the expenditure attributable to the Intangible Asset during development.

Amortisation of the Asset begins on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortisation is recognised in the Statement of Profit and Loss. During the period of development, the Asset is tested for impairment annually.

ii) The Company has in-house R & D facilities at Chinchwad and Wai plant both recognised by The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India (DSIR). It would be endeavour of the Company to achieve the development of new products Ropes, Nettings and Technical Textile for various different / new application.

- a) Develop new products to tap new market/customers.
- b) Developing next generation products for future economic benefit.
- c) Developing import substitute with optimising cost and value benefit.
- d) Improve customer satisfaction with maximising benefits of the products.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

k. Employee Benefits

i) Defined Contribution Plan

The Company's contribution paid/payable during the year to Provident Fund, ESIC, Superannuation Fund etc., are recognised as an expenses in the Statement of Profit & Loss. These are approved/recognised scheme of the Company.

ii) Defined Benefit Plan

The Company's annual liability towards Gratuity is funded on the basis of actuarial valuation furnished by the Life Insurance Corporation of India under Group Gratuity Scheme.

iii) The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

l. Borrowing Costs

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other Borrowing Costs are recognised as an expense in the period in which those are incurred.

m. Taxation

a) Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and Tax Laws prevailing in the respective tax jurisdictions where the Company operates.

b) Deferred Tax Expenses or Benefit is recognised on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Asset and Liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

n. Provisions and Contingencies Liabilities

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arise in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a Contingent Liability, but discloses its existence in the Financial Statements.

o. Government Grants and Subsidy

Grants and Subsidies from the Government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

A Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the Shareholders' Funds.

p. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operation. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)
	As at 31 March 2014
	As at 31 March 2013
3. SHARE CAPITAL	
(a) Authorised Share Capital	
i) 5,00,00,000 Equity Shares of ₹ 10/- each (31 March 2013 : 5,00,00,000 Equity Shares of ₹ 10/- each)	5,000.00
ii) 1,00,00,000 Unclassified Shares of ₹ 10/- each (31 March 2013 : 1,00,00,000 Unclassified Shares of ₹ 10/- each)	1,000.00
	<u>6,000.00</u>
(b) Issued, Subscribed and Fully Paid-up	
2,19,72,253 Equity Shares of ₹ 10/- each (31 March 2013 : 2,37,08,350 Equity Shares of ₹ 10/- each)	2,197.23
	<u>2,197.23</u>

Note: During the year 2013-14, the Company has bought back 1736,097 Equity Shares of ₹ 10/- each under the Buy Back Scheme (Previous Year NIL)

a) Reconciliation of Number of Shares

	As at 31 March 2014		As at 31 March 2013
	Number of Shares	Amount Rupees	Number of Shares
Equity Shares			Amount Rupees
Opening Balance	23,708,350	237,083,500	23,708,350
Changes during the year	(1,736,097)*	(17,360,970)	-
Closing Balance	<u>21,972,253</u>	<u>219,722,530</u>	<u>23,708,350</u>

* During the year 2013-14, the Company has bought back 1736,097 Equity Shares of ₹ 10/- each under the Buy Back Scheme (Previous Year NIL)

b) Details of Shareholders' holding more than 5% Shares in the Company

	As at 31 March 2014	As at 31 March 2013
Equity Shares		
Late Shri Ramesh B. Garware **	3,612,053	3,612,053
	15.86%	15.24% *
Garware Capital Markets Limited	3,453,911	3,453,911
	15.17%	14.57%

* 9.60% (Previous year 9.22%) shares are held on behalf of a partnership firm.

** Mr. V. R. Garware has informed to the Company that

- His father Late Shri R. B. Garware, expired on 7th Feb, 2014, has left a Will dated 6th April, 2012;
- The Executors of the said Will have informed him in writing that the above stated shares are bequeathed to him and Executors are taking steps in getting them transmitted in his demat account.

Pending transmission of the said shares in the name of Mr. V. R. Garware, the shares in demat accounts continue to be registered in the name of Late Shri R. B. Garware.

c) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March 2014):
Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
4. RESERVES AND SURPLUS		
(a) Capital Reserve	72.23	72.23
(b) Capital Redemption Reserve	173.61	-
(c) Share Premium		
Share Premium Account	7,597.37	7,597.37
Share Premium Related to Forfeited Share	102.74	102.74
(d) Revaluation Reserve		
(i) Balance as per last Financial Statement	7.98	9.02
(ii) Less: Transfer to Statement of Profit and Loss	1.04	1.04
	6.94	7.98
(e) General Reserve		
(i) Balance as per last Financial Statement	3,467.07	3,220.07
(ii) Transfer to Capital Redemption Reserve A/c	(1,046.02)	-
(iii) Transferred from Statement of Profit and Loss	267.00	247.00
	2,688.05	3,467.07
(f) Surplus in Statement of Profit and Loss		
(i) Balance as per last Financial Statement	13,389.94	11,861.02
Add : Profit for the year	2,675.63	2,469.36
Less : Appropriations		
(ii) Proposed final Dividend on Equity Shares	593.25	592.71
(iii) Tax on Dividend	100.82	100.73
(iv) Transfer to General Reserve	267.00	247.00
	15,104.50	13,389.94
(g) Hedging Reserve Account (Refer note no (i))		
(i) Balance as per last Financial Statement	(290.09)	(143.42)
(ii) (Deductions) / Additions during the year (net)	(104.19)	(146.67)
	(394.28)	(290.09)
Total	25,351.16	24,347.24



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
5. LONG-TERM BORROWINGS		
TERM LOANS		
- From Banks and Financial Institutions		
1. IDBI Bank Term Loan under TUFS		
(i) Balance as per last Financial Statement	52.70	263.50
(ii) Current Maturity transfer to other Current Liability	52.70	210.80
	-	52.70
2. CITI Bank ECB Term Loan		
(i) Addition during the year	1,956.78	2,477.58
(ii) Current Maturity transfer to other Current Liability	778.29	707.88
	1,178.49	1,769.70
3. HDFC Rupee Term Loan		
(i) Addition during the year	625.00	1,458.33
(ii) Current Maturity transfer to other Current Liability	625.00	833.33
	-	625.00
Balance as on reporting date	2,634.48	4,199.42
Current Maturity transfer to other Current Liability	1,455.99	1,752.02
Total	1,178.49	2,447.40

Notes :

- 1) IDBI Bank Term Loan under TUFS Loan is repayable in 20 quarterly instalments of ₹ 52.70 Lacs each along with interest from 31st July, 2009. This loan is secured by way of charge on specific assets financed by the Bank.
- 2) CITI Bank ECB Term Loan is repayable in 16 quarterly instalments of ₹ 156.25 Lacs each along with interest from 26th December, 2012. This loan is secured by way of hypothecation of the whole of the Movable Fixed Assets comprising Plant & Machinery, Computers, Furniture and Fixtures, Machinery Spares, Tools & Accessories and other Assets both present & future on first charge on pari-passu basis with others.
- 3) HDFC Bank Rupee Term Loan is repayable in 12 quarterly instalments of ₹ 208.33 Lacs each along with interest from 4th January, 2012. This loan is secured by way of hypothecation of the Movable Properties including Plant & Machinery, Machinery Spares, Tools & Accessories and other Movables both present & future on first charge on pari-passu basis with others.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	As at 31 March 2013
(₹ in lacs)		
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability		
Depreciation and Amortisation	2,106.84	1,896.45
	<u>2,106.84</u>	<u>1,896.45</u>
(b) Deferred Tax Asset		
(i) Employee Benefits	66.55	67.49
(ii) Provision for Doubtful Debts	15.28	14.60
(iii) Others	-	-
	<u>81.83</u>	<u>82.09</u>
Total	<u>2,025.01</u>	<u>1,814.36</u>
7. OTHER LONG-TERM LIABILITIES		
Other Liabilities :		
Deposits from Customers and Contractors	326.53	305.64
Total	<u>326.53</u>	<u>305.64</u>
8. LONG-TERM PROVISIONS		
Provision for Employee Benefits	158.28	167.97
Total	<u>158.28</u>	<u>167.97</u>
9. SHORT-TERM BORROWINGS		
Secured Loans		
Loans repayable on demand		
- From banks		
1. Cash Credit, Rupee Loan and Rupee Packing Credit	280.03	2,662.78
2. Packing Credit in Foreign Currency Loan	2,896.09	2,810.96
Unsecured Loans		
Loans repayable on demand		
- From bank		
1. Packing Credit in Foreign Currency Loan	-	1,370.17
2. Loan from Promoter *	1,322.47	
Total	<u>4,498.59</u>	<u>6,843.91</u>

Note:

The above Secured Loans are availed from Consortium Bankers, viz., Bank of India, Bank of Baroda, IDBI Bank Ltd., HDFC Bank Ltd., CITI Bank N. A., DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Ltd., are secured by a first charge, pari passu, inter-se by way of hypothecation of the Company's Current Assets, viz. raw materials, stock-in-process, semi-finished goods, finished goods, stores & spares not relating to Plant & Machinery, bills receivable and book debts and other movables (except for Plant and Machinery secured by way of second charge), both present and future. Out of above Consortium Bankers, the loans from Bank of India and Bank of Baroda, are also secured to the extent of ₹ 6,170 Lacs by Second Charge over the Company's Immoveable properties, by way of equitable mortgage, ranking pari passu, inter-se. The Cash Credit, Rupee Loan and Rupee Packing Credit (rupee and foreign currency loan) loan is repayable on demand.

* The said deposits were received Late Mr. R. B. Garware, and the same will be repaid according to the terms of his Will.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
10. TRADE PAYABLES		
Trade Payables	6,407.51	5,756.58
Total	6,407.51	5,756.58
11. OTHER CURRENT LIABILITIES		
(a) Current maturity of Long Term Debt	1,455.99	1,752.01
(b) Other Payables	3,603.44	1,481.56
(c) Interest accrued but not due on borrowing	14.33	18.68
(d) Advance received from Customers	878.13	462.84
(e) Unpaid Dividend	29.85	28.04
Total	5,981.74	3,743.13
Other Payables includes:		
(i) Fair value of foreign exchange forward contract secured against Trade Receivables	3,343.74	1,085.60
(ii) Statutory Liabilities	59.66	227.80
12. SHORT-TERM PROVISIONS		
(a) Provision for Employee Benefits	287.00	234.36
(b) Others		
(i) Taxation	5,269.53	4,393.24
(ii) Proposed Dividend	593.25	592.71
(iii) Tax on Proposed Dividend	100.82	100.73
(iv) Other provisions	5,557.13	3,175.64
Total	11,807.73	8,496.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

13 FIXED ASSETS

(₹ in Lacs)

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Gross Block as at 1 April 2013	Additions	Deletions/ Adjustments	Gross Block as at 31 March 2014	Accumulated as at 1 April 2013	Deletions / Adjustment	Depreciation/ Amortisation for the year	Accumulated as at 31 March 2014	Value as at 31 March 2014	Value as at 31 March 2013	
(a) TANGIBLE FIXED ASSETS											
Leasehold Land	168.62	-	-	168.62	-	-	-	-	168.62	168.62	
Buildings	4,123.49	77.83	-	4,201.32	2,147.69	-	180.92	2,328.61	1,872.71	1,975.80	
Plant and Machinery	22,671.43	443.53	87.28	23,027.70	12,371.15	43.82	836.02	13,163.35	9,864.35	10,300.28	
R&D Equipments	1,368.47	205.33	-	1,573.80	560.69	-	63.61	624.30	949.50	807.78	
Electrical Installations	781.52	46.64	-	828.16	490.59	-	30.55	521.11	307.05	290.96	
Furniture and Fixtures	497.76	10.02	0.06	507.72	289.25	0.06	20.27	309.46	198.26	208.51	
Office Equipments	1,089.49	69.29	0.92	1,157.86	796.18	0.80	46.02	841.40	316.46	293.31	
Vehicles	888.61	277.67	16.03	1,150.25	424.69	11.97	68.72	481.44	668.81	463.92	
Helicopter	508.89	161.47	-	670.36	494.04	-	14.39	508.43	162.93	14.85	
TOTAL	32,098.28	1,291.80	104.29	33,285.79	17,574.25	56.65	1,260.50	18,778.10	14,507.69	14,524.03	
31 March 2013	32,065.58	1,232.82	1,200.12	32,098.29	16,288.57	169.84	1,455.52	17,574.25	14,524.03	15,777.01	
(b) INTANGIBLE ASSETS											
Technical Knowhow	45.96	-	-	45.96	44.43	-	1.53	45.96	-	1.53	
Product Development	1,453.60	-	-	1,453.60	646.49	-	145.36	791.85	661.75	807.11	
Computer Software	266.05	50.95	-	317.00	184.59	-	32.99	217.58	99.42	81.46	
TOTAL	1,765.61	50.95	-	1,816.56	875.51	-	179.88	1,055.39	761.17	890.10	
31 March 2013	1,571.46	194.15	-	1,765.61	697.54	-	177.97	875.51	890.10	873.92	
(c) CAPITAL WORK- IN-PROGRESS											
31 March 2013	334.38	35.11	334.38	35.11	-	-	-	-	35.11	334.38	
Grand Total	33,899.00	2,086.54	139.40	35,846.14	18,449.76	56.65	1,440.38	19,833.49	16,012.65	15,449.24	
31 March 2013	33,971.41	1,462.09	1,534.50	33,899.00	16,986.11	169.84	1,633.49	18,449.76	15,449.24	16,985.30	

Notes:

- Depreciation has been provided on Straight Line Method except in the case of Buildings, which are depreciated on Written Down Value Method, at the rates specified in Schedule XIV to the Companies Act, 1956.
- Cost of Buildings includes ₹ 500/- (Previous year ₹ 500/-) being the cost of shares held in Co-operative Housing Society.
- No amount is written off on leasehold land.
- Depreciation has been provided on SLM single shift method in case of site equipments
- The Company, in compliance with "AS 26" on Intangible Assets, has recognised the intangible Assets acquired during the year on Product Development Costs at ₹ NIL (Previous Year ₹ 149.78 lacs) and Computer software ₹ 50.96 lacs (Previous Year ₹ 44.37 lacs). Taking into consideration the clarification issued by the Institute of Chartered Accountants of India, dated 7th October, 2003, the expenses that have already been recognised as "Deferred Revenue Expenditure" up to 1st April, 2004, are being continued to be amortised over the remaining period.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
14. NON-CURRENT INVESTMENTS		
I. INVESTMENTS IN EQUITY INSTRUMENT		
a) In Associate Companies :		
Shares of Garware Meditech Private Limited	0.28	0.40
5,000 (31 March 2013 : 5000) Equity Shares of ₹10/- each, fully paid		
Equity investments in Associate Companies (Includes Goodwill of ₹ 0.09 Lacs (Previous year Nil) arising on the acquisition)		
b) In Other Companies :		
Shares of Cosmos Co-operative Bank Limited	3.16	3.16
15,805 (31 March 2013 : 15,805) Equity Shares of ₹ 20/- each, fully paid		
Shares of Gujarat Filament Corporation Limited	0.01	0.01
50 (31 March 2013 : 50) Equity Shares of ₹ 10/- each, fully paid		
Shares of Intermedia Interactive Solutions Pvt. Limited	807.11	807.11
8,90,680 (31 March 2013 : 8,90,680) Equity Shares of ₹ 10/- each, fully paid Face Value ₹ 89.07 Lacs (31 March 2013 ₹ 89.07 Lacs)		
Shares of Garware Marine Industries Limited (quoted)	5.00	5.00
50,000 (31 March 2013 : 50,000) Equity Shares of ₹ 10/- each, fully paid		
Shares of Garware Polyester Limited (quoted)	319.62	319.62
1,46,350 (31 March 2013 : 1,46,350) Equity Shares of ₹ 10/- each, fully paid		
2. INVESTMENTS IN GOVERNMENT AND TRUST SECURITIES		
7 Year National Savings Certificates.	40.56	24.05
Out of this, National Saving Certificates for Face value of ₹ 0.16 Lacs (31 March 2013 ₹ 0.16 Lacs) deposited with Sales Tax Authorities		
Sardar Sarovar Narmada Nigam Ltd. Bond	17.50	17.50
Fixed Deposit with Bank		
3. FIXED DEPOSIT IN BANK	67.21	66.52
(Including Interest accrued and receivable)		
Total investment	1,260.45	1,243.37
Less:		
Aggregate provision for diminution in value of investment		
Contingency reserve, for possible permanent decline in the value of Investments	315.00	315.00
Total	945.45	928.38
Aggregate Value of Quoted Investments (₹ in lacs)	324.62	324.62
Aggregate Market Value of Quoted Investments (₹ in lacs)	98.60	110.51
Aggregate Value of Unquoted Investments (₹ in lacs)	923.84	907.33

Note : The Company has set aside from its General Reserve, as reserve amounting to ₹ 315 lacs in FY 2000-01 for contingencies that may arise, in the event there is a diminution in the value of investments, of a permanent nature, in the future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
(i) Security Deposits	431.22	365.33
(ii) Other Loans and Advances	717.99	723.19
Total	1,149.21	1,088.52
Other Loans and Advances includes :		
Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL	12.84	12.84
Advances to Employees	99.25	81.25
16. OTHER NON-CURRENT ASSETS		
Other Non-Current Assets *	101.42	169.78
Total	101.42	169.78
* Other Non-Current Assets includes deposits such as PCMC Octroi, MSEB, Gas, Rajasthan Vat, Share transfer security etc.		
17. INVENTORIES		
(i) Stores, Spares, Fuel and Packing Materials	994.28	1,000.75
(ii) Raw Materials	4,011.96	2,897.30
(iii) Work-in-Progress	1,972.61	1,947.88
(iv) Finished Goods (Including Goods-in-Transit ₹ 139.50 Lacs, Previous Year ₹ 44.33 Lacs)	5,245.32	5,798.64
(v) Traded Goods	458.43	534.77
Total	12,682.60	12,179.34
Inventories are carried at the lower of cost and net realisable value.		
18. TRADE RECEIVABLES (Unsecured, considered good unless other wise specified)		
(a) Trade Receivables for more than six months from due date		
Considered Good	1,322.48	1,759.73
Considered Doubtful	44.93	45.32
	1,367.41	1,805.05
Less: Provision for Doubtful Debts	44.93	45.32
	1,322.48	1,759.73
(b) Other Receivables		
Considered Good	12,931.74	12,276.83
Total	14,254.22	14,036.56

Unbilled revenue as at 31st March, 2014, amounting to ₹ 1437.97 lacs (31st March, 2013 : ₹ 1627.90 lacs) primarily comprises of the revenue recognised in relation to efforts made on construction contracts.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	As at 31 March 2014	(₹ in lacs) As at 31 March 2013
19. CASH AND CASH EQUIVALENTS		
(a) Cash and Cash Equivalents		
(i) Balances with Banks		
- In Current Accounts	853.02	916.73
- In Deposit Accounts with maturity less than 3 months	-	991.93
(ii) Cash on hand	7.44	7.02
	<u>860.03</u>	<u>1,915.68</u>
(b) Other Bank balances		
(i) Earmarked balances with Banks	29.85	28.04
(ii) Bank Deposits above 3 months	50.67	72.36
Total	<u>940.98</u>	<u>2,016.08</u>
20. SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	8,696.53	5,904.87
Advance Tax (including refunds receivable)	5,001.88	4,456.76
Deposits	119.31	13.68
Balance with Excise and Customs Authorities	28.02	50.55
Total	<u>13,845.74</u>	<u>10,425.86</u>
Advances recoverable in cash or in kind or for value to be received includes:		
Advances given to Creditors	1,213.21	1,133.52
Advances to Employees	76.22	66.51
21. REVENUE FROM OPERATIONS		
(i) Manufactured Goods	63,862.93	57,017.10
(ii) Traded Goods	3,431.07	631.55
(iii) Contracts for Supply & Installation	1,585.40	2,656.59
(Tax deducted at source ₹ 47.58 Lacs; previous year ₹ 76.25 Lacs)		
Total	<u>68,879.40</u>	<u>60,305.24</u>
Less:		
Excise Duty	422.63	368.44
Net Revenue	<u>68,456.77</u>	<u>59,936.80</u>

Note :

- A. Disclosure pursuant to Accounting Standard "AS 7 - Construction Contracts", the Construction Work-in-Progress (Fibre & Industrial Product & Project Segment) amounts to ₹ 4107.01 lacs (31st March 2013 ₹ 2534.25 lacs).
- B. For these construction contracts, the progress payments received, advances and retentions on account of Contracts are ₹ 2081.92 lacs, ₹ 218.82 lacs and ₹ 115.14 lacs (31st March 2013 ₹ 1225.59 lacs, ₹ 73.73 lacs and ₹ 55.42 lacs) respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
22. OTHER INCOME		
Sale of Scrap	190.61	141.61
Interest- Gross		
From Banks (Tax deducted at source ₹ 11.32 Lacs, previous year ₹ 6.70 Lacs)	47.04	110.00
From Other	31.73	30.89
	<u>78.77</u>	<u>140.89</u>
Dividend	1.15	2.54
Miscellaneous Receipts	138.47	292.64
Profit/(Loss) on sale of Fixed Assets	1.44	4.18
Total	<u>410.44</u>	<u>581.86</u>
23. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	2,897.29	2,817.53
Add : Purchases (Net of Credits)	29,555.36	23,610.82
Less : Closing Stock	4,011.96	2,897.30
Total	<u>28,440.69</u>	<u>23,531.05</u>
24. PURCHASE OF TRADED GOODS		
Purchase of Traded Goods	1,808.82	2,618.83
Total	<u>1,808.82</u>	<u>2,618.83</u>
25. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock		
Work-in-Progress	1,947.88	1,992.58
Finished Goods	5,798.64	6,380.56
Traded Goods	534.77	226.65
	<u>8,281.29</u>	<u>8,599.79</u>
(b) Closing Stock		
Work-in-Progress	1,972.61	1,947.88
Finished Goods	5,245.32	5,798.64
Traded Goods	458.43	534.77
	<u>7,676.36</u>	<u>8,281.29</u>
Net (Increase) / Decrease	<u>604.93</u>	<u>318.50</u>
26. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	7,724.74	6,912.18
Contribution to Provident and other Funds	281.93	248.90
Gratuity	96.91	85.03
Superannuation	38.86	39.61
Staff Welfare	672.92	629.87
Total	<u>8,815.36</u>	<u>7,915.59</u>
Salaries, Wages and Bonus includes :		
Salary Expenses towards R&D	144.51	142.60



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

		(₹ in lacs)
	For the year ended 31 March 2014	For the year ended 31 March 2013
27. OPERATING AND OTHER EXPENSES		
Stores and Spares consumed	4,223.42	2,947.01
Packing Materials consumed	756.51	737.07
Power, Fuel and Water Charges	3,932.06	3,890.94
Processing and Testing Charges	2,680.95	2,315.63
Installation Contract related expenses	535.34	758.22
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	356.93	282.76
Rent	230.22	146.85
Rates, Taxes and Octroi	203.22	86.91
Insurance	163.20	131.46
Transport and Forwarding Charges	3,579.21	2,956.16
	<u>4,532.78</u>	<u>3,604.14</u>
Repairs and Maintenance		
Buildings	36.74	29.55
Plant and Machinery	697.34	605.72
Others	438.70	384.50
	<u>1,172.78</u>	<u>1,019.77</u>
Travelling Expenses	702.18	676.87
Discount and Commission on Sales	1,965.21	1,590.21
Bad Debts	62.90	79.78
Legal and Professional Charges	594.30	531.70
Auditors' Remuneration		
Audit Fees	7.06	7.06
Fees for other Services	1.30	1.30
Out of Pocket Expenses	0.57	0.33
	<u>8.93</u>	<u>8.69</u>
Establishment and other miscellaneous expenses	2,175.33	1,572.37
Exchange (Gain) / Loss (net)	(1,000.66)	120.99
Directors' Fees	5.40	4.00
Cost Capitalised on Machines	(122.82)	-
Cost Transferred to Product Development Expenditure	-	(149.78)
Total	<u><u>22,224.61</u></u>	<u><u>19,707.61</u></u>
Operating and other expenses includes :		
R&D Revenue Expenses	145.36	83.99

28. FINANCE COSTS

Interest expenses:		
- Term Loans	970.95	640.94
- Cash Credit / Overdraft	412.11	610.03
- Bank Charges	228.88	197.04
Total	<u><u>1,611.94</u></u>	<u><u>1,448.01</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

29. EMPLOYEE BENEFITS :

The Company operates a gratuity defined plan for its employees. Under the gratuity plan, every employee who has completed at least five years of services gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policy.

(₹ in lacs)

Defined Benefit Plans	Gratuity	
	31 March 2014	31 March 2013
I. Change in Obligation		
1. Liability at the beginning of the year	879.73	846.78
2. Interest Cost	71.03	67.74
3. Current Service Cost	67.23	65.15
4. Past Service Cost (Non Vested Benefit)	-	-
5. Past Service Cost (Vested Benefit)	-	-
6. Benefit Paid	(68.58)	(40.74)
7. Actuarial (Gain) / Loss on Obligation	(99.18)	(59.20)
8. Liability at the end of the year	850.23	879.73
II. Fair Value of Plan Assets		
1. Fair Value of Plan Assets at the beginning of the year	799.63	635.63
2. Expected Return of Plan Assets	59.96	53.08
3. Contributions	84.18	147.21
4. Benefit Paid	(68.58)	(40.74)
5. Actuarial Gain / (Loss) on Plan Assets	(0.37)	4.45
6. Fair Value of Plan Assets at the end of the year	874.82	799.63
Total Actuarial Gain / (Loss) to be Recognised	99.55	54.75
III. Actual Return of Plan Assets		
1. Expected Return of Plan Assets	59.96	53.08
2. Actuarial Gain / (Loss) on Plan Assets	(0.37)	4.45
Actual Return on Plan Assets	59.59	57.53
IV. Amount Recognised in the Balance Sheet		
1. Liability at the end of the year	(850.23)	(879.73)
2. Fair Value of Plan Assets at the end of the year	874.82	799.63
3. Difference	24.59	(80.10)
4. Unrecognised Past Service Cost		
5. Amount Recognised in the Balance Sheet	24.59	(80.10)
V. Expenses Recognised in the Income Statement		
1. Current Service Cost	67.23	65.15
2. Interest Cost	71.03	67.74
3. Expected Return on Plan Assets	(59.96)	(53.08)
4. Net Actuarial (Gain) / Loss to be Recognised	(99.55)	(54.75)
5. Past Service Cost (Non Vested Benefit) Recognised	-	-
6. Past Service Cost (Vested Benefit) Recognised	-	-
7. Effect of Curtailment or Settlements	-	-
8. Expenses Recognised in Statement of Profit and Loss	(21.25)	25.06



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(₹ in lacs)

Defined Benefit Plans	Gratuity	
	31 March 2014	31 March 2013
VI. Balance Sheet Reconciliation		
1. Opening Net Liability	80.10	211.15
2. Expense as above	(21.25)	25.06
3. Employee Contribution	(84.18)	(147.21)
4. Effect of Curtailment or Settlements	-	-
5. Amount Recognised in Balance Sheet	(25.33)	89.00
VII. Actuarial Assumptions		
1. Discount Rate Current	8.00%	8.00%
2. Rate of Return on Plan Assets Current	8.00%	8.00%
3. Salary Escalation Current	7.00%	7.00%

Note: Employer's Contribution includes payments made by the Company directly to its past employees.

Broad Category of Plan Assets relating to Gratuity as a Percentage of total Plan Assets

The Company's Gratuity Fund is managed by Life Insurance Corporation of India and HDFC Standard Life Insurance. The Plan Assets under the Fund are deposited under approved securities.

30. OPENING AND CLOSING STOCKS OF FINISHED GOODS

(₹ in lacs)

Products	Opening Stock		Closing Stock	
	As at 31 March 2013	As at 31 March 2012	As at 31 March 2014	As at 31 March 2013
i) Twines, Ropes & Yarns	2,164.68	2,886.33	1,842.11	2,164.68
ii) Nettings	2,881.52	2,816.95	2,812.13	2,881.52
iii) Woven Fabric	342.18	403.79	227.90	342.18
iv) Metal Gabions	38.15	81.67	30.96	38.15
v) Coated Fabric	371.91	191.82	332.22	371.91
Total	5,798.44	6,380.56	5,245.32	5,798.44

31. SALES

Product & Services

	For the year ended 31 March 2014	For the year ended 31 March 2013
i) Twines, Ropes & Yarns	26,658.71	26,061.52
ii) Nettings	35,006.22	27,224.42
iii) Woven Fabric	1,113.88	1,769.90
iv) Metal Gabions	520.76	589.19
v) Coated Fabric	1,768.95	1,372.22
Sub Total	65,068.52	57,017.25
vi) Machineries and Parts (Nos.)	6.45	-
vii) Traded Goods (including Supplied under Contract)	3,804.44	3,288.14
Total	68,879.41	60,305.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	(₹ in lacs)	
	For the year ended 31 March 2014	For the year ended 31 March 2013
32. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	8,009.92	6,915.83
Traded Goods, Stores, Spares, etc.	1,352.01	2,231.95
Capital Goods	110.78	119.41
Total	9,472.71	9,267.19

33. RAW MATERIALS CONSUMED		
High Density Polyethylene	14,182.21	9,565.88
Polypropylene	10,754.68	9,709.51
Nylon	4,174.07	2,712.80
Polyester Yarn	1,398.96	1,234.87
G.I. Wire	88.75	307.98
Total	30,598.67	23,531.04

34. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED

	(₹ in lacs)		Percentage	
	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2013
(i) Raw materials				
Imported	9,123.35	7,838.03	29.90	33.31
Indigenous	21,386.57	15,693.01	70.10	66.69
Total	30,509.92	23,531.04	100.00	100.00
(ii) Stores, Spares, etc.				
Imported	171.47	522.98	4.06	17.75
Indigenous	4,051.95	2,424.03	95.94	82.25
Total	4,223.42	2,947.01	100.00	100.00

35. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

a. Travelling Expenses	310.49	252.32
b. Commission on Exports	203.47	173.36
c. Subscriptions	6.48	6.47
d. Advertisement & Sales Promotion	-	-
e. Professional Charges	19.48	20.60
f. Interest & Finance Charges	211.99	157.37
g. Overseas Branch Office Expenses	1,075.41	912.89
Total	1,827.32	1,523.00

36. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

FOB Value of Exports	32,715.82	25,414.56
----------------------	-----------	-----------



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

37. SEGMENT REPORTING

- (a) The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves in different markets. These business segments are : 1. Synthetic Cordage 2. Fibre and Industrial Products & Projects. Segments based on the location of the customers are identified as secondary segments.
- (b) Segment accounting policies are the same as those used in the preparation of the Financial Statements. The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.
- (c) The segment revenues and segment expenses are directly attributable to the segments, except certain expenses which are not allocated to any segments by using appropriate basis. All other expenses which are not attributable or allocable to the segments have been disclosed as unallocable expenses.
- (d) The segment assets and liabilities are directly attributable to the segments, except certain assets and liabilities which are allocated to the segments using appropriate basis. All other assets and liabilities are disclosed as unallocable.

i) Primary Segment Report

(₹ in lacs)

Year 2013-2014

Year 2012-2013

PARTICULARS	Synthetic Cordage	Fibre and Industrial Products and Projects	Eliminations	Total	Synthetic Cordage	Fibre and Industrial Products and Projects	Eliminations	Total
REVENUE								
Gross External Sales	57,765.01	11,114.40		68,879.41	48,662.03	11,643.21		60,305.24
Inter-segment Sales	271.79	2,187.66	(2,459.45)	-	240.91	2,102.86	(2,343.77)	-
Less : Excise Duty	35.65	386.98	-	422.63	36.17	332.27	-	368.44
Total Revenue	58,001.15	12,915.08	(2,459.45)	68,456.78	48,866.77	13,413.80	(2,343.77)	59,936.80
RESULT								
Segment Result	6,929.07	456.55		7,385.62	5,534.98	750.86		6,285.84
Unallocated Corporate expenses (net of income)				1,931.82				1,634.52
Operating Profit				5,453.80				4,651.32
Finance Costs				1,611.94				1,447.99
Interest & Dividend Income				72.42				136.69
Profit from Ordinary Activities				3,914.28				3,340.01
Income Tax				1,243.53				872.62
Extraordinary Items				-				-
Net Profit				2,670.75				2,467.39
OTHER INFORMATION								
Segment Assets	37,387.19	11,143.78		48,530.97	33,468.89	11,864.48		45,333.37
Unallocated Corporate Assets				12,544.78				12,476.86
Total Assets				61,075.75				57,810.23
Segment Liabilities	11,025.38	2,653.94		13,679.32	7,761.52	2,400.75		10,162.27
Unallocated Corporate Liabilities				47,396.43				47,647.96
Total Liabilities				61,075.75				57,810.23
Capital Expenditure	1,338.78	201.91		1,540.69	1,230.83	212.70		1,443.53
Unallocated Capital Expenditure				545.85				20.80
Total Capital Expenditure				2,086.54				1,464.33
Depreciation	1,118.07	271.68		1,389.75	1,241.41	316.68		1,558.09
Unallocated Depreciation on Corporate Assets				50.63				74.35
Total Depreciation				1,440.38				1,632.44
Other non-cash expenses				-				-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

ii) Secondary Segment Report

(₹ in Lacs)

PARTICULARS	Year 2013-2014				Year 2012-2013			
	India	Outside India	Eliminations	Total	India	Outside India	Eliminations	Total
Gross Sales	35,043.85	33,835.55		68,879.40	34,305.74	25,999.50		60,305.24
Less : Excise Duty	422.63	-		422.63	368.44	-		368.44
Net Sales	34,621.22	33,835.55		68,456.77	33,937.30	25,999.50		59,936.80
Fixed Assets	16,010.50	2.08		16,012.58	15,446.71	2.45		15,449.16
Capital Expenditure	2,086.55	-		2,086.55	1,464.33	-		1,464.33

iii) Notes :

The business segments viz. 'Synthetic Cordage' and 'Fibre and Industrial Products' and Projects' are considered as the primary segments. Synthetic Cordage comprises of ropes, twines and nettings made of twine. Fibre and Industrial Products & Projects segment comprises of fibre, synthetic fabric, yarn, woven and non-woven textiles, secugrids, coated steel gabions, machinery and projects. Inter-segment sales are accounted for at market value.

The geographical segments on the basis of location of customers are considered as secondary segments. Sales are recognised as sales to customers in India and sales to customers outside India.

38. TRANSACTIONS WITH RELATED PARTIES

(I) List of Related Parties and Relationship:

A. Associates Companies

1. Garware Elastomerics Ltd.
2. Garware Beststretch Ltd.
3. Garware Meditech Pvt. Limited

B. Subsidiary / Joint Venture Companies

1. Garware Environmental Services Pvt. Ltd.

C. Enterprises Owned or Significantly Influenced by Key Management Personnel or Their Relatives

1. RSDV Finance Company (P) Ltd.
2. RSDV Investments Pvt. Ltd.
3. Suramex Exim (P) Ltd.
4. Garware Capital Markets Ltd.
5. Garware Indus Consulting Ltd.
6. Garware Utzon (Cordage) Ltd.
7. Manmit Investments & Trading Company (P) Ltd.

D. Directors - Key Management Personnel

Mr. V. R. Garware

E. Relatives of Key Management Personnel

Mrs. Diya Garware Ibanez



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

F. Enterprises Owned or Significantly Influenced by Key Management Personnel or Their Relatives where no transactions are entered during the year

1. Consolidated Agricultural & Dairy Farming Company (P) Ltd.
2. Vimalabai Garware Research Institute
3. Ramesh Trading Company
4. Sunita Trading Company
5. Diya Trading Company
6. Vayu Trading Company
7. Ramesh B. Garware (HUF)
8. Garware Securities Broking Ltd
9. Gartex Industries Ltd.
10. Garware Motors Ltd.
11. Garware Infrastructure Pvt. Ltd.
12. Garware Apparel Pvt. Ltd.
13. Ceebeegee Investment Company Pvt. Ltd.
14. Moonshine Investments & Trading Co. Pvt. Ltd.
15. Gurukrupa Investments & Trading Co. Pvt. Ltd.
16. Sanand Investments & Trading Company Pvt. Ltd.
17. Starshine Investments & Trading Company Pvt. Ltd.
18. Sukukar Holdings & Trading Company Pvt. Ltd.
19. Garware Research Institute

(II) Following are the transactions with the related parties mentioned in A, B & C above:

(₹ in Lacs)

Sr. No.	Nature of Transaction	Associate Companies		Companies/ other organisations under the control of Directors		Directors - Key Management Persons		Relatives of key management persons having significant influence over the Company by reason of voting power		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Sale of Goods / Services				-	-	-	-	-	-	-
2	Purchase of Goods / Services	6.63	9.98		-	-	-	-	-	6.63	9.98
3	Sale of Flat				-	-	1,020.00	-	-	-	1,020.00
4	Rent of Flat					63.00				63.00	-
5	Purchase of Shares			-	5.00	-	-	-	-	-	5.00
6	Deposits placed					-	-	-	-	-	-
7	Placed deposits refunded					-	-	-	-	-	-
8	Deposits received			3,462.83	3,799.35	1,382.50	-	-	-	4,845.33	3,799.35
9	Deposits refunded			3,462.83	3,799.35	118.00	-	-	-	3,580.83	3,799.35
10	Interest paid on deposits			269.16	369.32	14.08	-	-	-	283.24	369.32
11	Interest received on deposits				-	-	-	-	-	-	-
12	Directors' Remuneration										
	Mr. V. R. Garware				-	200.93	111.27	-	-	200.93	111.27
13	Directors' Sitting Fees				-	-	-	1.40	0.20	1.40	0.20
14	Balance receivable				-	-	-	-	-	-	-
15	Balance payable (Principal)	0.18	0.18		-	1,264.50	-	-	-	1,264.68	0.18
16	Balance payable (Interest)					66.66				66.66	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

(III) Disclosure in Respect of Material Related Party Transactions during the year :

- 1 Purchase of Good/Services include Purchase from Garware Bestrech Ltd. of ₹ 6.63 lacs (Previous year ₹ 9.98 lacs).
- 2 Purchase of Shares includes :
Shares of Garware Environmental Services Pvt. Ltd. of ₹ Nil lacs (Previous year ₹ 5 lacs).
- 3 Sales of Flat to Mr. V. R. Garware of ₹ Nil lacs (Previous year ₹ 1,020 lacs),
Rent paid to Mr. V. R. Garware of ₹ 63 Lacs (Previous year ₹ Nil) for the Flat taken on Leave & License.
- 4 Deposit received of ₹ 4,845.33 lacs and refunded of ₹ 3,580.83 lacs (Previous year ₹ 3,799.35 lacs) include deposits from :
Mr. V. R. Garware of ₹ 91 lacs (Previous year ₹ Nil),
Late Shri Ramesh Bhalchandra Garware of ₹ 1,291.50 lacs and paid of ₹ 27 lacs (Previous year ₹ Nil),
Garware Capital Markets Ltd. of ₹ 664.50 lacs (Previous year ₹ 1,190 lacs),
Manmit Investments & Trading Co. Pvt. Ltd. of ₹ 66.70 lacs (Previous year ₹ 55 lacs),
Moonshine Investments and Trading Co. Pvt. Ltd. of ₹ 35 lacs (Previous year ₹ 21.50 lacs),
RSDV Investments Pvt. Ltd. of ₹ 2,183 lacs (Previous year ₹ 2,153 lacs),
RSDV Finance and Trading Co. Pvt. Ltd. of ₹ 80.50 lacs (Previous year ₹ 78.50 lacs),
Sanand Investment & Trading Co. Pvt. Ltd. of ₹ 21.20 lacs (Previous year ₹ 13 lacs),
Starshine Investments and Trading Co. Pvt. Ltd. of ₹ 15.28 lacs (Previous year ₹ 9.50 lacs),
Garware Securities Broking Ltd. of ₹ 3.50 Lacs (Previous year ₹ 6.50 lacs),
Suramex Exim Pvt. Ltd. of ₹ 49.70 (Previous year ₹ Nil),
Gurukrupa Investments and Trading Co. Pvt. Ltd. of ₹ 5.20 lacs (Previous year ₹ 2.60 lacs),
Garware Utzon (Cordage) Ltd. of ₹ 119.50 lacs (Previous year ₹ 89.25 lacs),
Sukukar Holdings & Trading Co. Pvt. Ltd. of ₹ 19.50 lacs (Previous year ₹ 12.50 lacs),
Garware Indus Consulting Ltd. of ₹ 112.25 lacs (Previous year ₹ 83 lacs),
Ceebeegee Investments Co. Pvt. Ltd. of ₹ 87 lacs (Previous year ₹ 85 lacs).
- 5 Interest paid on Deposit of ₹ 216.58 lacs (Previous year ₹ 369.32 lacs) includes :
Mr. V. R. Garware of ₹ 5.62 lacs (Previous year ₹ Nil),
Late Shri Ramesh B. Garware of ₹ 8.46 lacs (Previous year ₹ Nil),
Garware Capital Markets Ltd. of ₹ 63.55 lacs (Previous year ₹ 112.79 lacs),
Manmit Investments & Trading Co. Pvt. Ltd. of ₹ 6.64 lacs (Previous year ₹ 5.42 lacs),
Moonshine Investments and Trading Co. Pvt. Ltd. of ₹ 3.07 lacs (Previous year ₹ 1.68 lacs),
RSDV Investments Pvt. Ltd. of ₹ 90.34 lacs (Previous year ₹ 219.86 lacs),
RSDV Finance and Trading Co. Pvt. Ltd. of ₹ 3.58 lacs (Previous year ₹ 5.87 lacs),
Sanand Investment & Trading Co. Pvt. Ltd. of ₹ 1.83 lacs (Previous year ₹ 1.04 lacs),
Starshine Investments and Trading Co. Pvt. Ltd. of ₹ 1.30 lacs (Previous year ₹ 0.74 lacs),
Garware Securities Broking Ltd. of ₹ 0.06 Lacs (Previous year ₹ 0.18 lacs),
Suramex Exim Pvt. Ltd. of ₹ 3.96 lacs (Previous year ₹ NIL),
Gurukrupa Investments and Trading Co. Pvt. Ltd. of ₹ 0.30 lacs (Previous year ₹ 0.15 lacs),
Garware Utzon (Cordage) Ltd. of ₹ 11.51 lacs (Previous year ₹ 8.21 lacs),
Sukukar Holdings & Trading Co. Pvt. Ltd. of ₹ 1.70 lacs (Previous year ₹ 0.99 lacs),
Garware Indus Consulting Ltd. of ₹ 10.73 lacs (previous year ₹ 7.60 lacs),
Ceebeegee Investments Co. Pvt. Ltd. of ₹ 3.93 lacs (Previous year ₹ 4.79 lacs).
- 6 Payment to Key management personnel includes
Mr. V. R. Garware ₹ 200.93 lacs (Previous year ₹ 111.27 lacs).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

39. EARNING PER SHARE (EPS)

EPS computed in accordance with Accounting Standard 20 "Earning Per Share"

Basic Earning Per Share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period. For the purpose of calculating diluted earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of Shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

(₹ in lacs)

	31 March 2014	31 March 2013
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders	2,675.63	2471.85
Basic and Diluted EPS (in ₹)	12.18	10.43
Diluted EPS (in ₹)	11.44	10.43

40. DISCLOSURE IN RELATION TO DERIVATIVE INSTRUMENTS

(a) No. of Contracts	11	5
(b) Purpose	Hedging	Hedging
(c) Net un-hedged exposure	₹ 3059.11 lacs	₹ 4067.26 lacs

41. OPERATING LEASE

Operating lease payments are recognised as an Expenses in the Statement of Profit and Loss on a straight-line basis over the lease term.

(a) Future Lease Rental Payment		
i) Not later than one year.	0.05	0.05
ii) Later than one year not later than five years.	Nil	Nil
iii) Later than five years.	Nil	Nil
(b) Lease Payment recognised in the Statement of Profit and Loss	0.05	0.05
(c) General description of the leasing arrangement :		
i) Leased Assets : Twisting Machine with Spindles and related equipments.		
ii) Future lease rental payment are determined on the basis of lease rent and use of leased Machine for processing operation of third party.		
iii) At the expiry of the lease term, the Company will negotiate for extension of lease / formation of Joint Venture to carry out the activities.		

42. EXPENDITURE INCURRED ON R&D ACTIVITIES ARE AS FOLLOWS

	31 March 2014	31 March 2013	31 March 2012
Research and Development Equipments	205.33	108.17	192.98
Research and Development Revenue Expenditure	289.87	226.59	139.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

43. CONTINGENT LIABILITIES

- (i) Disputed Excise Duty ₹ 27.57 lacs (Previous year ₹ 32.12 lacs).
- (ii) Bank Guarantees for ₹ 1,498.71 lacs (Previous year ₹ 1,435.84 lacs), in the ordinary course of business, against which the Company has issued counter guarantees for the overall bank limits of ₹ 14,535 lacs (Previous year ₹ 14,535 lacs).
- (iii) Disputed amount of Sales Tax liability ₹ 196.68 lacs (Previous year ₹ 196.68 lacs).
- (iv) Export Sales Bills Discounted with the Banks ₹ 3,016.05 lacs (Previous year ₹ 1,477.86 lacs).
- (v) The interest portion on delayed payment of Octroi Liability amounting to ₹ 21.64 lacs (Previous year ₹ 21.64 lacs) is under dispute.
- (vi) The income tax liability due to the department's appeals at higher levels (Supreme Court) amounting to ₹ 208 lacs (Previous year ₹ Nil).

44. DISCLOSURES UNDER THE MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

- (a) An amount of ₹ 94.10 lacs (31st March, 2013 ₹ 186.84 lacs) and ₹ NIL (31st March, 2012 ₹ 7.36 lacs) was due and outstanding to Suppliers as at the end of the year on account of Principle and Interest respectively.
- (b) No interest was paid during the year.
- (c) No interest outstanding at the end of the year where principle amount has been paid off to the supplier but interest amount is outstanding on 31st March, 2014.
- (d) No amount of interest was accrued and unpaid at the end of the year.

The above information and that given in Note 10 - 'Trade Payable' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the Auditors.

45. ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT AND NOT PROVIDED FOR NET OF ADVANCES ₹ 31.61 LACS (PREVIOUS YEAR 52.95 LACS)**46. INTEREST IN FIRM / JOINT VENTURES**

- A. The Company has entered into a partnership agreement (Sopan D. Patil & GWRL JV) in which the Company holds 40% share in profit / loss to execute Geo Synthetics Work - Contract value worth ₹ 577.31 lacs. During the year ended 31.03.2014, the said partnership has incurred a loss of ₹ 0.58 lacs (Previous year ₹ 0.74 lac).

(₹ in lacs)

	31 March 2014	31 March 2013
Current Assets	15.30	13.48
Non-current Assets	19.81	19.81
Current Liabilities	24.87	22.47
Non-current Liabilities	12.84	12.84
Equity, Reserve & Surplus	(2.60)	(2.02)
Revenue	-	-
Cost of Materials consumed	47.85	-
Employee benefit expenses	-	-
Other expenses	(48.43)	(0.74)
Profit / (loss) before Tax	(0.58)	(0.74)
Income-tax expenses	-	-
Profit / (loss) after Tax	(0.58)	(0.74)

- B. The Company's joint venture with Waste Management Pacific Pty Ltd. (WMPL), (a company incorporated under the law of Australia) to carry out the business of Environmental Engineering through 'Garware Environmental Services Pvt. Ltd.' JV has become wholly owned subsidiary the Company w.e.f 28.11.2012, on acquisition of Shares held by WMPL.

47. These Financial Statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. This has significantly changed the disclosure and presentation made in the Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.



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

Sr. No.	Name of the Subsidiary:	Garware Environmental Services Pvt. Ltd.	Garware Meditech Pvt Ltd
1	Financial year / for period of the subsidiary.	28th November 2012 to 31st March 2013	1st April 2012 to 31st March 2013
2	Shares of the subsidiary held by the Company of the above date:		
	(a) Number and face value.	10,00,000 Equity Shares of ₹ 10/- each fully paid	5,000 Equity Shares of ₹ 10/- each fully paid
	(b) Extent of holding.	100%	50%
3	Subscribed Share Capital (No. of Shares) of the Subsidiary Company.	10,00,000 Equity Shares of ₹ 10/- each fully paid	5,000 Equity Shares of ₹ 10/- each fully paid
4	Net aggregate amount of profits/losses of the subsidiary for the above financial year of the subsidiary not dealt with in the Company's accounts.		
	(a) for the financial year of the subsidiary-profit.	Nil	Nil
	(b) for the previous financial year since it became a subsidiary.	Nil	Nil
5	Net aggregate amount of profits/losses of the subsidiary for the above financial year of the subsidiary dealt with in the Company's accounts.		
	(a) for the financial year of the subsidiary.	₹ 2.08 lacs	₹ 0.10 lacs
	(b) for the previous financial year since it became a subsidiary.	Nil	Nil

Progress Through The Years

(Standalone)

(₹. in Lacs)

	31.3.05	31.3.06	31.3.07	31.3.08	31.03.09	31.03.10	31.03.11	31.03.12	31.03.13	31.03.14
COMPANY OWNED										
1. FIXED ASSETS (NET)	8,088.45	8,868.41	10,654.50	12,824.56	13,272.38	14,411.74	15,574.99	16,985.21	15,449.16	16,012.58
2. INVESTMENTS	1,771.20	1,771.30	1,771.30	1,771.30	1,762.98	1,697.60	892.18	911.96	916.95	933.46
3. NET CURRENT ASSETS ^Ø	11,877.45	12,985.22	15,180.39	16,584.53	17,601.04	15,987.40	20,405.98	22,977.38	23,160.21	19,694.58
TOTAL ASSETS (NET)	21,737.10	23,624.93	27,606.19	31,180.39	32,636.40	32,096.74	36,873.15	40,874.55	39,526.32	36,640.62
COMPANY OWED										
1. LOAN FUNDS	6,950.73	8,565.35	*10,339.56	*11,382.00	10,574.11	8,652.16	11,621.06	14,033.21	11,043.33	7,133.07
2. COMPANY'S NET WORTH -										
- EQUITY SHARE CAPITAL	#1,996.44	1,996.44	\$ 2,071.44	@2,171.24	** 2,370.84	2,370.84	2,370.84	2,370.84	2,370.84	***2,197.23
- RESERVES AND SURPLUS ^Ω	11,138.95	11,616.22	13,681.61	16,051.69	18,107.40	19,350.96	21,104.29	22,671.54	24,297.79	25,285.31
3. DEFERRED TAX LIABILITY	1,650.98	1,446.93	1,513.58	1,575.46	1,584.05	1,722.78	1,776.96	1,798.96	1,814.36	2,025.01
TOTAL CAPITAL EMPLOYED	21,737.10	23,624.93	27,606.19	31,180.39	32,636.40	32,096.74	36,873.15	40,874.55	39,526.32	36,640.62
INCOME	22,997.24	26,641.10	34,270.18	40,869.15	44,694.83	45,444.97	50,366.94	58,416.39	60,880.36	69,275.60
RAW MATERIAL AND STOCK CONSUMED	9,422.80	11,105.61	15,389.72	17,302.31	20,010.60	20,481.25	21,927.07	25,181.95	26,468.38	30,854.44
SALARIES AND WAGES	2,751.88	3,033.11	3,586.38	4,658.14	5,188.45	5,523.82	6,536.65	7,936.04	7,915.59	8,815.36
OPERATING AND OTHER EXPENSES	7,815.80	9,017.57	10,501.06	12,665.79	14,413.50	14,171.95	16,171.09	18,575.28	19,707.50	22,224.22
INTEREST	520.30	725.25	892.85	1,431.95	1,292.82	1,074.45	891.58	1,660.62	1,448.01	1,611.94
EXCISE DUTY	384.22	388.66	451.97	851.56	673.55	296.98	235.35	255.23	368.44	422.63
PROFIT BEFORE DEPRECIATION AND TAX	2,102.24	2,370.90	3,448.20	3,959.40	3,115.91	3,896.52	4,605.20	4,807.27	4,972.44	5,347.01
DEPRECIATION	800.01	858.34	943.55	1,101.92	1,230.16	1,292.42	1,483.98	1,601.92	1,632.44	1,439.33
PROFIT BEFORE TAX	1,302.23	1,512.56	2,504.65	2,857.48	1,885.75	2,604.10	3,121.22	3,205.35	3,340.00	3,907.68
TAX	(23.86)	26.56	282.00	437.79	265.84	666.06	677.95	804.78	872.62	1,241.49
PROFIT AFTER TAX	1,326.09	1,486.00	2,222.65	2,419.69	1,619.91	1,938.04	2,443.27	2,400.57	2,467.38	2,666.19
DIVIDEND OUTGO [Ⓟ]	569.11	500.81	605.87	635.06	693.44	693.44	688.88	688.86	693.44	694.07
EARNING RETAINED IN BUSINESS	756.98	985.19	1,616.78	1,784.63	926.47	1,244.60	1,754.39	1,711.71	1,773.94	1,972.12
EARNING PER SHARE (₹)	6.64	7.44	11.08	11.68	6.92	8.17	10.31	10.13	10.41	12.13
DIVIDEND PAID PER EQUITY SHARE (₹)	2.50	2.20	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.70
BOOK VALUE OF EQUITY SHARE (₹)	65.71	68.10	75.98	83.87	86.32	91.57	98.97	105.59	112.45	125.08
(Without Revaluation)										
FOB VALUE OF EXPORTS	7,719.77	9,138.67	11,081.52	12,615.70	14,415.98	14,522.30	17,784.50	24,584.47	25,414.56	32,715.82

* Includes Application moneys of Convertible Warrants.

Reissue of 3,77,634 Equity Shares forfeited.

\$ 7,50,000 Equity Shares against Convertible Warrants.

@ 9,98,000 Equity Shares against Convertible Warrants.

** 19,96,000 Equity Shares against Convertible Warrants.

Ω The figures of Reserves and Surplus have been calculated after deduction of miscellaneous expenditure to the extent not written off or adjusted and includes revaluation reserve ₹ 16.31 lacs for 31.03.05, ₹ 15.27 lacs for 31.03.06, ₹ 14.23 lacs for 31.03.07, ₹ 13.19 lacs for 31.03.08, ₹ 12.15 lacs for 31.03.09, ₹ 11.10 lacs for 31.03.10, ₹ 10.06 lacs for 31.03.11, ₹ 9.02 lacs for 31.03.12, ₹ 7.98 lacs for 31.03.13 and ₹ 6.94 lacs for 31.03.14, respectively.

Ⓟ Dividend Outgo includes Tax on Dividend, where applicable.

Ø Includes both current and non-current assets and liabilities.

*** 17,36,097 Equity Shares bought back by the Company during the period from 10th October, 2013 to 31st March, 2014 under the Buyback Scheme.





GARWARE-WALL ROPES LIMITED

Protecting the Environment in Mining Sites

Extraction of aluminium from bauxite generates waste known as red mud, which is dumped in large ponds. The waste contains harmful materials that could pollute water sources. To prevent this, GWRL has provided nearly half a million square metres of geosynthetic lining for the red-mud pond at Aditya Birla Group's Utkal Alumina Refinery project in Rayagada district, Odisha. Though the remote location of the site posed numerous logistical and project management challenges, GWRL's team completed the installation on schedule, to the satisfaction of the client.





GARWARE-WALL ROPES LIMITED

CIN : L25209MH1976PLC018939

Plot No. 11, Block D-1, MIDC, Chinchwad, Pune - 411 019, India. Tel : +91-20-3078 0000

www.garwareropes.com



GARWARE-WALL ROPES LIMITED

Registered Office: Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune 411 019.

Website: www.garwareropes.com, CIN No. L25209MH1976PLC018939

NOTICE

Notice is hereby given that the THIRTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held at Auto Cluster Auditorium, Auto Cluster Development & Research Institute Ltd., H-Block, Plot No. C-181, off Old Pune-Mumbai Highway, Chinchwad, Pune - 411 019 on Thursday, 25th September, 2014 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS:

- To receive, consider, and adopt the audited Balance Sheet as at 31st March 2014 and Statement of Profit and Loss for the financial year ended 31st March, 2014, together with the Reports of the Directors and Auditors thereon.
- To declare a dividend on equity shares for the financial year ended 31st March, 2014.
- To appoint a Director in place of Ms. Diya Garware Ibanez (DIN No. 00415841), who retires by rotation, and being eligible, offers herself for re-appointment.
- To appoint a Director in place of Ms. Mayuri Vayu Garware (DIN No. 06948274), who retires by rotation, and being eligible, offers herself for re-appointment.
- Appointment of Auditors**
To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of the Audit Committee, M/s. Patki & Soman, Chartered Accountants, Pune, having Firm Registration No.107830W, be and are hereby appointed as Statutory Auditors of the Company to hold office for a period commencing from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting, at such remuneration plus service tax, out-of-pocket, travelling and living expenses etc. as may be applicable, to be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

- Appointment of Mr. R. M. Telang as an Independent Director of the Company**
To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. R. M. Telang (DIN 00092103), a non-executive Director of the Company, in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from the date of this Annual General Meeting."
- Appointment of Mr. S. P. Kulkarni as an Independent Director of the Company**
To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. S. P. Kulkarni (DIN 00006914), a non-executive Director of the Company and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from the date of this Annual General Meeting."
- Appointment of Mr. Ashish Goel as an Independent Director of the Company**
To consider, and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Mr. Ashish D. Goel (DIN 00147449), who was appointed as an Additional Director under Section 161 (1) of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of one year with effect from the date of this Annual General Meeting or till the date of next Annual General Meeting, whichever is earlier."
- Creation of Charge on an Undertaking of the Company**
To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and any Rules made there under, subject to such approvals, consents and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board or any person(s) authorised by the Board) to create a charge on an "Undertaking" falling under the provisions of Section 180(1)(a) of the Act, on such terms and conditions as the Board may deem fit, in addition to the existing charges already created on an "Undertaking", in favour of one or more banks and/or financial institutions and/or trustees of debenture holders and/or any other lender to secure borrowings by way term loan, working capital loan, commercial papers, debentures or any other form of borrowings permitted under the Act, for a sum not exceeding Rs. 500 crores (Rupees Five Hundred Crores Only) (save and except the value of the current assets that are or may be hypothecated in favour of the Company's bankers for securing borrowings for working capital requirements) together with interest at the agreed rates and compound/additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in terms of Loan Agreement/Debtenture Trust Deed and such other documents to be entered into by the Company in respect of such borrowings/term loans/Debtentures."
"RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions for creating the charge on an "Undertaking" and do all such acts, deeds and things and to execute or authorise any person to execute all such documents, instruments and writings as may be necessary for giving effect to this Resolution."

By Order of the Board of Directors

Pune,
16th August, 2014

R. H. Yadav
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (MEETING) IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- The proxy form in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for commencement of the Meeting.
- Members, who are Body Corporate (whether a company within the meaning of the Companies Act, 2013 or not) are requested to send duly certified copy of Board Resolution, pursuant to Section 113 of the Act authorizing their representative to attend and vote at the Annual General Meeting.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- Members are requested to notify immediately the change of address, if any, to the Company's Share Transfer Agent, quoting folio number and giving complete address in block capitals along with PIN code of the postal district. The Beneficial Owners of the dematerialized shares may inform the concerned Depository Participant of the change of address.

(P.T.O.)

6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20th September, 2014 to Thursday, 25th September, 2014 (both days inclusive), for the purpose of determining the names of Members eligible for final Dividend on equity shares, if declared at the Meeting.
7. The dividend on equity shares, if declared at the meeting, will be paid, subject to the provisions of the Companies Act, 2013, on or after Thursday, 25th September, 2014, in respect of shares held in physical form, to those Members whose names appear on the Register of Members as on Thursday, 25th September, 2014, and in respect of shares held in dematerialized form, to those "Deemed Members" whose name appears in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on Friday, 19th September, 2014.
8. Members are requested to note that as per RBI Notification, with effect from 1st October, 2009, the remittance of the Dividend amount through ECS has been replaced by National-Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform with immediate effect. The advantages of NECS over ECS include faster credit of remittance to beneficiary's account, coverage of more bank branches and ease of operations for remitting agencies.
NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS), for centralized processing of inward instructions and efficiency in handling bulk transactions.
Members holding the shares in electronic form are requested to furnish the new 10-digit Bank Account Number allotted by bank after implementation of CBS, if not provided so far, along with a photocopy of a cheque pertaining to the concerned account, to their respective Depository Participant (DP), immediately. The Members holding the shares in physical form are also requested to furnish similar information I documents to the Registrar & Transfer Agent of the Company, M/s. Link Intime India Pvt. Ltd., Akshay Complex, Block No 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune 411 001, if the remittance of dividend is to be made through NECS.
Members who have not provided new account number allotted after implementation of CBS by bank, to their DP I Registrar & Transfer Agents, as the case may be, then remittance of dividend through ECS to old account may either be rejected or returned.
9. With a view to provide protection against fraudulent encashment of dividend warrant, Members are requested to provide the bank account numbers along with the names and addresses of the concerned banks to enable the Company to incorporate the said details in the dividend warrants.
10. Pursuant to Sections 205A & 205C of the Companies Act, 1956, any money transferred to the unpaid dividend account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to a fund called "Investor Education and Protection Fund" (IEPF), set up by the Central Government. Accordingly, the unclaimed dividends up to the financial year 2005-2006 have been transferred to the IEPF. The unpaid/unclaimed dividend for the financial years 2006-2007 onwards will become transferable at the end of seven years from the respective dates of transfer of such amounts to the unclaimed dividend accounts of the Company to the said IEPF and no claims shall lie against the Fund or the Company in respect of individual amounts thereafter. Members are, therefore, requested to check and send their claims, if any, for the relevant financial years from 2006-2007 onwards before the respective amounts become due for transfer to the above Fund.
11. Members and / or their Proxies attending the Annual General Meeting are requested to bring their copies of Annual Report along with duly filled attendance slip.
12. Members who hold shares in electronic form are requested to write their DP Id. & Client Id. Numbers and those who hold shares in physical form are requested to write their Folio Numbers in the attendance slip to facilitate identification of membership at the Meeting.
13. Queries, if any, on the accounts should be sent to the Company at its Registered Office such that the Company will receive the same at least seven days before the Annual General Meeting.
14. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. Non-Resident Indian Members are requested to inform the Company, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
16. 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.
17. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company for consolidation into a single folio.
18. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of the Meeting.
19. **IMPORTANT COMMUNICATION TO SHAREHOLDERS**
As a part of "Green Initiative in Corporate Governance", the Ministry of Corporate Affairs has issued Circulars, allowing paperless communications by the Companies. Accordingly, the documents including Annual Report can be sent by e-mail to its Members.
To support this green initiative in full measure, Members may opt to receive the documents including Annual Reports in electronic form by email. Members who have not registered their e-mail addresses, so far, are requested to do so in respect of electronic holdings with Depository through their concerned Participants. Members who hold shares in physical form can send their e-mail address, to the Company at the e-mail address secretarial@garwareropes.com or to Registrar & Transfer Agent at the e-mail address pune@linkintime.co.in.
Members, in their own interest, are requested to get the shares dematerialized.
20. **Voting through electronic means**
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members the facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):
- I. The instructions for e-voting are as under:
 - (i) Log on to the e-voting website www.evotingindia.com during the voting period
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the Electronic Voting Sequence Number – "EVSN" along with "Garware-Wall Ropes Limited" from the drop down menu and click on "SUBMIT"
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
User ID	a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
- # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Garware-Wall Ropes Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Members / Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) The voting period begins on 19th September, 2014 (9.00 a.m.) and ends on 20th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II.
 - a. Mr. S. V. Deulkar, Proprietor of M/s S. V. Deulkar & Co., Company Secretaries (CP No. 965) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
 - b. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - c. Members who do not have access to e-voting are requested to fill in the Physical Ballot Form enclosed with the Notice (a copy of the same also forms part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer (pre-paid envelope is enclosed). Unsigned, incomplete or incorrectly ticked Ballot Forms shall be rejected. The Ballot Form must be received by the Scrutinizer appointed by the Board of Directors of the Company at "MR. S. V. DEULKAR, Scrutinizer, C/o LINK INTIME INDIA PRIVATE LIMITED, Unit : GARWARE-WALL ROPES LIMITED, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078." on or before 20th September, 2014 (6.00 p.m). Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted. The Scrutinizer's decision on the validity of the Ballot Forms will be final. Members are required to vote only through the electronic system or through Ballot and in no other form. If a member casts votes by both modes, then voting done through the electronic system shall prevail and Ballot shall be treated as invalid.
 - d. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item Nos. 6 & 7:

Mr. R. M. Telang, Mr. S. P. Kulkarni, non-executive directors of the Company are Independent Directors in terms of the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges.

Mr. R. M. Telang and Mr. S. P. Kulkarni have given declarations in writing to the Board of Directors that they meet the criteria of independence as provided under Section 149(6) of the Act. Both the appointees are not disqualified from being appointed as a director in terms of Section 164 of the Act. Both of them have given their respective consents to act as Director.

The Company has received notices in writing from the Members under the provisions of Section 160 of the Act, proposing the candidatures of Mr. R. M. Telang and Mr. S. P. Kulkarni for the office of Directors of the Company.

The Board of Directors considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services. In the opinion of the Board, Mr. R. M. Telang and Mr. S. P. Kulkarni fulfil the conditions specified in the Companies Act, 2013 ("the Act"). Keeping in view the provisions contained in Sections 149, 150 and 152 of the Act and the revised Clause 49 of the Listing Agreement, which is to come into force w.e.f. 1st October 2014, the Board of Directors recommends the appointment of these directors as Independent Directors for a term of five years with effect from September 25, 2014.

Copies of draft letters setting out the terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. R. M. Telang and Mr. S. P. Kulkarni, who have interest in the respective resolutions, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolutions under above-stated agenda item Nos. 6 & 7

Brief profile of Mr. R. M. Telang and Mr. S. P. Kulkarni:

Mr. R. M. Telang

Mr. R. M. Telang, (aged 71 years) is a B. Tech. (Chemical Engineer). Mr. Telang has been closely associated with the Company since the beginning and had served the Company as Technical Director from 1977 to 1989 and thereafter, as a Whole-time Technical Director till he retired in April 2000.

Mr. R. M. Telang was associated in setting up manufacturing units for Garware Marine Industries Limited and Cordage and Fish Net Divisions of Garware-Wall Ropes Limited and also in setting up manufacturing unit of Garware Elastomerics Limited and Garware Bestretch Limited (formerly Bestretch Elastomers International Limited).

Mr. R. M. Telang holds Directorships in Garware Bestretch Limited and Oceanic Floats Private Limited

Mr. R. M. Telang does not hold any shares in the Company and he is not related to any Director.

Mr. S. P. Kulkarni

Mr. S. P. Kulkarni, (age 65 years) holds a Bachelor's degree in Electrical Engineering from Pune University and a Masters degree on Management Studies from Bombay University in first class with distinction.

Mr. Kulkarni joined Garware Nylon Limited as a Management Trainee in the year 1973 and rose to the position of Executive Director. Later, Mr. Kulkarni also worked as a Head of Exports and Projects Group of Garware-Wall Ropes Ltd.

Thereafter, Mr. Kulkarni worked actively on the Board of Garware Elastomerics Limited, for more than nine years, initially as Director and then as Whole-time Director till 30.04.2011.

Mr. Kulkarni is Director of Gartex Industries Limited, Garware Apparel Pvt. Ltd. and Deshmukh & Co. (Publishers) Private Limited.

During his professional career of over 41 years, Mr. Kulkarni has been involved in various functional areas such as general management, accounts and finance, marketing, exports, diversification and expansion projects, manufacturing, engineering, commercial etc.

Mr. Kulkarni does not hold any shares in the Company and he is not related to any Director.

Item No. 8:

Pursuant to the provisions of Section 161 (1) of the Act, and Articles of Association, the Board of Directors, at its meeting held on 16th August, 2014 appointed Mr. Ashish D. Goel as an Additional Director of the Company.

Mr. Ashish D. Goel has given declaration in writing to the Board of Directors that he meets the criteria of independence as provided under Section 149(6) of the Act. The appointee is not disqualified from being appointed as a director in terms of Section 164 of the Act. He has given his consent to act as Director.

The Company has received notice in writing from the Member under the provisions of Section 160 of the Act, proposing the candidature of Mr. Ashish D. Goel for the office of Directors of the Company.

The Board of Directors considers that his rich experience of over 10 years, especially in international marketing, would be of immense use to the Company. In the opinion of the Board, Mr. Ashish D. Goel fulfils the conditions specified in the Companies Act, 2013 ("the Act"). Keeping in view the provisions contained in Sections 149, 150 and 152 of the Act and the revised Clause 49 of the Listing Agreement, which is to come into force w.e.f. 1st October 2014, the Board of Directors recommends the appointment of Mr. Ashish D. Goel as Independent Directors for a term of one year or till date of next Annual General Meeting, whichever is earlier with effect from September 25, 2014.

Copy of draft letter setting out the terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Mr. Ashish D. Goel, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the Resolution under above-stated agenda item No. 8.

Brief profile of Mr. Ashish D. Goel:

Mr. Ashish D. Goel, (41 years) holds a Bachelor's degree in Marketing and Economics from Richmond University, London. Mr. Goel is the Managing Director of CMA-CGM Logistics Park (Dadri) Private Limited which is a joint venture company with Container Corporation of India Limited. Mr. Goel, as a Member of the Board of the Group of companies, listed below, has been associated since many years with CMA-CGM SA France which is the world's third largest container transportation and shipping company, catering to around 45% of India's total container traffic.

Mr. Ashish D. Goel is also Director of Maritime and Commerce Agency India Private Limited, CMA CGM Global (India) Private Limited, Ameya Logistics Private Limited, CMA CGM Agencies (India) Private Limited, Container Marine Agencies Private Limited, Indial Heavy Load Private Limited, Honeycomb Logistics Private Limited and SS Supply Chain Solutions Private Limited.

Mr. Ashish Goel is actively involved in the operations of the above group of companies.

Mr. Ashish Goel does not hold any shares in the Company and he is not related to any Director.

Item No. 9:

At the Annual General Meeting of the Company held on 27th September, 1996, the Members had, by way of an Ordinary Resolution, in pursuance of the provisions of Section 293(1)(a) of the Companies Act, 1956, given consent to mortgage and/or charge all or any part of the movable and/or immovable properties of the Company, in addition to the then existing mortgages and charges already created, (save and except the current assets that are or may be hypothecated in favour of the Company's bankers for securing borrowings for working capital requirements) for a sum not exceeding Rs. 150 crores (Rupees one hundred and fifty crores only).

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members to create the charge on an "Undertaking" falling under Section 180(1)(a) of the Companies Act 2013 is therefore now being sought, by way of a Special Resolutions, pursuant to said Section enabling creation of security on an "Undertaking" by the Company against future borrowing needs.

The Board of Directors commends the Resolutions at Item No. 9 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution at Item No. 9.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

Ms. Diya Garware Ibanez

Ms. Diya Garware Ibanez (age: 44 years) holds degree in Bachelor of Science from Cornell University, USA.

Ms. Diya Garware Ibanez joined as a Director in several RBG Group companies in the year 2000. She had been working actively on the Boards of Garware Bestretch Limited, Garware Holdings Limited and Garware Motors Ltd.

She is Chairman & Managing Director of Garware Bestretch Limited and Garware Holdings Limited, and is in charge of overall operations of these companies.

Ms. Diya Garware Ibanez has expertise in Marketing, Manufacturing areas besides other functional aspects of the business.

Ms. Diya Garware Ibanez is also a Director on the Board of Consolidated Agricultural & Dairy Farming Co. Pvt. Ltd., Vimlabai Garware Research Institute, Garware Research Institute, Gartex Industries Limited, & Garware Apparels Pvt. Ltd.

Ms. Diya Garware Ibanez holds 1,001 shares of the Company as on 31st March, 2014.

Ms. Mayuri V. Garware

Ms. Mayuri Garware (age: 38 years) studied at the Cathedral and John Connon school, after which she completed her Bachelor of Arts at St Xaviers College, Mumbai, where she majored in Political Science.

Immediately after graduation Ms. Mayuri Garware worked with Pincer Communications and was involved in the production of various well known advertisement films.

Ms. Mayuri Garware then started a garment design and export business in 1997, which initially included export of embellished Indian bridal wear and eventually moved into western resort wear. The export business was managed successfully by her covering exports to several countries including the United States, Caribbean and the UK.

Ms. Mayuri Garware is actively involved in social activities through Charitable Trusts.

By Order of the Board of Directors

Pune,
16th August, 2014

R. H. Yadav
Company Secretary



ATTENDANCE SLIP

GARWARE-WALL ROPES LIMITED

Regd. Office: Plot No.11, Block D-1, MIDC, Chinchwad, Pune 411 019.

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

Joint Shareholders may obtain additional attendance slips at the entrance.

Registered Folio / Dp Id -Client Id _____

Name of the attending
Member/Proxy _____

No. of Shares held _____

I hereby record my presence at the THIRTY SEVENTH ANNUAL GENERAL MEETING at Auto Cluster Auditorium, Auto Cluster Development & Research Institute Ltd., H-Block, Plot No. C-181, off Old Pune – Mumbai Highway, Chinchwad, Pune – 411019 on Thursday, 25th September, 2014.

SIGNATURE OF THE SHAREHOLDER OR PROXY



PROXY

GARWARE-WALL ROPES LIMITED

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): _____

Registered address: _____

E-mail Id: _____

Folio No/ Dp. Id. & Client Id: _____

I/We being the member(s) of _____ shares of the above named Company, hereby appoint:

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the Thirty Seventh ANNUAL GENERAL MEETING of the Company to be held on Thursday, 25th September, 2014 at 10.30 a.m. at Auto Cluster Auditorium, Auto Cluster Development & Research Institute Ltd., H-Block, Plot No. C-181, off Old Pune-Mumbai Highway, Chinchwad, Pune - 411 019 and at any adjournment thereof in respect of such resolutions as are indicated below.

Item No.	Description
1.	Adoption of the Audited Balance Sheet as at 31st March 2014 and Statement of Profit and Loss for the financial year ended 31st March, 2014, together with the Reports of the Directors and Auditors' thereon.
2.	To declare a dividend on equity shares for the financial year ended 31st March, 2014.
3.	To appoint Ms. Diya Garware Ibanez as Director, who retires by rotation
4.	To appoint Ms. Mayuri V. Garware as Director, who retires by rotation.
5.	Appointment of M/s. Patki & Soman, Chartered Accountants, as Statutory Auditors, at such remuneration to be fixed by the Board of Directors of the Company.
6.	Appointment of Mr. R. M. Telang as an Independent Director of the Company
7.	Appointment of Mr. S. P. Kulkarni as an Independent Director of the Company
8.	Appointment of Mr. Ashish Goel as an Independent Director of the Company
9.	Creation of Charge on an "Undertaking" of the Company

Signed this..... day of September, 2014

Signature of shareholder

Signature of Proxy holder(s)

Note: 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.

Revenue
Stamp



GARWARE-WALL ROPES LIMITED

CIN No. – L25209MH1976PLC018939

Registered Office: Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune: 411019.

E-mail : pune_admin@garwareropes.com

Web : www.garwareropes.com Phone : (020) 30780000, Fax No: (+91-20) 30780341

BALLOT FORM

(In lieu of E-voting)

Form No. MGT-12

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

1. Name of the sole/first named shareholder (in block letters) and Registered address : _____
2. Name(s) of Joint Shareholder(s) : _____
3. Registered Folio No./
*DP ID & Client ID. (*Applicable to investors holding shares in dematerialized form) : _____
4. Number of Equity Shares held : _____
5. I/we hereby exercise my/our vote in respect of the resolution(s) to be passed for the businesses stated in the Notice of 37th Annual General Meeting (AGM) of the Company scheduled on Thursday, 25th September, 2014, by conveying my/our assent / dissent to the said resolution(s) reading as under by placing the tick (v) mark at the appropriate box below.

Item No.	Description	No. of Shares	I/We assent to the resolution (FOR)	I /We dissent to the resolution (AGAINST)
1.	Adoption of the Audited Balance Sheet as at 31st March 2014 and Statement of Profit and Loss for the financial year ended 31st March, 2014, together with the Reports of the Directors and Auditors' thereon.			
2.	To declare a dividend on equity shares for the financial year ended 31st March, 2014.			
3.	To appoint Ms. Diya Garware Ibanez as Director, who retires by rotation			
4.	To appoint Ms. Mayuri V. Garware as Director, who retires by rotation.			
5.	Appointment of M/s. Patki & Soman, Chartered Accountants, as Statutory Auditors, at such remuneration to be fixed by the Board of Directors of the Company.			
6.	Appointment of Mr. R. M. Telang as an Independent Director of the Company			
7.	Appointment of Mr. S. P. Kulkarni as an Independent Director of the Company			
8.	Appointment of Mr. Ashish Goel as an Independent Director of the Company			
9.	Creation of Charge on an "Undertaking" of the Company			

Place : _____

Date : _____

(Signature of the Shareholder/Beneficial owner)

- NOTE :**
1. Please read carefully the instructions printed overleaf before exercising your vote.
 2. Please send your Ballot Form in the pre-paid envelope enclosed herewith so as to reach on or before 20/09/2014 (6.00 p.m.).

INSTRUCTIONS

1. Members desiring to exercise vote by ballot may complete this ballot form and send it to the scrutinizer, MR. S. V. DEULKAR, C/o LINK INTIME INDIA PRIVATE LIMITED, Unit: GARWARE-WALL ROPES LIMITED, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078, in the attached pre-paid self-addressed business reply envelope, so as to reach by 6.00 pm. on 20th September, 2014. However, envelopes containing ballot if deposited in person or sent by courier at the expenses of the registered shareholder will also be accepted. All Ballot Form(s) received after this date will be strictly treated as if reply from such shareholder has not been received.
2. This ballot form should be completed and signed by the shareholder. In case of joint holder, this form should be completed and signed (as per the specimen signature registered with the Company/ Depository Participant) by the first named shareholder and in his / her absence, by the next named shareholder.
3. Unsigned postal Ballot Forms will be rejected.
4. The scrutinizer's decision on the validity of the ballot forms shall be final and binding.
5. In case of shares held by companies, trusts, societies, etc., the duly completed ballot form should be accompanied by a certified true copy of Board Resolution / Authority Letter together with attested specimen signature(s) of the authorized signatory(es). A Shareholder may sign the form through an Attorney appointed specifically for this purpose in which case an attested copy of Power of Attorney should be attached to the Ballot Form.
6. There will be only one Ballot Form for every Folio No. /Dp. Id. & Client Id. irrespective of the number of joint holders.
7. The right of voting by Ballot Form shall not be exercised by Proxy.
8. A shareholder need not use all his votes nor is he required to cast all his votes in the same way.
9. Voting rights shall be reckoned on the paid-up value of shares registered in the name of shareholders on the cut-off date i.e. 22/08/2014.
10. Shareholders are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed business reply envelope addressed to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer.
11. The Company will not be responsible if the envelope containing Ballot Form is lost in transit.
12. If a Shareholder casts votes by both modes, i.e. e-voting and Ballot Form, then voting done through the e-voting shall prevail and Ballot Form shall be treated as invalid.

ROAD MAP- AUTO CLUSTER AUDITORIUM
(GARWARE WALL ROPES AGM HALL)

