

GARWARE-WALL ROPES LIMITED

36th Annual Report 2012-2013



Geared for Growth

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36th Annual General Meeting

Day & Date : Tuesday, 3 September 2013

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.

Corporate Information

Founder Chairman

- Late Shri B. D. Garware

Board of Directors

- V. R. Garware - Chairman & Managing Director
- R. B. Garware
- Ms. Diya Garware Ibanez
- P. N. Shah
- R. M. Telang
- S. P. Kulkarni

Company Secretary

- A. M. Boradkar

Bankers

- Bank of India
- Bank of Baroda
- DBS Bank Ltd.
- Citibank NA
- Royal Bank of Scotland N.V.
- HDFC Bank Ltd.
- IDBI Ltd.

Auditors

- Patki & Soman, Chartered Accountants

Solicitors and Advocates

- Talwar Thakore & Associates

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

Registered Office

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

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

Website : www.garwareropes.com

Mumbai Offices

- Chowpatty Chambers, Sandhurst Bridge,
Mumbai - 400 007. Tel : +91-22-2363 1388

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

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Foreign Branch

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





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 2012-13.

I am happy to inform you that despite difficult conditions in global and domestic markets, your Company could maintain revenue and profitability.

Your Company earned ₹ 24.67 crores as profit after tax, and keeping in view this and other financials, the Board of Directors has recommended a dividend of 25%.

Your Company's performance is noteworthy considering that demand from the Indian fishing industry, which accounts for a major part of our revenue, was sluggish in FY 2012-13 due to climatic and seasonal factors. Further, the European fishing industry, another major market for your Company, was also significantly affected by the economic difficulties throughout the Eurozone.

Overall, the domestic economy was marked by uncertainty and lack of positive sentiment, which impacted all industrial sectors serviced by your Company, and infrastructure projects in particular.

Your Company tackled the unfavourable macro conditions through realignment of strategies. Slack demand for fishing nets in Europe was offset by increased focus on

new customer development across the globe and specifically in the Far East and South Asia. Innovative aquaculture products were promoted in Europe and North America with significant success. Presence in new business segments was aggressively strengthened. New application areas were developed for existing product lines. Global reach in the sports-goods sector was extended and our products are being used in major sports tournaments across the world. Your Company emerged as the top sports-goods exporter from India.

Increases in raw material prices during the year were largely offset by leveraging our value-added products and through continuous efforts to reduce cost of manufacturing. Hence overall margins could be maintained despite significant inflationary pressures.

Several strategic initiatives have been taken to ensure that we remain firmly on the growth path despite adverse economic conditions. Concerted efforts are being made to address critical concerns of customers through superior technology solutions. Some of these solutions involve in-house research, for finding alternative materials that improve functionality and enable better usage of products. We are moving towards getting international patents for some novel products.

With a wide range of technical textiles for several applications, we are in a position to address many needs of individual customers. This advantage, coupled with systematic efforts to seek new geographies, is expected to fuel the growth momentum.

New opportunity areas are emerging. New fibres developed by your Company have good potential across many sectors. The Government of India's recent defence procurement policy, which emphasises indigenisation, opens a new market for several of your Company's products. We have already been working with defence research organisations for development of specialized solutions. The growing demand for yield-enhancing solutions in the domestic agriculture sector is being aggressively tapped by your Company, and we are gaining a dominant market share position in the solutions we are offering.

Our growth can be ultimately led only by our people. During the year, we initiated several programmes to strengthen our human resources and equip managers across all levels to assume higher levels of responsibility, with greater cross-functional coordination and efficiency. Continued Kaizen initiatives have also helped workmen to upgrade their skills.

I would like to take this opportunity to acknowledge the support we received during the year from all our stakeholders. With support from you all and guidance from the Board, I am confident that your Company can successfully tap current and emerging opportunities in the global and domestic markets for technical textiles.

With warm regards,

V. R. Garware
Chairman & Managing Director



Directors' Report

FOR THE YEAR ENDED 31ST MARCH, 2013

TO THE MEMBERS,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

■ WORKING RESULTS:

	(` in Lacs)	
Particulars	Year ended 2012-2013	Year ended 2011-2012
Profit subject to Depreciation & Taxation	4,972.45	4,807.27
Less: Depreciation, net of transfer from Revaluation Reserve	<u>1,632.44</u>	<u>1,601.92</u>
Profit Before Tax	3,340.01	3,205.35
Less: Provision for Taxation		
Current Tax	851.13	775.00
Deferred Tax	15.40	22.00
Wealth Tax	6.09	5.50
Previous year short tax provision	<u>- - 872.62</u>	<u>2.28 804.78</u>
Profit After Tax	2,467.39	2,400.57
Add: Profit brought forward from the previous year	<u>11,861.01</u>	<u>10,390.30</u>
Amount available for Appropriation	<u>14,328.40</u>	<u>12,790.87</u>
APPROPRIATIONS		
Proposed Dividend	592.71	592.71
Tax on Proposed Dividend	100.73	96.15
General Reserve	<u>247.00 940.44</u>	<u>241.00 929.86</u>
Balance in the Statement of Profit & Loss	<u>13,387.96</u>	<u>11,861.01</u>
	<u>14,328.40</u>	<u>12,790.87</u>

■ 2012-2013 THE YEAR UNDER REVIEW:

Your Company earned revenue of ` 603.05 crores for the year ended 31st March, 2013, as against ` 580.82 crores in the previous year. Export sales stood at ` 262.99 crores, whereas domestic sales amounted to ` 340.06 crores for the year ended 31st March, 2013. The year under review was one of the most challenging in recent times, due to rise in raw material costs, increases in power tariffs, manpower and interest costs. These were passed on to customers over the period but impacted margins besides price competitiveness of the Company. The unprecedented economic uncertainty across the globe impacted demand for the Company's products. However, we continue to be one of the largest manufacturers of our products in the world and our marketing strategy aimed at new

products and new markets has enabled growth in market share in the international market. The new business segments of coated fabrics and agri-tech products are showing promising performance.

Despite the constraints and challenging environment, the Company earned the Net Profit after Tax of ` 24.67 crores in the year under review, with a marginal improvement of 2.8%, compared to previous year, even after higher incidence of tax.

■ DIVIDEND:

Your Directors have recommended a dividend at 25% (` 2.50 per share) for the year 2012-2013 for your consideration. The proposed dividend will absorb an amount of ` 693.44 Lacs (including Dividend Tax).

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

■ DIRECTORS:

Mr. S. M. Kuvelker, resigned as Director with effect from 30th October, 2012 and Dr. V. B. Lele, resigned as Director with effect from 27th October, 2012. Consequent to the resignation of Dr. V. B. Lele, Mr. S. N. Talwar, Alternate Director, has ceased to be a Director of the Company. The Board places on record its sincere appreciation of the valuable services rendered by Mr. S. M. Kuvelker, Dr. V. B. Lele and Mr. S. N. Talwar during their tenure as Directors and for their contributions to the deliberations of the Board.

The Board of Directors of the Company appointed Mr. R. B. Garware as an Additional Director, with effect from 5th November, 2012. Consequently, Mr. R. B. Garware has relinquished the position of "Corporate Advisor" of the Company.

The Board of Directors of the Company appointed Mr. P. N. Shah as an Additional Director, with effect from 5th March, 2013.

Pursuant to Article 133 of the Articles of Association of the Company, Mr. S. P. Kulkarni retires by rotation and being eligible, offers himself for re-appointment.

■ 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, 2013 and of the profit of the Company for the year ended 31st March, 2013;
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:

M/s Patki & Soman, Chartered Accountants (F. R. No. 107830W), the Statutory Auditors of the Company, retires at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

■ 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 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 2012-2013. The Audit Report for the Cost Accounting records maintained by the Company, for the financial year 2012-2013, is under preparation and the same will be filed with the Central Government, within the prescribed time limit.

M/s Joshi Apte & Associates, Cost Accountants, the Cost Auditors of the Company, has been re-appointed as Cost Auditors, for conducting an audit of Cost Accounting records maintained by the Company, for the financial year 2013-2014.

■ 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 of the said statement may write to the Company Secretary at the Registered Office of the Company.



■ SUBSIDIARY:

Garware Environmental Services Private Ltd., has become a wholly-owned subsidiary of your Company, with effect from 28th November, 2012. 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 benefits. 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. The 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 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,

Mumbai,
30th May, 2013

V. R. GARWARE
Chairman & Managing Director

ANNEXURE I TO DIRECTORS' REPORT 2012-13

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, 2013.

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 efficiency devices, such as variable frequency drives on the doubler machines, motion detectors for tube lights, power controller for hot air oven, raw material conveyor system for extrusion machines and variable frequency drive for water pumps,
 - b) Replacement of old motors, energy efficient chilling plants with lower capacity and suction blower by improved water suction blower and
 - c) Optimisation of chilling plant by controlling water temperature.
- 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:**

The Company has a 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 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 market/customers. It also helps the Company provide solutions meeting customers requirements and delivering greater value addition.

3. Future Plan of Action:

The 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	108.17
b) Revenue/Recurring	226.59
c) Product Development Expenditure	149.78
d) Total	<u>484.54</u>
e) Total of R & D as a percentage of Revenue from Operation	<u>0.80%</u>

Technology Absorption, Adaptation and Innovation:

The Company does not employ any foreign technology, which needs absorption or adaptation. The Company has developed 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. The Company has earned net foreign exchange of ` 16,114.23 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:	<u>26,299.48</u>
Total value of exports	<u>26,299.48</u>
B. Total Foreign Exchange used:	
a) Import of raw material stores & spares, traded goods and capital goods	8,705.29
b) Expenditure in foreign currencies, for business travel, subscription, professional fees, commission on export sales and overseas branch expenses, etc.	1,523.02
	<u>10,228.31</u>

On behalf of the Board of Directors,

Mumbai,
30th May, 2013

V. R. GARWARE
Chairman & Managing Director



Management Discussion and Analysis

Overview of Company

Your Company, Garware-Wall Ropes Ltd. (GWRL), is one of India's leading players in Technical Textiles. The Company uses an extensive range of polymers to provide application focused solutions for customers around the world in fishing, mooring, sports, habitat, infrastructure, geo-synthetics, agriculture, defence and transportation sectors. Your Company makes ropes, nets and aquaculture cages for capturing and growing fish; nets for sports such as tennis and soccer used in prestigious tournaments across the globe; nets for protected cultivation for high-value agriculture; coated fabrics for hanger covers, awnings, exhibition covers etc.; and soil management products and solutions for infrastructure, waste management, water management and erosion-control projects.

Your Company's customers are located across all continents in over 75 countries. End-users include fishermen, farmers, engineers, oil drillers, packers, transporters, construction companies, municipalities, government organisations, shipping companies, clubs, universities and manufacturing plants. The key to maintaining end-user loyalty and support has been continuous focus on the Company's mission : Provide innovative, application-focused solutions to enhance value of our customers globally.

Your Company's sales are spread across several verticals and geographies, providing stability and hedge against business and economic trends, and thereby a steady stream of revenue and profitability.

Users of your Company products are serviced through branches, depots, dealers, associates and partners located in strategically relevant and in even extremely remote places across the globe. Supply of products and services is done from three large integrated manufacturing facilities in Pune, Wai and Silvassa. Marketing offices in USA, UK, Russia and Canada improve customer responsiveness in their time zones and to local needs.

Your Company has built a strong team of people with domain knowledge and functional specialisation, with sharp customer focus and contact.

During the last decade, your Company has been able to achieve dominant share of markets in India as well as Canada, USA, Great Britain, Norway, New Zealand and Australia, for several products.

Business Environment in FY 2012-13

FY 2012-13 was one of the most turbulent years for the global economy. Unfavourable economic conditions in Europe and USA continued to impact developing countries. Europe is one of the largest markets for your Company's products outside India and the economic difficulties faced by the Eurozone significantly impacted demand for the Company's products. China and India were able to weather the headwinds with heavy fiscal stimuli in 2008-09 and there was strong domestic consumption in India. However, in the year under review, fiscal stimulus was not viable due to inflation, and domestic consumption could not maintain its

level. Hence, domestic business could not counter the slowdown experienced by your Company in the Eurozone.

Demand in India was tepid with all sectors including shipping and infrastructure slowing down, as a result of policy paralysis and global trends. Domestic fishery saw a severe seasonal cycle normally seen once in five to six years, and was impacted by sluggish cash flow from overseas buyers. Geo-textile business, which is driven entirely by the infrastructure focus of the government, was sluggish except for specific areas like erosion control and landfill lining.

Despite these macro issues, your Company could compensate the negative trends to a fair degree, with innovative products and exploration of new business segments. There was significant focus on addition of new customers throughout the globe to compensate the contraction in traditional markets. New businesses also were able to grow and offset the slowdown to some extent. New products launched in the aquaculture industry were successful.

Opportunities and Threats

Your Company sees growing opportunities in both domestic and global markets despite economic uncertainties. This is primarily due to our focus on providing reliable and innovative solutions which are needed all the more in difficult conditions. For example, your Company was able to convert fish mortality in aquaculture farms due to predators and water-borne factors into an opportunity for offering specific solutions that have won great satisfaction from customers.

Similarly, high cost of bunker oil in fishery is opening an opportunity for fuel efficient gear in fishing - an area in which your Company has offered solutions for over a decade. Scarcity in water resources and pursuit of better farm productivity has opened opportunities in agriculture where your Company is fast gaining brand value.

In a similar vein, your Company's focus on product development is steadily creating new opportunities. In the field of infrastructure, the Geo-synthetic division has been able to provide unique solutions for erosion control and waste management. These are in turn creating new avenues. Your Company is making fast inroads in the agriculture and coated fabric markets. Core competency of developing solutions in these new areas has begun to pay rich dividends.

Your Company has for long enjoyed a reputation for quality of products and this reputation is being enhanced using latest methodologies and by strengthening the quality culture.

Demand for fishery and other products is expected to be sluggish in the current year, but an aggressive drive in new geographies and markets is expected to provide growth impetus. Capture fishery in both global markets and domestic is subject to natural factors and is therefore an area of uncertainty. Increasing presence in sports, agriculture, coated fabrics and industrial products is both a natural hedge and an opportunity for cross selling.

Fishing economics are under pressure due to galloping cost of bunker oil but unique products



Geared for Growth

being offered by your Company are enabling customers to reduce fuel consumption and maintain competitiveness.

Company's Performance in FY 2012-13

GWRL registered total revenue of ₹ 605.08 crores for the year ended 31st March, 2013, an increase of 4.0% over the previous year's revenue. Export revenue accounted for 43.5% of the total revenue. Compared to the previous year, domestic sales rose by 4.6%. Profit after tax in the year under review was ₹ 24.67 crores, registering a nominal increase of 2.8% 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 domestic fishery sector, which is our core business area, put pressure on margins. To mitigate cost increases, your Company took several measures to improve productivity and efficient use of power.

Plateena products, which are stronger than steel and lightweight, received good response from customers in Alaska, New Zealand, the Indian Navy and shipping companies, for very critical applications. New fibres developed by your Company have performed very well and have strong potential. Domestic fishery and industrial products were affected by seasonal changes and high prices. Business volumes of fabricated and fully-assembled fishery products grew significantly.

Key Financial Indicators

The Operating Profit Ratio of the Company is 4.55%.

The Current Ratio of the Company is 1.52.

The Company has a total Debt-Equity Ratio of 1.16.

Risks and Concerns

Your Company's products are heavily dependent on raw material, power and labour. Cost increases under these heads were passed on, or mitigated with improved 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 around 44% of your Company's sales, uncertain global market conditions are a matter of concern. Should the situation persist for long, your Company may encounter low growth in overseas market. Unpredictability in the domestic fishing sector remains a matter of concern.

Internal Control Systems

Your Company has set up elaborate systems to monitor and manage strategies on pricing, credit risk, fixed and variable costs. 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 initiatives. Your Company has also taken steps to ensure that dealers have a healthy credit status.

Human Resources Management

Your Company is run by committed and knowledgeable men and women who have charted its progress over the decades and continue to bring new energies, commitment and values to address emerging opportunities and challenges. In the year under review, many training programmes were organised to improve their performance and potential to grow. High-potential managers, identified through a rigorous process, underwent a modular programme aimed at fostering leadership capacity. Young managers from key business groups were groomed to play a larger role. A variety of skill-based

programmes were held for the sales team. Over 150 workers benefitted from a 'Smart Operator' programme. 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 off-classroom development activities were organised for employee's children, including a career guidance workshop, craft workshops and educational visits.

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.



RESEARCH & DEVELOPMENT

Innovation for Critical Applications



In tune with its mission of providing 'innovative, application-focused solutions to enhance value of customers globally', GWRL has come up with technological solutions that address critical customer segments across businesses. Next-gen insect nets developed by the Company for high-value agriculture enable lower usage of pesticides. High-strength yarn used in shade nets deliver lower life cycle costs. GARSAFE nets ensure safety of workers in high-rise construction sites. Predator-control products developed by the Company for salmon aquaculture are environment-friendly, and have been highly appreciated in Canada. A superior alternative to nylon nets, GWRL's

STAR aquaculture cages manufactured from special, patent-pending fibres can be used without antifouling coating and can be cleaned easily. The cages have undergone successful trials in Canada and Italy. Plateena rope technology has been used to create sport-spectator protection nets, trawl winchlines, heavy-duty strops for mining, emergency towing-ropes, and fall-protection devices for lifeboats. All these products, along with successfully launched new products like Garware Rocky, Star Belly and Star Codend, are expected to provide significant growth in revenues in the near future.





EXPORTS

Wider and Deeper Customer Engagements



GWRL is a global provider of application-oriented solutions in the world of technical textiles. Apart from being a dominant leader in many segments of the Indian market, the Company is a major player in several overseas markets. The Company has a large base of customers across all continents and export sales constitute around 43.50% of total revenue. The Company has earned recognition from the Sports Goods Export Promotion Council (SGEPC), for being the top sports-goods exporter from India across all product categories. The global presence is being enhanced through new offerings, vigorous efforts in new geographies and deeper engagements with existing customers. In FY 2012-13, the Company

successfully executed orders for woven geo-textile bags in Singapore and recently secured its first order from UK for composite geo-textile tubes. An established and well-known player in North America and Europe, the Company increased its footprint in South Asia, the Far East, South America and Australia. Revenues are also being augmented by offering a wide range of products to existing customers; to cite one example, a longtime customer of GWRL's fishnets and ropes has also become a buyer of the Company's newly launched coated fabric offerings. The dual strategy of lateral and vertical expansion in global markets provides a strong foundation for sustaining growth.





NEW BUSINESS SEGMENTS

Consolidation and Growth



The wide range of technical textiles manufactured by GWRL find applications in diverse business segments, ranging from fishing to agriculture, transportation, sports and defence, for a large spectrum of end-users: fishermen, farmers, engineers, packers, municipalities, construction companies, co-operatives and manufacturing plants. The range of business segments and customers helps the Company to weather cyclical demand-fluctuations in particular segments. This inherent strength has been enhanced by consolidating presence in two new business areas: high-value agriculture and coated fabrics. The

Company's agriculture business has expanded with addition of new geographies and deeper penetration in existing markets.

GWRL's coated fabrics have found a number of customers across different sectors, ranging from road transport, to sports, tourism and construction. Specialised fabrics for defence have opened a new avenue. Yarns used in the manufacture of Plateena ropes are stronger than steel and widely used in bullet-proof applications. New applications have also been developed for established products lines. For example, Plateena ropes, which have found widespread acceptance in the shipping industry, for towing, berthing and mooring, are also used for installing cables on power transmission towers in very difficult terrains. All these products are paving the way for major growth in the near future.





HUMAN RESOURCE

Focus on Professional Development



Human resources are GWRL's key asset, providing the Company with an entrepreneurial and technology edge. The value of this asset is being systematically enhanced through professional development programmes conducted by in-house and external faculty. Programmes have been designed and conducted to foster the entrepreneurial spirit, enable empowered working environments, and sharpen marketing and communication skills. Individual development-plans are rolled out after identifying high-performing employees' growth potential.

Senior managers are groomed to step into leadership positions.

Workshops are held regularly for junior managers, to help them move from efficiency to effectiveness. Select workmen from the

Pune and Wai plants have gone through a 'Smart Operator' series of programmes; Kaizen workshops have been held; competency assessment tests are being conducted to develop employee ability to shoulder greater responsibilities. All these initiatives prepare the Company to successfully embrace the challenges of growth.





ANNEXURE TO DIRECTORS' REPORT: CORPORATE GOVERNANCE REPORT

Your Company has complied with the mandatory requirements on Corporate Governance of Clause 49 of the Listing Agreement. 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, 2013 consisted of:

Sr. No.	Name of Director	Designation	Position
1	Mr. V. R. Garware	Chairman & Managing Director	Promoter - Executive
2	Mr. R. B. Garware*	Director-Promoter	Promoter - Non-Executive
3	Mr. S. M. Kuvelker**	Vice-Chairman	Independent - Non-Executive
4	Dr. V. B. Lele***	Director	Independent - Non-Executive
5	Mr. S. N. Talwar#	Alternate Director to Dr. V. B. Lele	Independent - Non-Executive
6	Ms. Diya Garware Ibanez	Director	Promoter - Non-Executive
7	Mr. P. N. Shah@	Director	Independent - Non-Executive
8	Mr. R. M. Telang	Director	Independent - Non-Executive
9	Mr. S. P. Kulkarni	Director	Independent - Non-Executive

* The Board of Directors of the Company, appointed Mr. R. B. Garware as an Additional Director, with effect from 5th November, 2012.

** Mr. S. M. Kuvelker resigned as Director of the Company, with effect from 30th October, 2012.

*** Dr. V. B. Lele resigned as Director of the Company, with effect from 27th October, 2012.

Consequent to the resignation of Dr. V. B. Lele, Mr. S. N. Talwar, Alternate Director, ceased to be a Director of the Company, with effect from 27th October, 2012.

@ The Board of Directors of the Company, appointed Mr. P. N. Shah as an Additional Director, with effect from 5th March, 2013.

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:

● Four meetings of the Board were held during the financial year—on 28th May, 2012, 11th August, 2012, 5th November, 2012, and 12th February, 2013.

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, 2013*			No of Equity Shares held as on 31st March, 2013
				Other Boards	Other Board Committees**		
					Chairman	Member	
Mr. V. R. Garware	4	N.A.	Yes	4	---	---	17,763
Mr. R. B. Garware	1	20,000	N.A.	10	---	---	36,12,053
Ms. Diya Garware Ibanez	0	0	Yes	7	---	2	1,001
Mr. P. N. Shah	0	0	N.A.	7	4	2	700
Mr. R. M. Telang	4	80,000	Yes	1	---	1	200
Mr. S. P. Kulkarni	3	60,000	No	1	---	---	0
Mr. S. M. Kuvelker***	2	40,000	Yes	N.A.	N.A.	N.A.	N.A.
Dr. V. B. Lele***	0	0	---	N.A.	N.A.	N.A.	N.A.
Mr. S. N. Talwar***	2	40,000	Yes	N.A.	N.A.	N.A.	N.A.

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

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

*** Ceased to be Directors during the year.

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. M. Kuvelker*
- 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 have financial expertise and two of them are Independent Directors. The Chairman of Audit Committee is an Independent Director, having accounting and financial management expertise.

* upto 29th October, 2012

** appointed as Member with effect from 11th August, 2012 till such time Mr. S. P. Kulkarni, Member of Audit Committee (who was out of India), returned to India and was subsequently appointed as a Regular Member of Audit Committee with effect from 2nd November, 2012.

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 28th May, 2012, 11th August, 2012, 5th November, 2012, and 12th February, 2013.

Name of Member	No. of Meetings attended.	Sitting Fees paid (`)
Mr. S. M. Kuvelker	2	40,000
Mr. V. R. Garware	4	N.A.
Mr. S. P. Kulkarni	3	60,000
Mr. R. M. Telang	3	60,000

Mr. S. H. Bamne, Vice President - Corporate, who looks after Internal Audit Department, attended two meetings. 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.

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 were approved by the members of the Company, by voting through Postal Ballot held in December 2011.

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.



Particulars of the remuneration are detailed below:

- a. Salary: Basic Salary of ₹ 40,00,000/- 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: ₹ 6,53,000/- 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. S. M. Kuvelker*
 - Mr. R. M. Telang**
Members - Mr. V. R. Garware
* upto 29th October, 2012
** with effect from 30th October, 2012
- 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 are also reviewed by this Committee.
- v. During the year one (1) complaint received was satisfactorily resolved. Other communications received were also replied/resolved satisfactorily.
- vi. There were no unresolved/unattended communications/complaints of Shareholders received upto 31st March, 2013.
- vii. There were no pending share transfers as of 31st March, 2013.
- viii. The Share Transfer Agent, M/s. Link Intime India Private Limited, has been authorised to authenticate all routine transfers, transmission and transposition of Shares 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, 18th September, 2010	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.
Saturday, 24th September, 2011	10.30 a.m.	
Friday, 28th September, 2012	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. Special Resolution Passed by Postal Ballot :

On 31st January, 2013, the Shareholders passed the Special Resolution on the following subject matter, by way of postal ballot.

Resolution No.	Subject matter
1.	Special Resolution to alter the Articles of Association of the Company by i) Inserting clause defining the words "Core Promoter" and "Promoter" in Article 2; ii) Inserting Article 118A relating to the appointment of non-retiring director; iii) Substituting of the existing Article 133 relating to number of directors retiring by rotation; iv) Substituting of the existing Article 151 relating to appointment of Chairman of the Board of Directors.

Details of Voting Pattern are as below:

1) Total No. of Shareholders: 12964

2) Total No. of Shareholders to whom Postal Ballots sent: 12964

Mr. S. V. Deulkar, proprietor of M/s. S.V. Deulkar & Co. was appointed as a Scrutiniser to conduct the said Postal Ballot, who submitted his report on 29th January, 2013.

Based upon the Scrutinizer Report, the results of the Postal Ballot as detailed below, were declared by Mr. V. R. Garware, Chairman and Managing Director on 31st January, 2013:

Particulars	No. of Shareholders	No. of Shares
Postal Ballot Forms received	544	12797847
Invalid Postal Ballot Forms rejected	26	23298
Valid Postal Ballot Forms	518	12774549
Votes cast in favour of the Resolution	472	12727132
Votes cast against the Resolution	46	47417
% votes in favour of Resolution	91.12	99.63
% votes against the Resolution	8.88	0.37

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

7) DISCLOSURES

- There were no materially significant related-party transactions, which had potential conflict with the interest of the Company at large.
- 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.
- 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.
- 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 the Board by Senior Management relating to material financial and commercial nature involving potential conflict of interest with the Company. A statement in a 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 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. 36th Annual General Meeting
 - Date and Time Tuesday, 3rd September, 2013, 10.30 a.m.
 - 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.
- ii. Financial Calendar

Financial reporting for	1st April to 31st March
• Quarter ending 30th June, 2013	by 15th August, 2013
• Quarter ending 30th September, 2013	by 15th November, 2013
• Quarter ending 31st December, 2013	by 15th February, 2014
• Quarter ending 31st March, 2014	by 30th May, 2014
- iii. Book Closure Date

From Saturday, 24th August 2013 to Tuesday, 3rd September, 2013. (both days inclusive).

- iv. Dividend Payment Date

3rd September, 2013 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.
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- 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		Sensex		S&P CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr 2012	50.80	47.50	51.00	47.55	17,664.10	17,010.16	5378.75	5154.30
May 2012	52.70	46.00	51.85	45.25	17,432.33	15,809.71	5279.60	4788.95
Jun 2012	51.00	47.80	50.95	47.15	17,448.48	15,748.98	5286.25	4770.35
Jul 2012	55.00	49.00	55.25	46.75	17,631.19	16,598.48	5348.55	5032.40
Aug 2012	51.90	48.00	51.80	47.60	17,972.54	17,026.97	5448.60	5164.65
Sep 2012	54.40	49.00	54.35	48.70	18,869.94	17,250.80	5735.15	5215.70
Oct 2012	54.00	49.30	53.85	49.50	19,137.29	18,393.42	5815.35	4888.20
Nov 2012	52.50	49.50	52.60	49.55	19,372.70	18,255.69	5885.25	5548.35
Dec 2012	53.50	49.10	53.65	50.00	19,612.18	19,149.03	5965.15	5823.15
Jan 2013	53.80	48.00	54.10	48.00	20,203.66	19,508.93	6111.80	5935.20
Feb 2013	49.95	45.50	50.00	45.30	19,966.69	18,793.97	6052.95	5671.90
Mar 2013	46.25	41.50	48.90	41.20	19,754.66	18,568.43	5971.20	5604.85

(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, 26160084, 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, 2013.

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	12,664	98.15	51,09,357	21.55
2	5,001	to	10,000	124	0.96	9,11,274	3.84
3	10,001	to	20,000	47	0.36	6,77,542	2.86
4	20,001	to	30,000	14	0.11	3,39,868	1.43
5	30,001	to	40,000	6	0.05	2,14,550	0.91
6	40,001	to	50,000	5	0.04	2,27,781	0.96
7	50,001	to	1,00,000	12	0.09	8,37,986	3.54
8	1,00,001	and	above	31	0.24	1,53,89,992	64.91
Total				12,903	100.00	2,37,08,350	100.00



(ii) Pattern of Shareholding as on 31st March, 2013.

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	16	1,10,42,011	1,10,42,011	46.57
(2)	Foreign Promoters	—	—	—	—
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	16	1,10,42,011	1,10,42,011	46.57
(B)	Public Shareholding				
(1)	Institutions				
(a)	Indian Institutions	15	12,35,202	12,33,416	5.21
(b)	Foreign Institutions	7	9,39,000	9,39,000	3.96
	Sub-Total (B)(1)	22	21,74,202	21,72,416	9.17
(2)	Non-Institutions				
(a)	Bodies Corporate	281	12,58,201	12,52,954	5.31
(b)	Individual Shareholders	12,453	80,65,761	72,61,364	34.02
(c)	Individuals NRI/Foreign Nationals	130	1,70,175	1,67,297	0.72
(d)	Trust	1	9,98,000	0	4.21
	Sub-Total (B)(2)	12,865	1,04,92,137	86,81,615	44.26
	Total Public Shareholding (B) = (B)(1) + (B)(2)	12,887	1,26,66,339	1,08,54,031	53.43
	TOTAL (A) + (B)	12,903	2,37,08,350	2,18,96,042	100.00

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

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 dematerialised form only, to all investors from 8th May, 2000. 92.36% 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 extend our support towards paperless compliance, as a part of Green Initiatives in 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-1,
MIDC, Chinchwad,
Pune - 411 019, Maharashtra
Tel. No. 020 - 3078 0000

Plot No. C-1 & B-226/227/228, D-1,
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-1, 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 2012-2013.

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 2012-2013 on compliance with Code of Conduct of the Company as applicable to them respectively.

Pune,
30th April, 2013

For Garware-Wall Ropes Ltd.
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, 2013, 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.

Mumbai,
30th May, 2013

For Patki & Soman
Chartered Accountants

S. M. Patki
Partner
M. No. 037315
F. R. No. 107830W



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GARWARE-WALL ROPES LIMITED

We have audited the accompanying Financial Statements of Garware-Wall Ropes Limited ('the Company') which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of 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 Flow of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the Financial Statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by 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 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 Company's preparation and presentation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that 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 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.

- i. in the case of the Balance Sheet, of the State of Affairs of the Company, as at 31st March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the Cash Flows 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 sub-section (4A) of section 227 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 appears from our examination of the books. Proper returns adequate for the purposes of our audit have been received from the branch at Tacoma, WA (USA), and the 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 and according to the information and explanations given to us, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from the Directors, as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on 31st March, 2013, from being appointed as Director, in term 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

Mumbai,
30th May, 2013

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, 2013

- (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, 2013 ` Nil) (` Lacs)
Thirteen	3,799.35

- (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 quantum of disputed amounts 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	Period to which Amount relates	Amount (` Lacs)	Forum where dispute is pending
State and Central Sales Tax Acts	Tax interest & penalty for the classification of product & tax rates	1995-96	11.00	High Court, Delhi
		1996-97	21.52	
	Tax, interest & penalty for the rates of tax	1999-00	0.78	Deputy Comm. of Sales Tax (Appeals)- Delhi
	Tax, interest & penalty for the rates of tax	2000-01	3.43	Deputy Comm. of Sales Tax (Appeals)- Delhi
	Tax, interest & penalty for the rates of tax	2001-02	1.65	Deputy Comm. of Sales Tax (Appeals)- Delhi
	Tax, interest & penalty for the rates of tax	2002-03	1.29	Deputy Comm. of Sales Tax (Appeals)- Delhi
Central Sales Tax Acts	Tax, interest & penalty for the rates of tax	2006-07	2.00	Deputy Comm. of Commercial Tax (Appeals) -Chennai
State Sales Tax Acts	Tax & interest for the rates of tax	2006-07 to 2011-12	155.00	Deputy Comm. of Commercial Tax (Appeals) -Rajasthan
		TOTAL	196.67	

Sr. No.	Name of the Statute	Nature of Dues	Period to which Amount relates	Amount (` Lacs)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty - Computation of duty for clearance from EOU to DTA.	2002- 03	14.85	CESTAT, Mumbai.
2	Central Excise Act, 1944	Excise Duty - Computation of duty for clearance from EOU to DTA.	2002- 03	12.72	CESTAT, Mumbai.
3	Central Excise Act, 1944	Excise Duty - Computation of duty for clearance from EOU to DTA.	2011- 12	4.55	Commissioner (Appeals)
		TOTAL		32.12	

- (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 a 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.

For Patki & Soman
Chartered Accountants

S. M. Patki
Partner

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

Mumbai,
30th May, 2013



Geared for Growth

BALANCE SHEET AS AT 31 MARCH, 2013

			(` in lacs)
	Note No.	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,370.84	2,370.84
(b) Reserves and Surplus	4	24,297.78	22,671.54
		26,668.62	25,042.38
(2) Non-Current Liabilities			
(a) Long-term Borrowings	5	2,447.40	4,200.04
(b) Deferred Tax Liabilities (Net)	6	1,814.36	1,798.96
(c) Other Long-term Liabilities	7	305.64	297.83
(d) Long-term Provisions	8	167.97	145.05
		4,735.37	6,441.88
(3) Current Liabilities			
(a) Short-term Borrowings	9	8,321.77	8,308.87
(b) Trade Payables	10	5,756.58	5,352.63
(c) Other Current Liabilities	11	3,742.02	4,069.15
(d) Short-term Provisions	12	8,494.62	8,100.24
		26,314.99	25,830.89
TOTAL		57,718.98	57,315.15
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	14,523.95	15,776.91
(ii) Intangible Assets	13	890.10	873.92
(iii) Capital Work-in-Progress	13	35.11	334.38
		15,449.16	16,985.21
(b) Non-current Investments	14	916.95	911.96
(c) Long-term Loan and Advances	15	1,088.52	948.55
(d) Other non-current Assets	16	169.78	79.10
		17,624.41	18,924.82
(2) Current Assets			
(a) Inventories	17	12,179.34	12,343.46
(b) Trade Receivables	18	15,514.42	14,955.61
(c) Cash and Cash Equivalents	19	1,976.28	2,353.03
(d) Short-term Loans and Advances	20	10,424.53	8,738.23
		40,094.57	38,390.33
TOTAL		57,718.98	57,315.15

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-47

As Per our Report of even date

For PATKI & SOMAN
Chartered Accountants,

(S. M. PATKI)

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

A. M. BORADKAR
Company Secretary

V. R. GARWARE
Chairman & Managing Director

R. M. TELANG
Director

R. B. GARWARE
Director

S. P. KULKARNI
Director

Mumbai,
30th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

	Note No.	For the year ended 31 March 2013	(` in lacs) For the year ended 31 March 2012
I. REVENUE:			
(a) Revenue from Operations	21	60,305.24	58,082.05
Less: Excise Duty		368.44	255.23
		59,936.80	57,826.82
(b) Other Income (Net)	22	570.94	334.34
Total Revenue		60,507.74	58,161.16
II. EXPENSES:			
(a) Cost of Materials Consumed	23	23,531.05	22,703.19
(b) Purchase of Traded Goods	24	2,618.83	3,116.91
(c) (Increase)/Decrease in inventories of Finished Goods, Work-in-Progress and Traded Goods	25	318.50	(638.15)
(d) Employee Benefit Expense	26	7,915.59	7,936.04
(e) Operation and Other Expenses	27	19,703.31	18,575.28
Total Expenses		54,087.28	51,693.27
Earning before Interest, Tax, Depreciation and Amortization (EBITDA) (I - II)		6,420.46	6,467.89
(f) Depreciation and Amortisation Expenses	13	1,632.44	1,601.92
(g) Finance Costs	28	1,448.01	1,660.62
III. PROFIT BEFORE TAX		3,340.01	3,205.35
IV. TAX EXPENSES			
(a) Current Tax		851.13	775.00
(b) Deferred Tax		15.40	22.00
(c) Wealth Tax		6.09	5.50
(d) Adjustment for short provision of earlier year		-	2.28
V. PROFIT AFTER TAX FOR THE YEAR		2,467.39	2,400.57
VI. EARNING PER EQUITY SHARE - BASIC AND DILUTED (`)		10.41	10.31
Weighted average number of Equity Shares		23,708,350.00	23,708,350.00
Face Value per Equity Share (`)		10.00	10.00

VII. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-47

As Per our Report of even date

For PATKI & SOMAN
Chartered Accountants,

(S. M. PATKI)

Partner
M. No. 037315
F. R. No. 107830WA. M. BORADKAR
Company SecretaryV. R. GARWARE
Chairman & Managing DirectorR. M. TELANG
DirectorR. B. GARWARE
DirectorS. P. KULKARNI
DirectorMumbai,
30th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

		(` in lacs)
	For the year ended 31 March 2013	For the year ended 31 March 2012
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,340.01	3,205.35
Adjustments for :		
Depreciation and Amortisation	1,632.44	1,601.92
Finance Cost	1,448.01	1,660.62
Interest Income	(134.15)	(91.09)
Dividend Income	(2.54)	(14.41)
(Profit) / Loss on Sale of Fixed Assets	(4.18)	1.05
Provision for Doubtful Debts	-	20.12
Operating Profits before Working Capital Changes	<u>6,279.59</u>	<u>6,383.56</u>
Trade Receivables, Loans and Advances and other Assets	(1,719.02)	(1,617.11)
Inventories	164.12	1,422.40
Trade and other Payables	(581.03)	(424.02)
Cash generated from Operations	<u>4,143.66</u>	<u>5,764.83</u>
Taxes paid	(756.73)	(611.16)
Net Cash provided by Operating Activities	<u>3,386.93</u>	<u>5,153.67</u>
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(977.92)	(2,884.43)
Product Development Costs	(149.78)	(150.15)
Proceeds from Sale of Fixed Assets	1,034.46	19.30
Purchase / Sale of Investments	(5.00)	(19.78)
Interest received	134.15	91.09
Dividend received	2.54	14.41
Net Cash provided by / (used in) Investing Activities	<u>38.45</u>	<u>(2,929.56)</u>
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Long-term Borrowings	(5,583.00)	(644.65)
Proceeds from Long-term Borrowings	3,935.92	4,935.09
Finance Cost	(1,456.20)	(1,637.49)
Short-term Borrowings	(11.64)	(2,021.70)
Dividends paid including Dividend Tax	(687.21)	(686.00)
Net Cash from Financing Activities	<u>(3,802.13)</u>	<u>(54.75)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>(376.75)</u>	<u>2,169.36</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

		(` in lacs)
	For the year ended 31 March 2013	For the year ended 31 March 2012
Cash & Cash Equivalents (Opening Balance):	2,353.03	183.67
Cash & Cash Equivalents (Closing Balance):	1,976.28	2,353.03
Net Increase/ (Decrease) in Cash & Cash Equivalents	<u>(376.75)</u>	<u>2,169.36</u>

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-47

As Per our Report of even date

For PATKI & SOMAN
Chartered Accountants,V. R. GARWARE
Chairman & Managing DirectorR. B. GARWARE
Director(S. M. PATKI)
Partner
M. No. 037315
F. R. No. 107830WA. M. BORADKAR
Company SecretaryR. M. TELANG
DirectorS. P. KULKARNI
DirectorMumbai,
30th May, 2013



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. CORPORATE INFORMATION

Garware-Wall Ropes Limited (the Company) is a public company based 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 Technical Textile products such as Ropes, Twine, Yarn, Fishnet and other Nets. The Company also provides solutions to infrastructure sectors including 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 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.

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%
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 2013

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 2013

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 plants, both recognised by The Department of Scientific and Industrial, Research, Ministry of Science and Technology, Government of India (DSIR). It would be the endeavour of the Company to achieve the development of new products - Ropes, Nettings and Technical Textiles for different / new applications.

- a) Develop new products to tap new market/customers.
- b) Develop next generation products for future economic benefit.
- c) Develop 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 and 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 2013

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 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.

Government grants 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 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
3. SHARE CAPITAL		
(a) Authorised Share Capital		
i) 5,00,00,000 Equity Shares of ` 10/- each (31 March 2012 : 5,00,00,000 Equity Shares of ` 10/- each)	5,000.00	5,000.00
ii) 1,00,00,000 Unclassified Shares of ` 10/- each (31 March 2012 : 1,00,00,000 Unclassified Shares of ` 10/- each)	1,000.00	1,000.00
	<u>6,000.00</u>	<u>6,000.00</u>
(b) Issued, Subscribed and Fully Paid-up		
2,37,08,350 Equity Shares of ` 10/- each (31 March 2012 : 2,37,08,350 Equity Shares of ` 10/- each)	2,370.84	2,370.84
	<u>2,370.84</u>	<u>2,370.84</u>

a) Reconciliation of Number of Shares	As at 31 March 2013		As at 31 March 2012	
	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
Equity Shares				
Opening Balance	23,708,350	237,083,500	23,708,350	237,083,500
Changes during the year	-	-	-	-
Closing Balance	<u>23,708,350</u>	<u>237,083,500</u>	<u>23,708,350</u>	<u>237,083,500</u>

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

	As at 31 March 2013	As at 31 March 2012
Equity Shares		
Ramesh B. Garware	3,612,053 15.24% *	1,307,038 5.51% *
Garware Capital Markets Limited	3,453,911 14.57%	3,453,911 14.57%

* 9.22% (Previous year 4.24%) shares are held on behalf of a partnership firm.

c) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March 2013): Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
4. RESERVES AND SURPLUS		
(a) Capital Reserve	24.75	24.75
(b) Share Premium		
Share Premium Account	7,597.37	7,597.37
Share Premium Related to Forfeited Share	102.74	102.74
(c) Revaluation Reserve		
(i) Balance as per last Financial Statement	9.02	10.06
(ii) Less: Transfer to Statement of Profit and Loss	1.04	1.04
	<u>7.98</u>	<u>9.02</u>
(d) General Reserve		
(i) Balance as per last Financial Statement	3,220.07	2,979.07
(ii) Transferred from Statement of Profit and Loss	247.00	241.00
	<u>3,467.07</u>	<u>3,220.07</u>
(e) Surplus in Statement of Profit and Loss		
Balance as per last Financial Statement	11,861.01	10,390.30
Add : Profit for the year	2,467.39	2,400.57
Less : Appropriations		
(i) Proposed final Dividend on Equity Shares	592.71	592.71
(ii) Tax on Dividend	100.73	96.15
(iii) Transfer to General Reserve	247.00	241.00
	<u>13,387.96</u>	<u>11,861.01</u>
(f) Hedging Reserve Account		
(i) Balance as per last Financial Statement	(143.42)	-
(ii) (Deductions) / Additions during the year (net)	(146.67)	(143.42)
	<u>(290.09)</u>	<u>(143.42)</u>
Total	<u>24,297.78</u>	<u>22,671.54</u>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
5. LONG-TERM BORROWINGS		
SECURED TERM LOANS		
- From Banks and Financial Institutions		
1. CITI Bank ECB Term Loan		
(i) Balance as per last Financial Statement	2,477.58	2,643.42
(ii) Current Maturity transfer to other Current Liability	(707.88)	(165.21)
	<u>1,769.70</u>	<u>2,478.21</u>
2. CITI Bank Rupee Loan		
(i) Balance as per last Financial Statement	-	314.96
(ii) Current Maturity transfer to other Current Liability	-	(314.96)
	<u>-</u>	<u>-</u>
3. HDFC Bank Rupee Term Loan		
(i) Balance as per last Financial Statement	1,458.33	2,291.66
(ii) Current Maturity transfer to other Current Liability	(833.33)	(833.33)
	<u>625.00</u>	<u>1,458.33</u>
4. IDBI Bank Term Loan under TUFS		
(i) Balance as per last Financial Statement	263.50	474.30
(ii) Current Maturity transfer to other Current Liability	(210.80)	(210.80)
	<u>52.70</u>	<u>263.50</u>
Balance as on last Financial Statement	4,199.41	5,724.34
Current Maturity transfer to other Current Liability	(1,752.01)	(1,524.30)
Total	<u><u>2,447.40</u></u>	<u><u>4,200.04</u></u>

Notes :

- 1) 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.
- 2) CITI Bank Rupee Loan was repayable in 20 quarterly instalments of ` 78.74 Lacs each along with interest from 28th January, 2008. This loan was secured by way of hypothecation of the whole of the Plant & Machinery including its moveable Plant & Machinery, Machinery Spares, Tools & Accessories, 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.
- 4) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability		
Depreciation and Amortisation	1,896.45	1,962.46
	<u>1,896.45</u>	<u>1,962.46</u>
(b) Deferred Tax Asset		
(i) Employee Benefits	(67.49)	(55.46)
(ii) Provision for Doubtful Debts	(14.60)	(16.56)
(iii) Others	-	(91.48)
	<u>(82.09)</u>	<u>(163.50)</u>
Total	<u>1,814.36</u>	<u>1,798.96</u>
7. OTHER LONG-TERM LIABILITIES		
Other liabilities :		
Deposits from Customers and Contractors	305.64	297.83
Total	<u>305.64</u>	<u>297.83</u>
8. LONG-TERM PROVISIONS		
Provision for Employee Benefits	167.97	145.05
Total	<u>167.97</u>	<u>145.05</u>
9. SHORT-TERM BORROWINGS		
Secured Loans		
- From banks		
1. Cash Credit, Rupee Loan and Rupee Packing Credit	3,550.29	5,237.15
2. Packing Credit in Foreign Currency Loan	2,810.96	2,815.96
Unsecured Loans		
- From bank		
1. Cash Credit, Rupee Loan and Rupee Packing Credit	590.34	190.51
2. Packing Credit in Foreign Currency Loan	1,370.18	65.25
Total	<u>8,321.77</u>	<u>8,308.87</u>

Note:

The above Secured Loans are availed from Consortium Bankers, viz., Bank of India, Bank of Baroda, Bank of Maharashtra, IDBI Bank, HDFC Bank, The Royal Bank of Scotland N.V. and CITI Bank N.A. 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. Except loans from IDBI Bank, HDFC Bank and CITI Bank N.A., the other loans from remaining Consortium Bankers are also secured to the extent of ` 8,300 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 are repayable on demand.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
10. TRADE PAYABLES		
Trade Payables	5,756.58	5,352.63
Total	<u>5,756.58</u>	<u>5,352.63</u>
11. OTHER CURRENT LIABILITIES		
(a) Current maturity of Long Term Debt	1,752.01	1,524.30
(b) Other Payables	1,480.45	1,576.86
(c) Interest accrued but not due on borrowing	18.68	26.86
(d) Advance received from Customers	462.84	914.74
(e) Unpaid Dividend	28.04	26.39
Total	<u>3,742.02</u>	<u>4,069.15</u>
Other Payables includes:		
(i) Fair value of foreign exchange forward contract secured against Trade Receivables	1,085.60	1,271.75
(ii) Statutory Liabilities	227.80	114.93
(iii) Capital Creditors	-	27.83
12. SHORT-TERM PROVISIONS		
(a) Provision for Employee Benefits	234.36	283.95
(b) Others		
(i) Taxation	4,391.18	3,533.97
(ii) Proposed Dividend	592.71	592.71
(iii) Tax on Proposed Dividend	100.73	96.15
(iv) Other provisions	3,175.64	3,593.46
Total	<u>8,494.62</u>	<u>8,100.24</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

13. FIXED ASSETS

(` in Lacs)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Gross Block as at 1 April 2012	Additions	Deletions/ Adjustments	Gross Block as at 31 March 2013	Accumulated as at 1 April 2012	Deletions / Adjustment	Depreciation/ Amortisation for the year	Accumulated as at 31 March 2013	Value as at 31 March 2012
(a) TANGIBLE FIXED ASSETS									
Leasehold Land	168.62	-	-	168.62	-	-	-	-	168.62
Buildings	4,997.96	301.71	1,176.18	4,123.49	2,076.65	166.95	237.99	2,147.69	2,921.31
Plant and Machinery	22,076.76	594.67	-	22,671.43	11,419.23	-	951.92	12,371.15	10,657.54
R&D Equipments	1,260.30	108.17	-	1,368.47	489.67	-	71.03	560.70	770.63
Electrical Installations	694.40	87.12	-	781.52	465.82	-	24.75	490.57	228.58
Furniture and Fixtures	487.20	11.23	0.67	497.76	269.27	0.17	20.14	289.24	217.92
Office Equipments	1,045.71	45.75	2.08	1,089.38	740.14	0.38	56.39	796.15	305.57
Vehicles	825.63	84.17	21.19	888.61	362.24	2.35	64.79	424.68	463.39
Helicopter	508.89	-	-	508.89	465.54	-	28.50	494.04	43.35
TOTAL	32,065.47	1,232.82	1,200.12	32,098.17	16,288.56	169.85	1,455.51	17,574.22	15,776.91
31 March 2012	29,015.61	3,085.60	35.74	32,065.47	14,874.59	15.38	1,429.35	16,288.56	14,141.02
(b) INTANGIBLE ASSETS									
Technical Knowhow	45.96	-	-	45.96	39.83	-	4.60	44.43	1.53
Product Development	1,303.82	149.78	-	1,453.60	502.32	-	144.16	646.48	801.50
Computer Software	221.68	44.37	-	266.05	155.39	-	29.21	184.60	66.30
TOTAL	1,571.46	194.15	-	1,765.61	697.54	-	177.97	875.51	873.92
31 March 2012	1,416.08	155.38	-	1,571.46	523.93	-	173.61	697.54	892.15
(c) CAPITAL WORK- IN-PROGRESS									
	334.38	35.11	334.38	35.11	-	-	-	-	334.38
TOTAL	334.38	35.11	334.38	35.11	-	-	-	-	334.38
31 March 2012	541.83	334.38	541.83	334.38	-	-	-	-	541.83
Grand Total	33,971.31	1,462.08	1,534.50	33,898.89	16,986.10	169.85	1,633.48	18,449.73	16,985.21
31 March 2012	30,973.52	3,575.36	577.57	33,971.31	15,398.52	15.38	1,602.96	16,986.10	15,575.00

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 ` 149.78 lacs (Previous Year ` 150.15 lacs) and Computer software ` 44.37 lacs (Previous Year ` 5.23 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.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
14. NON-CURRENT INVESTMENTS		
1. INVESTMENTS IN EQUITY INSTRUMENTS		
a) In Subsidiary Companies :		
Shares of Garware Environmental Services Pvt. Limited 10,00,000 (31 March 2012 : Nil) Equity Shares of ` 10/- each, fully paid	55.00	-
b) In Joint Venture Companies :		
Shares of Garware Environmental Services Pvt. Limited Nil (31 March 2012 : 5,00,000) Equity Shares of ` 10/- each, fully paid	-	50.00
c) In Associate Companies :		
Shares of Garware Meditech Private Limited 5,000 (31 March 2012 : 5000) Equity Shares of ` 10/- each, fully paid	0.50	0.50
d) In Other Companies :		
Shares of Cosmos Co-operative Bank Limited 15,805 (31 March 2012 : 15,805) Equity Shares of ` 20 each, fully paid	3.16	3.16
Shares of Gujarat Filament Corporation Limited 50 (31 March 2012 : 50) Equity Shares of ` 10/- each, fully paid	0.01	0.01
Shares of Intermedia Interactive Solutions Pvt. Limited 8,90,680 (31 March 2012 : 8,90,680) Equity Shares of ` 10/- each, fully paid	807.11	807.11
Shares of Garware Marine Industries Limited (quoted) 50,000 (31 March 2012 : 50,000) Equity Shares of ` 10/- each, fully paid	5.00	5.00
Shares of Garware Polyester Limited (quoted) 1,46,350 (31 March 2012 : 1,46,350) Equity Shares of ` 10/- each, fully paid	319.62	319.62
2. INVESTMENTS IN GOVERNMENT AND TRUST SECURITIES		
7 Year National Savings Certificates.	24.05	24.06
Out of this, National Saving Certificates for Face Value of ` 0.16 Lacs (31 March 2012 : ` 0.16 Lacs) deposited with Sales Tax Authorities		
Sardar Sarovar Narmada Nigam Ltd. Bonds	17.50	17.50
Total investment	1,231.95	1,226.96
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	916.95	911.96
Aggregate Value of Quoted Investments (` in lacs)	324.62	324.62
Aggregate Market Value of Quoted Investments (` in lacs)	110.51	174.97
Aggregate Value of Unquoted Investments (` in lacs)	907.33	902.34

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 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
(i) Security Deposits	365.33	277.60
(ii) Other Loans and Advances	723.19	670.95
Total	1,088.52	948.55
Other Loans and Advances includes :		
Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL JV	12.84	12.10
Advances to Employees	81.25	4.58
16. OTHER NON-CURRENT ASSETS		
Other Non-Current Assets	169.78	79.10
Total	169.78	79.10
17. INVENTORIES		
(i) Stores, Spares, Fuel and Packing Materials	1,000.75	926.14
(ii) Raw Materials	2,897.30	2,817.53
(iii) Work-in-Progress	1,947.88	1,992.58
(iv) Finished Goods (Including Goods-in-Transit ` 44.33 Lacs, Previous Year ` 152.85 Lacs)	5,798.64	6,380.56
(v) Traded Goods	534.77	226.65
Total	12,179.34	12,343.46
Inventories are carried at the lower of cost and net realisable value.		
18. TRADE RECEIVABLES		
Unsecured		
(a) Trade Receivables for more than six months		
Considered Good	1,759.73	1,420.70
Considered Doubtful	45.32	51.07
	1,805.05	1,471.77
Less: Provision for Doubtful Debts	45.32	51.07
	1,759.73	1,420.70
(b) Other Receivables		
Considered Good	13,754.69	13,534.91
Total	15,514.42	14,955.61

Unbilled revenue as at 31st March, 2013, amounting to ` 1627.90 lacs (31st March, 2012 : ` 2069.81 lacs) primarily comprises of the revenue recognised in relation to efforts incurred on construction contracts.

Trade Receivables for more than six months include:
Due from a company in which the Company's Directors are Directors.
Garware Bestretch Ltd.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	As at 31 March 2013	As at 31 March 2012
19. CASH AND CASH EQUIVALENTS		
(a) Cash and Cash Equivalents		
(i) Balances with Banks		
- In Current Accounts	916.17	487.52
- In Deposit Accounts with maturity less than 3 months	1,000.00	1,808.67
(ii) Cash on hand	6.94	13.38
	<u>1,923.11</u>	<u>2,309.57</u>
(b) Other Bank balances		
(i) Earmarked balances with Banks	28.03	26.39
(ii) Bank Deposits above 3 months	25.14	17.07
Total	<u>1,976.28</u>	<u>2,353.03</u>
20. SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	5,904.87	4,981.67
Advance Tax	4,455.43	3,698.70
Deposits	13.68	15.95
Balance with Excise and Customs Authorities	50.55	41.91
	<u>10,424.53</u>	<u>8,738.23</u>
Advances recoverable in cash or in kind or for value to be received includes:		
Advances given to Creditors	1,133.52	1,406.56
Advances to Employees	66.51	45.29
21. REVENUE FROM OPERATIONS		
	For the year ended 31 March 2013	For the year ended 31 March 2012
(i) Manufactured Goods	57,017.10	52,539.54
(ii) Traded Goods	631.55	1,367.52
(ii) Contracts for Supply & Installation	2,656.59	4,174.99
(Tax deducted at source ` 47.58 Lacs; previous year ` 76.25 Lacs)		
Total	<u>60,305.24</u>	<u>58,082.05</u>
Less:		
Excise Duty	368.44	255.23
Net Revenue	<u>59,936.80</u>	<u>57,826.82</u>

Note :

A. Disclosure pursuant to Accounting Standard "AS7 - Construction Contracts", the Construction Work-in-Progress (Fibre & Industrial Product & Project Segment) amounts to ` 1469.48 lacs (31st March 2012 ` 2802.68 lacs).

B. For these construction contracts, the progress payments received, advances and retentions on account of Contracts are ` 1225.59 lacs, ` 73.73 lacs and ` 55.42 lacs (31st March 2012 ` 562.51 lacs, ` 60.34 lacs and ` 101.14 lacs) respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		(` in lacs)
	For the year ended 31 March 2013	For the year ended 31 March 2012
22. OTHER INCOME		
Sale of Scrap	141.61	91.94
Interest- Gross		
From Banks (Tax deducted at source ` 10.64 Lacs, previous year ` 6.70 Lacs)	103.26	80.38
From Other	30.89	10.71
	134.15	91.09
Dividend	2.54	14.41
Miscellaneous Receipts	292.64	136.90
Total	570.94	334.34
23. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	2,817.53	4,710.86
Add : Purchases (Net of Credits)	23,610.82	20,809.86
Less : Closing Stock	2,897.30	2,817.53
Total	23,531.05	22,703.19
24. PURCHASE OF STOCK IN TRADE		
Purchase of Traded Goods	2,618.83	3,116.91
Total	2,618.83	3,116.91
25. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock		
Work-in-Progress	1,992.58	1,899.62
Finished Goods	6,380.56	5,484.82
Traded Goods	226.65	577.20
	8,599.79	7,961.64
(b) Closing 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
Total	318.50	(638.15)
26. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	6,912.18	6,876.69
Contribution to Provident and other Funds	248.90	255.33
Gratuity	85.03	147.37
Superannuation	39.61	26.98
Staff Welfare	629.87	629.67
Total	7,915.59	7,936.04
Salaries, Wages and Bonus includes :		
R&D Salary Expenses	142.60	113.94



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
27. OPERATING AND OTHER EXPENSES		
Stores and Spares consumed	2,947.01	3,050.98
Packing Materials consumed	737.07	793.07
Power, Fuel and Water Charges	3,890.94	3,427.52
Processing and Testing Charges	2,315.63	2,345.00
Installation Contract related expenses	758.22	26.48
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	282.76	346.21
Rent	146.85	122.14
Rates, Taxes and Octroi	86.91	109.18
Insurance	131.46	127.54
Transport and Forwarding Charges	2,956.16	2,510.26
	<u>3,604.14</u>	<u>3,215.33</u>
Repairs and Maintenance		
Buildings	29.55	51.29
Plant and Machinery	605.72	660.94
Others	384.50	435.91
	<u>1,019.77</u>	<u>1,148.14</u>
Travelling Expenses	676.87	520.17
Discount and Commission on Sales	1,590.21	1,693.65
Bad Debts	79.78	12.21
Provision for Doubtful Debts	-	20.12
Legal and Professional Charges	531.99	514.23
Auditors' Remuneration		
Audit Fees	6.65	5.00
Fees for other Services	1.30	1.00
Out of Pocket Expenses	0.33	0.38
	<u>8.28</u>	<u>6.38</u>
Establishment and other miscellaneous expenses	1,572.37	1,491.88
Exchange (Gain)/Loss (net)	120.99	562.03
Directors' Fees	4.00	5.60
(Profit)/Loss on Fixed Assets discarded	(4.18)	1.05
Cost Capitalised on Machines	-	(108.41)
Cost Transferred to Product Development Expenditure	(149.78)	(150.15)
Total	<u><u>19,703.31</u></u>	<u><u>18,575.28</u></u>
Operating and other expenses includes :		
R&D Revenue Expenses	83.99	25.97
28. FINANCE COSTS		
Interest expenses:		
- Term Loans	640.94	674.62
- Cash Credit/Overdraft	610.03	776.11
- Bank Charges	197.04	209.89
Total	<u><u>1,448.01</u></u>	<u><u>1,660.62</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 2013	31 March 2012
I. Change in Obligation		
1. Liability at the beginning of the year	846.78	609.80
2. Interest Cost	67.74	48.78
3. Current Service Cost	65.15	50.24
4. Past Service Cost (Non Vested Benefit)	-	-
5. Past Service Cost (Vested Benefit)	-	-
6. Benefit Paid	(40.74)	(26.05)
7. Actuarial (Gain) / Loss on Obligation	(59.20)	164.01
8. Liability at the end of the year	879.73	846.78
II. Fair Value of Plan Assets		
1. Fair Value of Plan Assets at the beginning of the year	635.63	554.95
2. Expected Return of Plan Assets	53.08	48.48
3. Contributions	147.21	64.46
4. Benefit Paid	(40.74)	(26.05)
5. Actuarial Gain / (Loss) on Plan Assets	4.45	(6.20)
6. Fair Value of Plan Assets at the end of the year	799.63	635.64
Total Actuarial Gain / (Loss) to be Recognised	54.75	(157.81)
III. Actual Return of Plan Assets		
1. Expected Return of Plan Assets	53.08	48.48
2. Actuarial Gain / (Loss) on Plan Assets	4.45	(6.20)
Actual Return on Plan Assets	57.53	42.28
IV. Amount Recognised in the Balance Sheet		
1. Liability at the end of the year	(879.73)	(846.78)
2. Fair Value of Plan Assets at the end of the year	799.63	635.64
3. Difference	(80.10)	(211.14)
4. Unrecognised Past Service Cost		
5. Amount Recognised in the Balance Sheet	(80.10)	(211.14)
V. Expenses Recognised in the Income Statement		
1. Current Service Cost	65.15	50.24
2. Interest Cost	67.74	48.78
3. Expected Return on Plan Assets	(53.08)	(48.48)
4. Net Actuarial (Gain) / Loss to be Recognised	(54.75)	157.81
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	25.06	208.35



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(` in lacs)

Defined Benefit Plans	Gratuity	
	31 March 2013	31 March 2012
VI. Balance Sheet Reconciliation		
1. Opening Net Liability	211.15	54.85
2. Expense as above	25.06	208.35
3. Employee Contribution	(147.21)	(64.46)
4. Effect of Curtailment or Settlements	-	-
5. Amount Recognised in Balance Sheet	89.00	198.74
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 2012	As at 31 March 2011	As at 31 March 2013	As at 31 March 2012
i) Twines, Ropes & Yarns	2,886.33	1,700.59	2,164.68	2,886.33
ii) Nettings	2,816.95	3,343.41	2,881.52	2,816.95
iii) Woven Fabric	403.79	141.38	342.18	403.79
iv) Metal Gabions	81.67	299.44	38.15	81.67
v) Coated Fabric	191.82	-	371.91	191.82
Total	<u>6,380.56</u>	<u>5,484.82</u>	<u>5,798.44</u>	<u>6,380.56</u>

31. SALES

Product & Services

	For the year ended 31 March 2013	For the year ended 31 March 2012
i) Twines, Ropes & Yarns	26,061.52	24,395.48
ii) Nettings	27,224.42	25,965.42
iii) Woven Fabric	1,769.90	734.26
iv) Metal Gabions	589.19	827.61
v) Coated Fabric	1,372.22	614.57
Sub Total	<u>57,017.25</u>	<u>52,537.34</u>
vi) Machineries and Parts (Nos.)	-	2.20
vii) Traded Goods (including Supplied under Contract)	3,287.98	5542.51
Total	<u>60,305.23</u>	<u>58,082.05</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
32. VALUE OF IMPORTS ON C.I.F. BASIS		
Raw Materials	6,915.83	6,524.24
Traded Goods, Stores, Spares, etc.	2,231.95	1,688.71
Capital Goods	119.41	928.22
Total	<u>9,267.19</u>	<u>9,141.17</u>
33. RAW MATERIALS CONSUMED		
High Density Polyethylene	9,565.88	8,531.73
Polypropylene	9,709.51	9,428.00
Nylon	2,712.80	3,481.37
Polyester Yarn	1,234.87	932.74
G.I. Wire	307.98	329.35
Total	<u>23,531.04</u>	<u>22,703.19</u>
34. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED		
	(` in lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
(i) Raw materials		
Imported	7,838.03	7,924.24
Indigenous	15,693.01	14,778.95
Total	<u>23,531.04</u>	<u>22,703.19</u>
(ii) Stores, Spares, etc.		
Imported	522.98	561.39
Indigenous	2424.03	2,489.59
Total	<u>2947.01</u>	<u>3,050.98</u>
	Percentage	
	For the year ended 31 March 2013	For the year ended 31 March 2012
(i) Raw materials		
Imported	33.31	34.90
Indigenous	66.69	65.10
Total	<u>100.00</u>	<u>100.00</u>
(ii) Stores, Spares, etc.		
Imported	17.75	18.40
Indigenous	82.25	81.60
Total	<u>100.00</u>	<u>100.00</u>
35. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
a. Travelling Expenses	252.32	232.41
b. Commission on Exports	20.39	13.44
c. Subscriptions	6.47	5.90
d. Advertisement & Sales Promotion	20.60	16.24
e. Professional Charges	152.98	94.93
f. Interest & Finance Charges	157.37	75.53
g. Overseas Branch Office Expenses	912.89	909.54
Total	<u>1,523.02</u>	<u>1,347.99</u>
36. EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
FOB Value of Exports	25,414.56	24,584.47



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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.

i) Primary Segment Report (` in lacs)

PARTICULARS	Year 2012-2013				Year 2011-2012			
	Synthetic Cordage	Fibre and Industrial Products and Projects	Eliminations	Total	Synthetic Cordage	Fibre and Industrial Products and Projects	Eliminations	Total
REVENUE								
Gross External Sales	48,662.03	11,643.21		60,305.24	45,866.00	12,216.05		58,082.05
Inter-segment Sales	240.91	2,102.86	(2,343.77)	-	462.34	1,339.34	(1,801.68)	-
Less : Excise Duty	36.17	332.27	-	368.44	28.34	226.89		255.23
Total Revenue	48,866.77	13,413.80	(2,343.77)	59,936.80	46,300.00	13,328.50	(1,801.68)	57,826.82
RESULT								
Segment Result	5,534.98	750.86		6,285.84	4,788.82	1,053.00		5,841.82
Unallocated Corporate expenses (net of income)				1,634.52				1,424.29
Operating Profit				4,651.32				4,417.53
Finance Costs				1,447.99				1,317.68
Interest & Dividend Income				136.69				105.50
Profit from Ordinary Activities				3,340.01				3,205.35
Income Tax				872.62				804.78
Extraordinary Items				-				-
Net Profit				2,467.39				2,400.57
OTHER INFORMATION								
Segment Assets	33,468.89	11,864.48		45,333.37	32,127.48	13,444.58		45,572.06
Unallocated Corporate Assets				12,476.86				11,743.08
Total Assets				57,810.23				57,315.14
Segment Liabilities	7,761.52	2,400.75		10,162.27	7,943.39	2,894.31		10,837.70
Unallocated Corporate Liabilities				47,647.96				46,477.44
Total Liabilities				57,810.23				57,315.14
Capital Expenditure	1,230.83	212.70		1,443.53	2,567.33	886.42		3,453.75
Unallocated Capital Expenditure				20.80				121.61
Total Capital Expenditure				1,464.33				3,575.36
Depreciation	1,241.41	316.68		1,558.09	1,201.95	310.20		1,512.15
Unallocated Depreciation on Corporate Assets				74.35				90.77
Total Depreciation				1,632.44				1,602.92
Other non-cash expenses				-				-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

ii) Secondary Segment Report

(` in Lacs)

PARTICULARS	Year 2012-2013				Year 2011-2012			
	India	Outside India	Eliminations	Total	India	Outside India	Eliminations	Total
Gross Sales	34,305.74	25,999.50		60,305.24	32,742.01	25,340.04		58,082.05
Less : Excise Duty	368.44	-		368.44	255.23	-		255.23
Net Sales	33,937.30	25,999.50		59,936.80	32,486.78	25,340.04		57,826.82
Fixed Assets	15,446.71	2.45		15,449.16	16,982.40	2.81		16,985.21
Capital Expenditure	1,464.33	-		1,464.33	3,575.36	-		3,575.36

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 Bestretch 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. Garware Securities Broking Ltd.
4. Garware Capital Markets Ltd.
5. Garware Indus Consulting Ltd.
6. Garware Utzon (Cordage) Ltd.
7. Manmit Investments & Trading Company (P) Ltd.
8. Ceebeegee Investment Company Pvt. Ltd.
9. Moonshine Investments & Trading Co. Pvt. Ltd.
10. Gurukrupa Investments & Trading Co. Pvt. Ltd.
11. Sanand Investments & Trading Company Pvt. Ltd.
12. Starshine Investments & Trading Company Pvt. Ltd.
13. Sukukar Holdings & Trading Company Pvt. Ltd.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

D. Directors - Key Management Personnel

Mr. R. B. Garware

Mr. V. R. Garware

E. Relatives of Key Management Personnel

Mrs. Diya Garware Ibanez

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. Gartex Industries Ltd.
9. Garware Motors Ltd.
10. Garware Infrastructure Pvt. Ltd.
11. Garware Apparel Pvt. Ltd.
12. Garware Research Institute
13. Suramex Exim (P) Ltd.
14. Garware Holdings Ltd.

(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	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Sale of Goods / Services		2.48		-	-	-	-	-	-	2.48
2	Purchase of Goods / Services	9.98	4.43		-	-	-	-	-	9.98	4.43
3	Sale of Flat		-		-	1,020.00	-	-	-	1,020.00	-
4	Purchase of Shares		0.50	5.00	-	-	-	-	-	5.00	0.50
5	Deposits placed		-		-	-	-	-	-	-	-
6	Placed deposits refunded		-		-	-	-	-	-	-	-
7	Deposits received		-	3,799.35	2,551.00	-	-	-	-	3,799.35	2,551.00
8	Deposits refunded		-	3,799.35	2,551.00	-	-	-	-	3,799.35	2,551.00
9	Interest paid on deposits		-	369.32	277.85	-	-	-	-	369.32	277.85
10	Interest received on deposits		-		-	-	-	-	-	-	-
11	Directors' Remuneration										
	a) Mr. R. B. Garware		-		-	37.54	-	-	-	-	37.54
	b) Mr. V. R. Garware		-		-	111.27	78.07	-	-	111.27	78.07
12	Directors' Sitting Fees		-		-	-	-	0.20	0.20	0.20	0.20
13	Balance receivable		-		-	-	-	-	-	-	-
14	Balance payable	0.18	0.15		-	-	-	-	-	0.18	0.15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

1. Sale of Good include Sales to Garware Bestretch Ltd. of ` Nil (Previous year ` 2.48 lacs).
2. Purchase of Good/Services include Purchase from Garware Bestretch Ltd. of ` 9.98 lacs (Previous year ` 4.43 lacs).
3. Purchase of Shares includes :
 Shares of Garware Meditech Pvt. Ltd. of ` Nil (Previous year ` 0.50 lacs),
 Shares of Garware Environmental Services Pvt. Ltd. of ` 5 lacs (Previous year ` Nil).
4. Sales of Flat to Mr. V. R. Garware of ` 1020 lacs (Previous year ` Nil).
5. Deposit received and refunded of ` 3799.35 lacs (Previous year ` 2551.10 lacs) include deposits from :
 Garware Capital Markets Ltd. of ` 1190 lacs (Previous year ` 910.40 lacs),
 Manmit Investments & Trading Co. Pvt. Ltd. of ` 55 lacs (Previous year ` 45.35 lacs),
 Moonshine Investments and Trading Co. Pvt. Ltd. of ` 21.50 lacs (Previous year ` 10.20 lacs),
 RSDV Investments Pvt. Ltd. of ` 2153 lacs (Previous year ` 1359.30 lacs),
 RSDV Finance and Trading Co. Pvt. Ltd. of ` 78.50 lacs (Previous year ` 50.55 lacs),
 Sanand Investment & Trading Co. Pvt. Ltd. of ` 13 lacs (Previous year ` 6.75 lacs),
 Starshine Investments and Trading Co. Pvt. Ltd. of ` 9.50 lacs (Previous year ` 4.90 lacs),
 Garware Securities Broking Ltd. of ` 6.50 lacs (Previous year ` Nil),
 Gurukrupa Investments and Trading Co. Pvt. Ltd. of ` 2.60 lacs (Previous year ` 1 lac),
 Garware Utzon (Cordage) Ltd. of ` 89.25 lacs (Previous year ` 62.60 lacs),
 Sukukar Holdings & Trading Co. Pvt. Ltd. of ` 12.50 lacs (Previous year ` 6.30 lacs),
 Garware Indus Consulting Ltd. of ` 83 lacs (Previous year ` 57.75 lacs),
 Ceebegee Investments Co. Pvt. Ltd. of ` 85 lacs (Previous year ` 36 lacs).
6. Interest paid on Deposit of ` 369.32 lacs (Previous year ` 277.85 lacs) includes :
 Garware Capital Markets Ltd. of ` 112.79 lacs (Previous year ` 105.70 lacs),
 Manmit Investments & Trading Co. Pvt. Ltd. of ` 5.42 lacs (Previous year ` 4.43 lacs),
 Moonshine Investments and Trading Co. Pvt. Ltd. of ` 1.68 lacs (Previous year ` 0.56 lacs),
 RSDV Investments Pvt. Ltd. of ` 219.86 lacs (Previous year ` 150.68 lacs),
 RSDV Finance and Trading Co. Pvt. Ltd. of ` 5.87 lacs (Previous year ` 5.33 lacs),
 Sanand Investment & Trading Co. Pvt. Ltd. of ` 1.04 lacs (Previous year ` 0.34 lacs),
 Starshine Investments and Trading Co. Pvt. Ltd. of ` 0.74 lacs (Previous year ` 0.24 lacs),
 Garware Securities Broking Ltd. of ` 0.18 lacs (Previous year ` NIL),
 Gurukrupa Investments and Trading Co. Pvt. Ltd. of ` 0.15 lacs (Previous year ` 0.09 lacs),
 Garware Utzon (Cordage) Ltd. of ` 8.21 lacs (Previous year ` 5.19 lacs),
 Sukukar Holdings & Trading Co. Pvt. Ltd. of ` 0.99 lacs (Previous year ` 0.32 lacs),
 Garware Indus Consulting Ltd. of ` 7.60 lacs (Previous year ` 4.93 lacs),
 Ceebegee Investments Co. Pvt. Ltd. of ` 4.79 lacs (Previous year ` 0.04 lacs).
7. Payment to Key management personal includes :
 R. B. Garware ` Nil (Previous year ` 37.54 lacs),
 V. R. Garware ` 111.27 lacs (Previous year ` 78.07 lacs).



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

39. EARNING PER SHARE (EPS)

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

Basic Earning Per Share is 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 2013	31 March 2012
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders	2467.39	2400.57
Weighted Average No. of Share O/s. during the year	23,708,350	23,708,350
Basic and Diluted EPS (in `)	10.41	10.13

40. DISCLOSURE IN RELATION TO DERIVATIVE INSTRUMENTS

(a) No. of Contracts	5	7
(b) Purpose	Hedging	Hedging
(c) Net un-hedged exposure	` 4067.26 lacs	` 1826.87 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	0.05
iii) Later than five years.	Nil	Nil
(b) Lease Payment recognised in the Statement of Profit & 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 2013	31 March 2012	31 March 2011
Research and Development Equipments	108.17	192.98	100.66
Research and Development Revenue Expenditure	226.59	139.91	87.82

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

43. CONTINGENT LIABILITIES

- (i) Disputed Excise Duty ` 32.12 lacs (Previous year ` 27.57 lacs).
- (ii) Bank Guarantees for ` 1,435.84 lacs (Previous year ` 1,477.26 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 ` 13,500 lacs).
- (iii) Disputed amount of Sales Tax liability ` 196.68 lacs (Previous year ` 42.15 lacs).
- (iv) Disputed Property Tax Liability on factory premises, Pune ` 20.97 lacs (Previous year ` 20.97 lacs).
- (v) Export Sales Bills discounted with the Banks ` 887.51 lacs (Previous year ` 982.42 lacs).
- (vi) The interest portion on delayed payment of Octroi Liability amounting to ` 21.64 lacs (Previous year ` 21.64 lacs) is under dispute.

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

- (a) An amount of ` 186.84 lacs (31st March 2012 ` 7.36 lacs) and ` NIL (31st March 2011 ` NIL) was due and outstanding to Suppliers as at the end of the year on account of Principal and Interest respectively.
- (b) No interest was paid during the year.
- (c) No interest outstanding at the end of the year where principal amount has been paid off to the supplier but interest amount is outstanding on 31st March 2013.
- (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 ` 52.95 LACS (PREVIOUS YEAR 40.75 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 31.03.2013, the said partnership has incurred a loss of ` 0.74 lacs (Previous year ` 0.08 lac).

(` in lacs)

	31 March 2013	31 March 2012
Current Assets	13.48	22.48
Non-current Assets	19.81	19.81
Current Liabilities	22.47	31.47
Non-current Liabilities	12.84	12.10
Equity, Reserve & Surplus	(2.02)	(1.28)
Revenue	-	27.13
Cost of Materials consumed	-	25.64
Employee benefit expenses	-	-
Other expenses	(0.74)	1.57
Profit / (loss) before Tax	(0.74)	(0.08)
Income-tax expenses	-	-
Profit / (loss) after Tax	(0.74)	(0.08)

- B. The Company had a 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.' (GESPL). GESPL become a wholly owned subsidiary of 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

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, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of 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 Flow of the Company in accordance with Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by 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 misstatement.

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

We believe that 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 Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India.

- i. in the case of the Consolidated Balance Sheet, of the State of Affairs of the Company as at 31st March, 2013;
- ii. 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
- iii. 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

M. No. 037315

F. R. No. 107830W

Mumbai,
30th May, 2013



Geared for Growth

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013

			(` in lacs)
	Note No.	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,370.84	2,370.84
(b) Reserves and Surplus	4	24,347.24	22,671.54
		26,718.08	25,042.38
(2) Non-Current Liabilities			
(a) Long-term Borrowings	5	2,447.40	4,200.04
(b) Deferred Tax Liabilities (Net)	6	1,814.36	1,798.96
(c) Other Long-term Liabilities	7	305.64	297.83
(d) Long-term Provisions	8	167.97	145.05
		4,735.37	6,441.88
(3) Current Liabilities			
(a) Short-term Borrowings	9	8,321.77	8,308.87
(b) Trade Payables	10	5,756.58	5,352.63
(c) Other Current Liabilities	11	3,743.13	4,069.15
(d) Short-term Provisions	12	8,496.68	8,100.24
		26,318.16	25,830.89
TOTAL		57,771.61	57,315.15
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	14,524.03	15,776.91
(ii) Intangible Assets	13	890.10	873.92
(iii) Capital Work-in-Progress	13	35.11	334.38
		15,449.24	16,985.21
(b) Non-current Investments	14	861.85	911.96
(c) Long-term Loan and Advances	15	1,088.52	948.55
(d) Other non-current Assets	16	169.78	79.10
		17,569.39	18,924.82
(2) Current Assets			
(a) Inventories	17	12,179.34	12,343.46
(b) Trade Receivables	18	15,514.42	14,955.61
(c) Cash and Cash Equivalents	19	2,082.60	2,353.03
(d) Short-term Loans and Advances	20	10,425.86	8,738.23
		40,202.22	38,390.33
TOTAL		57,771.61	57,315.15

III. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-47

As Per our Report of even date

For PATKI & SOMAN
Chartered Accountants,

(S. M. PATKI)

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

A. M. BORADKAR
Company Secretary

V. R. GARWARE
Chairman & Managing Director

R. M. TELANG
Director

R. B. GARWARE
Director

S. P. KULKARNI
Director

Mumbai,
30th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013

			(` in lacs)
	Note No.	For the year ended 31 March 2013	For the year ended 31 March 2012
I. REVENUE:			
(a) Revenue from Operations	21	60,305.24	58,082.05
Less: Excise Duty		368.44	255.23
		59,936.80	57,826.82
(b) Other Income (Net)	22	577.68	334.34
Total Revenue		60,514.48	58,161.16
II. EXPENSES:			
(a) Cost of Materials Consumed	23	23,531.05	22,703.19
(b) Purchase of Traded Goods	24	2,618.83	3,116.91
(c) (Increase)/Decrease in inventories of Finished Goods, Work-in-Progress and Traded Goods	25	318.50	(638.15)
(d) Employee Benefit Expense	26	7,915.59	7,936.04
(e) Operation and Other Expenses	27	19,703.43	18,575.28
Total Expenses		54,087.40	51,693.27
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA) (I - II)		6,427.08	6,467.89
(f) Depreciation and Amortisation Expenses	13	1,632.45	1601.92
(g) Finance Costs	28	1,448.01	1,660.62
III. PROFIT BEFORE TAX		3,346.62	3,205.35
IV. TAX EXPENSES			
(a) Current Tax		853.18	775.00
(b) Deferred Tax		15.40	22.00
(c) Wealth Tax		6.09	5.50
(d) Adjustment for short provision of earlier year		-	2.28
V. a) Profit after Tax for the year		2,471.95	2,400.57
Share of profit / (loss) of Associate		(0.10)	-
b) Profit after Tax for the year after share of Associates		2,471.85	2,400.57
VI. EARNING PER EQUITY SHARE – BASIC AND DILUTED (`)		10.43	10.13
Weighted average number of Equity Shares		23,708,350.00	23,708,350.00
Face Value per Equity Share (`)		10	10

VII. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-47

As Per our Report of even date

For PATKI & SOMAN
Chartered Accountants,

(S. M. PATKI)

Partner
M. No. 037315
F. R. No. 107830WA. M. BORADKAR
Company SecretaryV. R. GARWARE
Chairman & Managing DirectorR. M. TELANG
DirectorR. B. GARWARE
DirectorS. P. KULKARNI
DirectorMumbai,
30th May, 2013



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,346.62	3,205.35
Adjustments for :		
Depreciation and Amortisation	1,632.45	1,601.92
Finance Cost	1,448.01	1,660.62
Interest Income	(140.89)	(91.09)
Dividend Income	(2.54)	(14.41)
(Profit) / Loss on Sale of Fixed Assets	(4.18)	1.05
Provision for Doubtful Debts	-	20.12
Operating Profits before Working Capital Changes	<u>6,279.47</u>	<u>6,383.56</u>
Trade Receivables, Loans and Advances and other Assets	(1,719.71)	(1,617.11)
Inventories	164.12	1,422.40
Trade and other Payables	(588.15)	(424.02)
Cash Generated from Operations	<u>4,135.73</u>	<u>5,764.83</u>
Taxes paid	(758.78)	(611.16)
Net Cash Provided by Operating Activities	<u>3,376.95</u>	<u>5,153.67</u>
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(977.92)	(2,884.43)
Product Development Costs	(149.78)	(150.15)
Proceeds from Sale of Fixed Assets	1,034.46	19.30
(Increase) / Decrease of Investments	101.11	(19.78)
Interest received	140.89	91.09
Dividend received	2.54	14.41
Net Cash Provided by / (used in) Investing Activities	<u>151.30</u>	<u>(2,929.56)</u>
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Long-term Borrowings	(5,583.00)	(644.65)
Proceeds from Long-term Borrowings	3,935.92	4,935.09
Finance Cost	(1,456.20)	(1,637.49)
Short-term Borrowings	(11.64)	(2,021.70)
Dividends paid including Dividend Tax	(687.21)	(686.00)
Net Cash from Financing Activities	<u>(3,802.13)</u>	<u>(54.75)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>(273.88)</u>	<u>2,169.36</u>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

		(` in lacs)
	For the year ended 31 March 2013	For the year ended 31 March 2012
Cash & Cash Equivalents (Opening Balance):	2,356.48	183.67
Cash & Cash Equivalents (Closing Balance):	2,082.60	2,353.03
Net Increase/ (Decrease) in Cash & Cash Equivalents	<u>(273.88)</u>	<u>2,169.36</u>

IV. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1-47

As Per our Report of even date

For PATKI & SOMAN
Chartered Accountants,V. R. GARWARE
Chairman & Managing DirectorR. B. GARWARE
Director(S. M. PATKI)
Partner
M. No. 037315
F. R. No. 107830WA. M. BORADKAR
Company SecretaryR. M. TELANG
DirectorS. P. KULKARNI
DirectorMumbai,
30th May, 2013



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. 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 Technical Textile products such as Ropes, Twine, Yarn, Fishnet and other Nets. The Company also provides solutions to the infrastructure sectors including Coastal Protection, Land Filling etc. The company caters to both domestic and international markets.

2A. BASIS OF CONSOLIDATED

(a) The Consolidated Financial Statements relates to Garware-Wall Ropes Ltd ('the Company') and its subsidiary. The Company and its subsidiary together constitute 'the Group'. The Consolidated Financial Statements have been prepared on the following basis:

- i. The Financial Statements of the Company and its Subsidiary 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).
- ii. 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).
- iii. The Financial Statements of Subsidiary are drawn upto the same reporting date as that of the Company.
- iv. 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.
- v. 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 2013		As at 31 March 2012	
Domestic	Country of Incorporation	Directly by its subsidiaries Holding (%)	Effective Holding (%)	Directly by 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 Provate Limited	India	50.00	50.00	50.00	50.00

2B. 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 2013

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 2013

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 & Wai Plants both recognised by The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India (DSIR). It would be the endeavour of the Company to achieve the development of new products, Ropes, Nettings and Technical Textiles for different / new applications.

- 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 2013

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 and 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 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 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.

Government grants 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 2013

	(` in lacs)	
	As at 31 March 2013	As at 31 March 2012
3. SHARE CAPITAL		
(a) Authorised Shares		
i) 5,00,00,000 Equity Shares of ` 10/- each (31 March 2012 : 5,00,00,000 Equity Shares of ` 10/- each)	5,000.00	5,000.00
ii) 1,00,00,000 Unclassified Shares of ` 10/- each (31 March 2012 : 1,00,00,000 Equity Shares of ` 10/- each)	1,000.00	1,000.00
	<u>6,000.00</u>	<u>6,000.00</u>
(b) Issued, Subscribed and Fully Paid-up		
2,37,08,350 Equity Shares of ` 10/- each (31 March 2012 : 2,37,08,350 Equity Shares of ` 10/- each)	2,370.84	2,370.84
	<u>2,370.84</u>	<u>2,370.84</u>

a) Reconciliation of Number of Shares	As at 31 March 2013		As at 31 March 2012	
	Number of Shares	Amount Rupees	Number of Shares	Amount Rupees
Equity Shares				
Opening Balance	23,708,350	237,083,500	23,708,350	237,083,500
Changes during the year	-	-	-	-
Closing Balance	<u>23,708,350</u>	<u>237,083,500</u>	<u>23,708,350</u>	<u>237,083,500</u>

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

	As at 31 March 2013	As at 31 March 2012
Equity Shares		
Ramesh B. Garware	3,612,053 15.24% *	1,307,038 5.51% *
Garware Capital Markets Limited	3,453,911 14.57%	3,453,911 14.57%

* 9.22% (Previous year 4.24%) shares are held on behalf of a partnership firm.

c) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March 2013): Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
4. RESERVES AND SURPLUS		
(a) Capital Reserve	72.23	24.75
This includes ` 47,48,335 represent as Capital reserve arising of an entity which became subsidiary during the year		
(b) Share Premium		
Share Premium Account	7,597.37	7,597.37
Share Premium Related to Forfeited Share	102.74	102.74
(c) Revaluation Reserve		
(i) Balance as per last Financial Statement	9.02	10.06
(ii) Less: Transfer to Profit and Loss Account	1.04	1.04
	<u>7.98</u>	<u>9.02</u>
(d) General Reserve		
(i) Balance as per last Financial Statement	3,220.07	2,979.07
(ii) Transferred from Statement of Profit and Loss	247.00	241.00
	<u>3,467.07</u>	<u>3,220.07</u>
(e) Surplus in Statement of Profit and Loss		
Balance as per last Financial Statement	11,861.01	10,390.30
Add : Profit for the year	2,469.37	2,400.57
Less : Appropriations		
(i) Proposed final Dividend on Equity Shares	592.71	592.71
(ii) Tax on Dividend	100.73	96.15
(iii) Transfer to General Reserve	247.00	241.00
	<u>13,389.94</u>	<u>11,861.01</u>
(f) Hedging Reserve Account		
(i) Balance as per last Financial Statement	(143.42)	-
(ii) (Deductions) / Additions during the year (net)	(146.67)	(143.42)
	<u>(290.09)</u>	<u>(143.42)</u>
Total	<u>24,347.24</u>	<u>22,671.54</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	As at 31 March 2012
(` in lacs)		
5. LONG-TERM BORROWINGS		
SECURED TERM LOANS		
- From Banks and Financial Institutions		
1. CITI Bank ECB Term Loan		
(i) Balance as per last Financial Statement	2,477.58	2,643.42
(ii) Current Maturity transfer to other Current Liability	(707.88)	(165.21)
	<u>1,769.70</u>	<u>2,478.21</u>
2. CITI Bank Rupee Loan		
(i) Balance as per last Financial Statement	-	314.96
(ii) Current Maturity transfer to other Current Liability	-	(314.96)
	<u>-</u>	<u>-</u>
3. HDFC Bank Rupee Term Loan		
(i) Balance as per last Financial Statement	1,458.33	2,291.66
(ii) Current Maturity transfer to other Current Liability	(833.33)	(833.33)
	<u>625.00</u>	<u>1,458.33</u>
4. IDBI Bank Term Loan under TUFS		
(i) Balance as per last Financial Statement	263.50	474.30
(ii) Current Maturity transfer to other Current Liability	(210.80)	(210.80)
	<u>52.70</u>	<u>263.50</u>
Balance as on last Financial Statement	4,199.41	5,724.34
Current Maturity transfer to other Current Liability	(1,752.01)	(1,524.30)
Total	<u><u>2,447.40</u></u>	<u><u>4,200.04</u></u>

Notes :

- 1) 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.
- 2) CITI Bank Rupee Loan was repayable in 20 quarterly instalments of ` 78.74 Lacs each along with interest from 28th January, 2008. This loan was secured by way of hypothecation of the whole of the Plant & Machinery including its moveable Plant & Machinery, Machinery Spares, Tools & Accessories, 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.
- 4) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liability		
Depreciation and Amortisation	1,896.45	1,962.46
	<u>1,896.45</u>	<u>1,962.46</u>
(b) Deferred Tax Asset		
(i) Employee Benefits	(67.49)	(55.46)
(ii) Provision for Doubtful Debts	(14.60)	(16.56)
(iii) Others	-	(91.48)
	<u>(82.09)</u>	<u>(163.50)</u>
Total	<u>1,814.36</u>	<u>1,798.96</u>
7. OTHER LONG-TERM LIABILITIES		
Other Liabilities :		
Deposits from Customers and Contractors	305.64	297.83
Total	<u>305.64</u>	<u>297.83</u>
8. LONG-TERM PROVISIONS		
Provision for Employee Benefits	167.97	145.05
Total	<u>167.97</u>	<u>145.05</u>
9. SHORT-TERM BORROWINGS		
Loans repayable on demand		
Secured Loans		
- From banks		
1. Cash Credit, Rupee Loan and Rupee Packing Credit	3,550.29	5,237.15
2. Packing Credit in Foreign Currency Loan	2,810.96	2,815.96
Unsecured Loans		
- From bank		
1. Cash Credit, Rupee Loan and Rupee Packing Credit	590.34	190.51
2. Packing Credit in Foreign Currency Loan	1,370.18	65.25
Total	<u>8,321.77</u>	<u>8,308.87</u>

Note:

The above Secured Loans are availed from Consortium Bankers, viz., Bank of India, Bank of Baroda, Bank of Maharashtra, IDBI Bank, HDFC Bank, The Royal Bank of Scotland N.V. and CITI Bank N.A. 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. Except loans from IDBI Bank, HDFC Bank and CITI Bank N.A., the other loans from remaining Consortium Bankers are also secured to the extent of ` 8,300 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 Packing Credit Rupee Loan (rupee and foreign currency loan) loan are repayable on demand.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	As at 31 March 2013	As at 31 March 2012
10. TRADE PAYABLES		
Trade Payables	5,756.58	5,352.63
Total	<u>5,756.58</u>	<u>5,352.63</u>
11. OTHER CURRENT LIABILITIES		
(a) Current maturity of Long Term Debt	1,752.01	1,524.30
(b) Other Payables	1,481.56	1,576.86
(c) Interest accrued but not due on borrowing	18.68	26.86
(d) Advance received from Customers	462.84	914.74
(e) Unpaid Dividend	28.04	26.39
Total	<u>3,743.13</u>	<u>4,069.15</u>
Other Payables includes:		
(i) Fair value of foreign exchange forward contract secured against Trade Receivables	1,085.60	1,271.75
(ii) Statutory Liabilities	227.80	114.96
(iii) Capital Creditors	-	27.83
12. SHORT-TERM PROVISIONS		
(a) Provision for Employee Benefits	234.36	283.95
(b) Others		
(i) Taxation	4,393.24	3,533.97
(ii) Proposed Dividend	592.71	592.71
(iii) Tax on Proposed Dividend	100.73	96.15
(iv) Other provisions	3,175.64	3,593.46
Total	<u>8,496.68</u>	<u>8,100.24</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

13 FIXED ASSETS

(` in Lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description	Gross Block as at 1 April 2012	Additions	Deletions/ Adjustments	Gross Block as at 31 March 2013	Accumulated as at 1 April 2012	Deletions / Adjustment	Depreciation/ Amortisation for the year	Accumulated as at 31 March 2013	Value as at 31 March 2013	Value as at 31 March 2012
(a) TANGIBLE FIXED ASSETS										
Leasehold Land	168.62	-	-	168.62	-	-	-	-	168.62	168.62
Buildings	4,997.96	301.71	1,176.18	4,123.49	2,076.65	166.95	237.99	2,147.69	1,975.80	2,921.31
Plant and Machinery	22,076.76	594.67	-	22,671.43	11,419.23	-	951.92	12,371.15	10,300.28	10,657.54
R&D Equipments	1,260.30	108.17	-	1,368.47	489.67	-	71.03	560.70	807.77	770.63
Electrical Installations	694.40	87.12	-	781.52	465.82	-	24.75	490.57	290.95	228.58
Furniture and Fixtures	487.20	11.23	0.67	497.76	269.27	0.17	20.14	289.24	208.52	217.92
Office Equipments	1,045.81	45.75	2.08	1,089.48	740.15	0.38	56.40	796.17	293.31	305.66
Vehicles	825.63	84.17	21.19	888.61	362.24	2.35	64.79	424.68	463.93	463.39
Helicopter	508.89	-	-	508.89	465.54	-	28.50	494.04	14.85	43.35
TOTAL	32,065.57	1,232.82	1,200.12	32,098.27	16,288.57	169.85	1,455.52	17,574.24	14,524.03	15,777.00
31 March 2012	29,015.61	3,085.60	35.74	32,065.47	14,874.59	15.38	1,429.35	16,288.56	15,776.91	14,141.02
(b) INTANGIBLE ASSETS										
Technical Knowhow	45.96	-	-	45.96	39.83		4.60	44.43	1.53	6.12
Product Development	1,303.82	149.78	-	1,453.60	502.32		144.16	646.48	807.12	801.50
Computer Software	221.68	44.37	-	266.05	155.39		29.21	184.60	81.45	66.30
TOTAL	1,571.46	194.15	-	1,765.61	697.54	-	177.97	875.51	890.10	873.92
31 March 2012	1,416.08	155.38	-	1,571.46	523.93	-	173.61	697.54	873.92	892.15
(c) CAPITAL WORK- IN-PROGRESS										
TOTAL	334.38	35.11	334.38	35.11	-		-	-	35.11	334.38
31 March 2012	334.38	35.11	334.38	35.11	-		-	-	35.11	334.38
Grand Total	541.83	334.38	541.83	334.38	-		-	-	334.38	541.83
31 March 2012	33,971.41	1,462.08	1,534.50	33,898.99	16,986.11	169.85	1,633.49	18,449.75	15,449.24	16,985.30
31 March 2012	30,973.52	3,575.36	577.57	33,971.31	15,398.52	15.38	1,602.96	16,986.10	16,985.21	15,575.00

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 the year on Product Development Costs at ` 149.78 lacs (Previous year ` 150.15 lacs) and Computer software ` 44.37 lacs (Previous year ` 5.23 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 recognized as "Deferred Revenue Expenditure" up to 1st April, 2004, are being continued to be amortized over the remaining period.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	As at 31 March 2013	As at 31 March 2012
14. NON-CURRENT INVESTMENTS		
1. INVESTMENTS IN EQUITY INSTRUMENT		
a) In Joint Venture Companies :		
Shares of Garware Environmental Services Pvt. Limited	-	50.00
Nil (31 March 2012 : 5,00,000) Equity Shares of ` 10/- each, fully paid		
b) In Associate Companies :		
Shares of Garware Meditech Private Limited	0.40	0.50
5,000 (31 March 2012 : 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 2012 : 15,805) Equity Shares of ` 20/- each, Fully Paid		
Shares of Gujarat Filament Corporation Limited	0.01	0.01
50 (31 March 2012 : 50) Equity Shares of ` 10/- each, fully paid		
Shares of Intermedia Interactive Solutions Pvt. Limited	807.11	807.11
8,90,680 (31 March 2012 : 8,90,680) Equity Shares of ` 10/- each, fully paid Face Value ` 89.07 Lacs (31 March 2012 ` 89.07 Lacs)		
Shares of Garware Marine Industries Limited (quoted)	5.00	5.00
50,000 (31 March 2012 : 50,000) Equity Shares of ` 10/- each, fully paid		
Shares of Garware Polyester Limited (quoted)	319.62	319.62
1,46,350 (31 March 2012 : 1,46,350) Equity Shares of ` 10/- each, fully paid		
2. INVESTMENTS IN GOVERNMENT AND TRUST SECURITIES		
7 Year National Savings Certificates.	24.05	24.06
Out of this, National Saving Certificates for Face value of ` 0.16 Lacs (31 March 2012 ` 0.16 Lacs) deposited with Sales Tax Authorities		
Sardar Sarovar Narmada Nigam Ltd. Bond	17.50	17.50
Total investment	1,176.85	1,226.96
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	<u>861.85</u>	911.96
Aggregate Value of Quoted Investments (` in lacs)	324.62	324.62
Aggregate Market Value of Quoted Investments (` in lacs)	110.51	174.97
Aggregate Value of Unquoted Investments (` in lacs)	852.23	902.34

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 2013

	As at 31 March 2013	(` in lacs) As at 31 March 2012
15. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
(i) Security Deposits	365.33	277.60
(ii) Other Loans and Advances	723.19	670.95
Total	1,088.52	948.55
Other Loans and Advances includes :		
Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL	12.84	12.10
Advances to Employees	81.25	4.58
16. OTHER NON-CURRENT ASSETS		
Other Non-Current Assets	169.78	79.10
Total	169.78	79.10
17. INVENTORIES		
(i) Stores, Spares, Fuel and Packing Materials	1,000.75	926.14
(ii) Raw Materials	2,897.30	2,817.53
(iii) Work-in-Progress	1,947.88	1,992.58
(iv) Finished Goods (Including Goods-in-Transit ` 44.33 Lacs, Previous Year ` 152.85 Lacs)	5,798.64	6,380.56
(v) Traded Goods	534.77	226.65
Total	12,179.34	12,343.46
Inventories are carried at the lower of cost and net realisable value.		
18. TRADE RECEIVABLES		
Unsecured		
(a) Trade Receivables for more than six months		
Considered Good	1,759.73	1,420.70
Considered Doubtful	45.32	51.07
	1,805.05	1,471.77
Less: Provision for Doubtful Debts	45.32	51.07
	1,759.73	1,420.70
(b) Other Receivables		
Considered Good	13,754.69	13,534.91
Total	15,514.42	14,955.61
Unbilled revenue as at 31st March, 2013, amounting to ` 1627.90 lacs (31st March, 2012 : ` 2069.81 lacs) primarily comprises of the revenue recognised in relation to efforts incurred on construction contracts.		
Trade Receivables for more than six months include:		
Due from a company in which the Companies Directors are Directors.		
Garware Beststretch Ltd.	-	0.56



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	As at 31 March 2013	As at 31 March 2012
19. CASH AND CASH EQUIVALENTS		
(a) Cash and Cash Equivalents		
(i) Balances with Banks		
- In Current Accounts	916.75	487.52
- In Deposit Accounts with maturity less than 3 months	1,000.00	1,808.67
(ii) Cash on hand	7.01	13.38
	<u>1,923.76</u>	<u>2,309.57</u>
(b) Other Bank balances		
(i) Earmarked balances with Banks	28.03	26.39
(ii) Bank Deposits above 3 months	130.81	17.07
Total	<u>2,082.60</u>	<u>2,353.03</u>
20. SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received	5,904.87	4,981.67
Advance Tax (including refunds receivable)	4,456.76	3,698.70
Deposits	13.68	15.95
Balance with Excise and Customs Authorities	50.55	41.91
	<u>10,425.86</u>	<u>8,738.23</u>
Advances recoverable in cash or in kind or for value to be received includes:		
Advances given to Creditors	1,133.52	1,406.56
Advances to Employees	66.51	45.29
21. REVENUE FROM OPERATIONS		
	For the year ended 31 March 2013	For the year ended 31 March 2012
(i) Manufactured Goods	57,017.10	52,539.54
(ii) Traded Goods	631.55	1,367.52
(iii) Contracts for Supply & Installation	2,656.59	4,174.99
(Tax deducted at source ` 47.58 Lacs; previous year ` 76.25 Lacs)		
Total	<u>60,305.24</u>	<u>58,082.05</u>
Less:		
Excise Duty	368.44	255.23
Net Revenue	<u>59,936.80</u>	<u>57,826.82</u>

Note :

A. Disclosure pursuant to Accounting Standard "AS7 - Construction Contracts", the Construction Work-in-Progress (Fibre & Industrial Product & Project Segment) amounts to ` 1469.48 lacs (31st March 2012 ` 2802.68 lacs).

B. For these construction contracts, the progress payments received, advances and retentions on account of Contracts are ` 1225.59 lacs, ` 73.73 lacs and ` 55.42 lacs (31st March 2012 ` 562.51 lacs, ` 60.34 lacs and ` 101.14 lacs) respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		(` in lacs)
	For the year ended 31 March 2013	For the year ended 31 March 2012
22. OTHER INCOME		
Sale of Scrap	141.61	91.94
Interest- Gross		
From Banks (Tax deducted at source ` 11.32 Lacs, previous year ` 6.70 Lacs)	110.00	80.38
From Other	30.89	10.71
	140.89	91.09
Dividend	2.54	14.41
Miscellaneous Receipts	292.64	136.90
Total	577.68	334.34
23. COST OF MATERIAL CONSUMED		
Raw Material Consumed		
Opening Stock	2,817.53	4,710.86
Add : Purchases (Net of Credits)	23,610.82	20,809.86
Less : Closing Stock	2,897.30	2,817.53
Total	23,531.05	22,703.19
24. PURCHASE OF STOCK IN TRADE		
Purchase of Traded Goods	2,618.83	3,116.91
Total	2,618.83	3,116.91
25. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock		
Work-in-Progress	1,992.58	1,899.62
Finished Goods	6,380.56	5,484.82
Traded Goods	226.65	577.20
	8,599.79	7,961.64
(b) Closing 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
Net (Increase) / Decrease	318.50	(638.15)
26. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	6,912.18	6,876.69
Contribution to Provident and other Funds	248.90	255.33
Gratuity	85.03	147.37
Superannuation	39.61	26.98
Staff Welfare	629.87	629.67
Total	7,915.59	7,936.04
Salaries, Wages and Bonus includes :		
R&D Salary Expenses	142.60	113.94



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(` in lacs)	
	For the year ended 31 March 2013	For the year ended 31 March 2012
27. OPERATING AND OTHER EXPENSES		
Stores and Spares consumed	2,947.01	3,050.98
Packing Materials consumed	737.07	793.07
Power, Fuel and Water Charges	3,890.94	3,427.52
Processing and Testing Charges	2,315.63	2,345.00
Installation Contract related expenses	758.22	26.48
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	282.76	346.21
Rent	146.85	122.14
Rates, Taxes and Octroi	86.91	109.18
Insurance	131.46	127.54
Transport and Forwarding Charges	2,956.16	2,510.26
	<u>3,604.14</u>	<u>3,215.33</u>
Repairs and Maintenance		
Buildings	29.55	51.29
Plant and Machinery	605.72	660.94
Others	384.50	435.91
	<u>1,019.77</u>	<u>1,148.14</u>
Travelling Expenses	676.87	520.17
Discount and Commission on Sales	1,590.21	1,693.65
Bad Debts	79.78	12.21
Provision for Doubtful Debts	-	20.12
Legal and Professional Charges	531.99	514.23
Auditors' Remuneration		
Audit Fees	6.77	5.00
Fees for other Services	1.30	1.00
Out of Pocket Expenses	0.33	0.38
	<u>8.40</u>	<u>6.38</u>
Establishment and other miscellaneous expenses	1,572.37	1,491.88
Exchange (Gain) / Loss (net)	120.99	562.03
Directors' Fees	4.00	5.60
(Profit) / Loss on Fixed Assets discarded	(4.18)	1.05
Cost Capitalised on Machines	-	(108.41)
Cost Transferred to Product Development Expenditure	(149.78)	(150.15)
Total	<u><u>19,703.43</u></u>	<u><u>18,575.28</u></u>
Operating and other expenses includes :		
R&D Revenue Expenses	83.99	25.97
28. FINANCE COSTS		
Interest expenses:		
- Term Loans	640.94	674.62
- Cash Credit / Overdraft	610.03	776.11
- Bank Charges	197.04	209.89
Total	<u><u>1,448.01</u></u>	<u><u>1,660.62</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

29. EMPLOYEE BENEFITS :

The Company operates 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 2013	31 March 2012
I. Change in Obligation		
1. Liability at the beginning of the year	846.78	609.80
2. Interest Cost	67.74	48.78
3. Current Service Cost	65.15	50.24
4. Past Service Cost (Non Vested Benefit)	-	-
5. Past Service Cost (Vested Benefit)	-	-
6. Benefit Paid	(40.74)	(26.05)
7. Actuarial (Gain) / Loss on Obligation	(59.20)	164.01
8. Liability at the end of the year	879.73	846.78
II. Fair value of Plan Assets		
1. Fair Value of Plan Assets at the beginning of the year	635.63	554.95
2. Expected Return of Plan Assets	53.08	48.48
3. Contributions	147.21	64.46
4. Benefit Paid	(40.74)	(26.05)
5. Actuarial Gain / (Loss) on Plan Assets	4.45	(6.20)
6. Fair Value of Plan Assets at the end of the year	799.63	635.64
Total Actuarial Gain / (Loss) to be Recognised	54.75	(157.81)
III. Actual Return of Plan Assets		
1. Expected Return of Plan Assets	53.08	48.48
2. Actuarial Gain / (Loss) on Plan Assets	4.45	(6.20)
Actual Return on Plan Assets	57.53	42.28
IV. Amount Recognised in the Balance Sheet		
1. Liability at the end of the year	(879.73)	(846.78)
2. Fair Value of Plan Assets at the end of the year	799.63	635.64
3. Difference	(80.10)	(211.14)
4. Unrecognised Past Service Cost		
5. Amount Recognised in the Balance Sheet	(80.10)	(211.14)
V. Expenses Recognised in the Income Statement		
1. Current Service Cost	65.15	50.24
2. Interest Cost	67.74	48.78
3. Expected Return on Plan Assets	(53.08)	(48.48)
4. Net Actuarial (Gain) / Loss to be Recognised	(54.75)	157.81
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 Profit and Loss Account	25.06	208.35



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(` in lacs)

Defined Benefit Plans	Gratuity	
	31 March 2013	31 March 2012
VI. Balance Sheet Reconciliation		
1. Opening Net Liability	211.15	54.85
2. Expense as above	25.06	208.35
3. Employee Contribution	(147.21)	(64.46)
4. Effect of Curtailment or Settlements	-	-
5. Amount Recognised in Balance Sheet	89.00	198.74
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 2012	As at 31 March 2011	As at 31 March 2013	As at 31 March 2012
i) Twines, Ropes & Yarns	2,886.33	1,700.59	2,164.68	2,886.33
ii) Nettings	2,816.95	3,343.41	2,881.52	2,816.95
iii) Woven Fabric	403.79	141.38	342.18	403.79
iv) Metal Gabions	81.67	299.44	38.15	81.67
v) Coated Fabric	191.82	-	371.91	191.82
Total	<u>6,380.56</u>	<u>5,484.82</u>	<u>5,798.44</u>	<u>6,380.56</u>

31. SALES

Product & Services

	For the year ended 31 March 2013	For the year ended 31 March 2012
i) Twines, Ropes & Yarns	26,061.52	24,395.48
ii) Nettings	27,224.42	25,965.42
iii) Woven Fabric	1,769.90	734.26
iv) Metal Gabions	589.19	827.61
v) Coated Fabric	1,372.22	614.57
Sub Total	<u>57,017.25</u>	<u>52,537.34</u>
vi) Machineries and Parts (Nos.)	-	2.20
vii) Traded Goods (including Supplied under Contract)	3,287.98	5,542.51
Total	<u>60,305.23</u>	<u>58,082.05</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

		(` in lacs)		
		For the year ended 31 March 2013	For the year ended 31 March 2012	
32. VALUE OF IMPORTS ON C.I.F. BASIS				
Raw Materials		6,915.83	6,524.24	
Traded Goods, Stores, Spares, etc.		2,231.95	1,688.71	
Capital Goods		119.41	928.22	
Total		<u>9,267.19</u>	<u>9,141.17</u>	
33. RAW MATERIALS CONSUMED				
High Density Polyethylene		9,565.88	8,531.73	
Polypropylene		9,709.51	9,428.00	
Nylon		2,712.80	3,481.37	
Polyester Yarn		1,234.87	932.74	
G.I. Wire		307.98	329.35	
Total		<u>23,531.04</u>	<u>22,703.19</u>	
34. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARES CONSUMED				
		Percentage		
	(` in lacs)			
	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2013	For the year ended 31 March 2012
(i) Raw materials				
Imported	7,838.03	7,924.24	33.31	34.90
Indigenous	15,693.01	14,778.95	66.69	65.10
Total	<u>23,531.04</u>	<u>22,703.19</u>	<u>100.00</u>	<u>100.00</u>
(ii) Stores, Spares, etc.				
Imported	522.98	561.39	17.75	18.40
Indigenous	2,424.03	2,489.59	82.25	81.60
Total	<u>2,947.01</u>	<u>3,050.98</u>	<u>100.00</u>	<u>100.00</u>
35. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)				
a. Travelling Expenses		252.32	232.41	
b. Commission on Exports		20.39	13.44	
c. Subscriptions		6.47	5.90	
d. Advertisement & Sales Promotion		20.60	16.24	
e. Professional Charges		152.98	94.93	
f. Interest & Finance Charges		157.37	75.53	
g. Overseas Branch Office Expenses		912.89	909.54	
Total		<u>1,523.02</u>	<u>1,347.99</u>	
36. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)				
FOB Value of Exports		25,414.56	24,584.47	



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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.

(` in lacs)

i) Primary Segment Report

Year 2012-2013

Year 2011-2012

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	48,662.03	11,643.21	-	60,305.24	45,866.00	12,216.05		58,082.05
Inter-segment Sales	240.91	2,102.86	(2,343.77)	-	462.34	1,339.34	(1,801.68)	-
Less : Excise Duty	36.17	332.27	-	368.44	28.34	226.89		255.23
Total Revenue	48,866.77	13,413.80	(2,343.77)	59,936.80	46,300.00	13,328.50	(1,801.68)	57,826.82
RESULT								
Segment Result	5,534.98	750.86		6,285.84	4,788.82	1,053.00		5,841.82
Unallocated Corporate expenses (net of income)				1,634.64				1,424.29
Operating Profit				4,651.20				4,417.53
Finance Costs				1,448.01				1,317.68
Interest & Dividend Income				143.43				105.50
Profit from Ordinary Activities				3,346.62				3,205.35
Income Tax				874.67				804.78
Extraordinary Items				-				-
Net Profit				2,471.95				2,400.57
OTHER INFORMATION								
Segment Assets	33,468.89	11,864.48		45,333.37	32,127.48	13,444.58		45,572.06
Unallocated Corporate Assets				12,529.49				11,743.08
Total Assets				57,862.86				57,315.14
Segment Liabilities	7,761.52	2,400.75		10,162.27	7,943.39	2,894.31		10,837.70
Unallocated Corporate Liabilities				47,700.59				46,477.44
Total Liabilities				57,862.86				57,315.14
Capital Expenditure	1,230.83	212.70		1,443.53	2,567.33	886.42		3,453.75
Unallocated Capital Expenditure				20.80				121.61
Total Capital Expenditure				1,464.33				3,575.36
Depreciation	1,241.41	316.68		1,558.09	1,201.95	310.20		1,512.15
Unallocated Depreciation on Corporate Assets				74.36				90.77
Total Depreciation				1,632.45				1,602.92
Other non-cash expenses				-				-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

ii) Secondary Segment Report

(` in Lacs)

PARTICULARS	Year 2012-2013				Year 2011-2012			
	India	Outside India	Eliminations	Total	India	Outside India	Eliminations	Total
Gross Sales	34,305.74	25,999.50		60,305.24	32,742.01	25,340.04		58,082.05
Less : Excise Duty	368.44	-		368.44	255.23	-		255.23
Net Sales	33,937.30	25,999.50		59,936.80	32,486.78	25,340.04		57,826.82
Fixed Assets	15,446.71	2.45		15,449.16	16,982.40	2.81		16,985.21
Capital Expenditure	1,464.33	-		1,464.33	3,575.36	-		3,575.36

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 Bestretch 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. Garware Securities Broking Ltd.
4. Garware Capital Markets Ltd.
5. Garware Indus Consulting Ltd.
6. Garware Utzon (Cordage) Ltd.
7. Manmit Investments & Trading Company (P) Ltd.
8. Ceebeegee Investment Company Pvt. Ltd.
9. Moonshine Investments & Trading Co. Pvt. Ltd.
10. Gurukrupa Investments & Trading Co. Pvt. Ltd.
11. Sanand Investments & Trading Company Pvt. Ltd.
12. Starshine Investments & Trading Company Pvt. Ltd.
13. Sukukar Holdings & Trading Company Pvt. Ltd.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

D. Directors - Key Management Personnel

Mr. R. B. Garware

Mr. V. R. Garware

E. Relatives of Key Management Personnel

Mrs. Diya Garware Ibanez

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. Gartex Industries Ltd.
9. Garware Motors Ltd.
10. Garware Infrastructure Pvt. Ltd.
11. Garware Apparel Pvt. Ltd.
12. Garware Research Institute
13. Suramex Exim (P) Ltd.
14. Garware Holdings Ltd.

(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	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	Sale of Goods / Services		2.48		-	-	-	-	-	-	2.48
2	Purchase of Goods / Services	9.98	4.43		-	-	-	-	-	9.98	4.43
3	Sale of Flat		-		-	1,020.00	-	-	-	1,020.00	-
4	Purchase of Shares		0.50	5.00	-	-	-	-	-	5.00	0.50
5	Deposits placed		-		-	-	-	-	-	-	-
6	Placed deposits refunded		-		-	-	-	-	-	-	-
7	Deposits received		-	3,799.35	2,551.10	-	-	-	-	3,799.35	2,551.10
8	Deposits refunded		-	3,799.35	2,551.10	-	-	-	-	3,799.35	2,551.10
9	Interest paid on deposits		-	369.32	277.85	-	-	-	-	369.32	277.85
10	Interest received on deposits		-		-	-	-	-	-	-	-
11	Directors' Remuneration										
	a) Mr. R. B. Garware		-	-	-	37.54	-	-	-	-	37.54
	b) Mr. V. R. Garware		-	-	-	111.27	78.07	-	-	111.27	78.07
12	Directors' Sitting Fees		-	-	-	-	-	0.20	0.20	0.20	0.20
13	Balance receivable		-	-	-	-	-	-	-	-	-
14	Balance payable	0.18	0.15		-	-	-	-	-	0.18	0.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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

1. Sale of Good include Sales to Garware Bestretch Ltd. of ` Nil (Previous year ` 2.48 lacs).
2. Purchase of Good/Services include Purchase from Garware Bestretch Ltd. of ` 9.98 lacs (Previous year ` 4.43 lacs).
3. Purchase of Shares includes :
 Shares of Garware Meditech Pvt. Ltd. of ` Nil (Previous year ` 0.50 lacs),
 Shares of Garware Environmental Services Pvt. Ltd. of ` 5 lacs (Previous year ` Nil).
4. Sales of Flat to Mr. V. R. Garware of ` 1020 lacs (Previous year ` Nil).
5. Deposit received and refunded of ` 3799.35 lacs (Previous year ` 2551.10 lacs) include deposits from :
 Garware Capital Markets Ltd. of ` 1190 lacs (Previous year ` 910.40 lacs),
 Manmit Investments & Trading Co. Pvt. Ltd. of ` 55 lacs (Previous year ` 45.35 lacs),
 Moonshine Investments and Trading Co. Pvt. Ltd. of ` 21.50 lacs (Previous year ` 10.20 lacs),
 RSDV Investments Pvt. Ltd. of ` 2153 lacs (Previous year ` 1359.30 lacs),
 RSDV Finance and Trading Co. Pvt. Ltd. of ` 78.50 lacs (Previous year ` 50.55 lacs),
 Sanand Investment & Trading Co. Pvt. Ltd. of ` 13 lacs (Previous year ` 6.75 lacs),
 Starshine Investments and Trading Co. Pvt. Ltd. of ` 9.50 lacs (Previous year ` 4.90 lacs),
 Garware Securities Broking Ltd. of ` 6.50 lacs (Previous year ` Nil),
 Gurukrupa Investments and Trading Co. Pvt. Ltd. of ` 2.60 lacs (Previous year ` 1 lac),
 Garware Utzon (Cordage) Ltd. of ` 89.25 lacs (Previous year ` 62.60 lacs),
 Sukukar Holdings & Trading Co. Pvt. Ltd. of ` 12.50 lacs (Previous year ` 6.30 lacs),
 Garware Indus Consulting Ltd. of ` 83 lacs (Previous year ` 57.75 lacs),
 Ceebeegee Investments Co. Pvt. Ltd. of ` 85 lacs (Previous year ` 36 lacs).
6. Interest paid on Deposit of ` 369.32 lacs (Previous year ` 277.85 lacs) includes :
 Garware Capital Markets Ltd. of ` 112.79 lacs (Previous year ` 105.70 lacs),
 Manmit Investments & Trading Co. Pvt. Ltd. of ` 5.42 lacs (Previous year ` 4.43 lacs),
 Moonshine Investments and Trading Co. Pvt. Ltd. of ` 1.68 lacs (Previous year ` 0.56 lacs),
 RSDV Investments Pvt. Ltd. of ` 219.86 lacs (Previous year ` 150.68 lacs),
 RSDV Finance and Trading Co. Pvt. Ltd. of ` 5.87 lacs (Previous year ` 5.33 lacs),
 Sanand Investment & Trading Co. Pvt. Ltd. of ` 1.04 lacs (Previous year ` 0.34 lacs),
 Starshine Investments and Trading Co. Pvt. Ltd. of ` 0.74 lacs (Previous year ` 0.24 lacs),
 Garware Securities Broking Ltd. of ` 0.18 lacs (Previous year ` NIL),
 Gurukrupa Investments and Trading Co. Pvt. Ltd. of ` 0.15 lacs (Previous year ` 0.09 lacs),
 Garware Utzon (Cordage) Ltd. of ` 8.21 lacs (Previous year ` 5.19 lacs),
 Sukukar Holdings & Trading Co. Pvt. Ltd. of ` 0.99 lacs (Previous year ` 0.32 lacs),
 Garware Indus Consulting Ltd. of ` 7.60 lacs (Previous year ` 4.93 lacs),
 Ceebeegee Investments Co. Pvt. Ltd. of ` 4.79 lacs (Previous year ` 0.04 lacs).
7. Payment to Key management personal includes :
 R. B. Garware ` Nil (Previous year ` 37.54 lacs),
 V. R. Garware ` 111.27 lacs (Previous year ` 78.07 lacs).



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

39. EARNING PER SHARE (EPS)

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

Basic Earning Per Share is 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 2013	31 March 2012
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders	2,471.85	2400.57
Weighted Average No. of Share O/s. during the year	23,708,350	23,708,350
Basic and Diluted EPS (in `)	10.43	10.13

40. DISCLOSURE IN RELATION TO DERIVATIVE INSTRUMENTS

(a) No. of Contracts	5	7
(b) Purpose	Hedging	Hedging
(c) Net un-hedged exposure	` 4067.26 lacs	` 1826.87 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	0.05
iii) Later than five years.	Nil	Nil
(b) Lease Payment recognised in the Profit & Loss account	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 2013	31 March 2012	31 March 2011
Research and Development Equipments	108.17	192.98	100.66
Research and Development Revenue Expenditure	226.59	139.91	87.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

43. CONTINGENT LIABILITIES

- (i) Disputed Excise Duty ` 32.12 lacs (Previous year ` 27.57 lacs).
- (ii) Bank Guarantees for ` 1,435.84 lacs (Previous year ` 1,477.26 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 ` 13,500 lacs).
- (iii) Disputed amount of Sales Tax liability ` 196.68 lacs (Previous year ` 42.15 lacs).
- (iv) Disputed Property Tax Liability on factory premises, Pune ` 20.97 lacs (Previous year ` 20.97 lacs).
- (v) Export Sales Bills discounted with the Banks ` 887.51 lacs (Previous year ` 982.42 lacs).
- (vi) The interest portion on delayed payment of Octroi Liability amounting to ` 21.64 lacs (Previous year ` 21.64 lacs) is under dispute.

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

- (a) An amount of ` 186.84 lacs (31st March 2012 ` 7.36 lacs) and ` NIL (31st March 2011 ` NIL) was due and outstanding to Suppliers as at the end of the year on account of Principal and Interest respectively.
- (b) No interest was paid during the year.
- (c) No interest outstanding at the end of the year where principal amount has been paid off to the supplier but interest amount is outstanding on 31st March 2013.
- (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 ` 52.95 LACS (PREVIOUS YEAR 40.75 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 31.03.2013, the said partnership has incurred a loss of ` 0.74 lacs (Previous year ` 0.08 lac).

	31 March 2013	31 March 2012
Current Assets	13.48	22.48
Non-current Assets	19.81	19.81
Current Liabilities	22.47	31.47
Non-current Liabilities	12.84	12.10
Equity, Reserve & Surplus	(2.02)	(1.28)
Revenue	-	27.13
Cost of Materials consumed	-	25.64
Employee benefit expenses	-	-
Other expenses	(0.74)	1.57
Profit / (loss) before Tax	(0.74)	(0.08)
Income-tax expenses	-	-
Profit / (loss) after Tax	(0.74)	(0.08)

- B. The Company had a 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.' (GESPL). GESPL become a wholly owned subsidiary of the Company w.e.f 28.11.2012 on acquisition of Shares held by WMPL. Therefore, Consolidated results for the year ended 31st March 12 are not comparable with current year figures.

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.	
1	Financial year / for period of the subsidiary.	28th November 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
	(b) Extent of holding.	100%
3	Subscribed Share Capital (No. of Shares) of the Subsidiary Company.	10,00,000 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
	(b) for the previous financial year since it became a subsidiary.	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
	(b) for the previous financial year since it became a subsidiary.	Nil

Progress Through The Years

(Standalone)

(₹ in Lacs)

	31.3.04	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
COMPANY OWNED										
1. FIXED ASSETS (NET)	7,748.53	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
2. INVESTMENTS	1,737.21	1,771.20	1,771.30	1,771.30	1,771.30	1,762.98	1,697.60	892.18	911.96	916.95
3. NET CURRENT ASSETS ^Ø	9,017.21	11,877.45	12,985.22	15,180.39	16,584.53	17,601.04	15,987.40	20,405.98	22,977.38	24,638.05
TOTAL ASSETS (NET)	18,502.95	21,737.10	23,624.93	27,606.19	31,180.39	32,636.40	32,096.74	36,873.15	40,874.55	41,004.16
COMPANY OWED										
1. LOAN FUNDS	5,134.08	6,950.73	8,565.35	*10,339.56	*11,382.00	10,574.11	8,652.16	11,621.06	14,033.21	12,521.18
2. COMPANY'S NET WORTH -										
- EQUITY SHARE CAPITAL	1,970.99	#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
- RESERVES AND SURPLUS ^Ω	9,767.23	11,138.95	11,616.22	13,681.61	16,051.69	18,107.40	19,350.96	21,104.29	22,671.54	24,297.78
3. DEFERRED TAX LIABILITY	1,630.65	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
TOTAL CAPITAL EMPLOYED	18,502.95	21,737.10	23,624.93	27,606.19	31,180.39	32,636.40	32,096.74	36,873.15	40,874.55	41,004.16
INCOME	19,018.42	22,997.24	26,641.10	34,270.18	40,869.15	44,694.83	45,444.97	50,366.94	58,416.39	60,876.18
RAW MATERIAL AND STOCK CONSUMED	7,011.70	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
SALARIES AND WAGES	2,566.79	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
OPERATING AND OTHER EXPENSES	7,043.75	7,815.80	9,017.57	10,501.06	12,665.79	14,413.50	14,171.95	16,171.09	18,575.28	19,703.31
INTEREST	418.74	520.30	725.25	892.85	1,431.95	1,292.82	1,074.45	891.58	1,660.62	1,448.01
EXCISE DUTY	258.60	384.22	388.66	451.97	851.56	673.55	296.98	235.35	255.23	368.44
PROFIT BEFORE DEPRECIATION AND TAX	1,891.27	2,102.24	2,370.90	3,448.20	3,959.40	3,115.91	3,896.52	4,605.20	4,807.27	4,972.45
DEPRECIATION	754.71	800.01	858.34	943.55	1,101.92	1,230.16	1,292.42	1,483.98	1,601.92	1,632.44
PROFIT BEFORE TAX	1,136.56	1,302.23	1,512.56	2,504.65	2,857.48	1,885.75	2,604.10	3,121.22	3,205.35	3,340.01
TAX	160.00	(23.86)	26.56	282.00	437.79	265.84	666.06	677.95	804.78	872.62
PROFIT AFTER TAX	976.56	1,326.09	1,486.00	2,222.65	2,419.69	1,619.91	1,938.04	2,443.27	2,400.57	2,467.39
DIVIDEND OUTGO [?]	486.12	569.11	500.81	605.87	635.06	693.44	693.44	688.88	688.86	693.44
EARNING RETAINED IN BUSINESS	490.44	756.98	985.19	1,616.78	1,784.63	926.47	1,244.60	1,754.39	1,711.71	1,773.93
EARNING PER SHARE (₹)	4.99	6.64	7.44	11.08	11.68	6.92	8.17	10.31	10.13	10.41
DIVIDEND PAID PER EQUITY SHARE (₹)	2.20	2.50	2.20	2.50	2.50	2.50	2.50	2.50	2.50	2.50
BOOK VALUE OF EQUITY SHARE (₹)	59.83	65.71	68.10	75.98	83.87	86.32	91.57	98.97	105.59	112.45
(Without Revaluation)										
FOB VALUE OF EXPORTS	6,493.42	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

* 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 ₹ 17.36 lacs for 31.03.04, ₹ 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 and ₹ 9.02 lacs for 31.03.12, ₹ 7.98 lacs for 31.03.13, respectively.

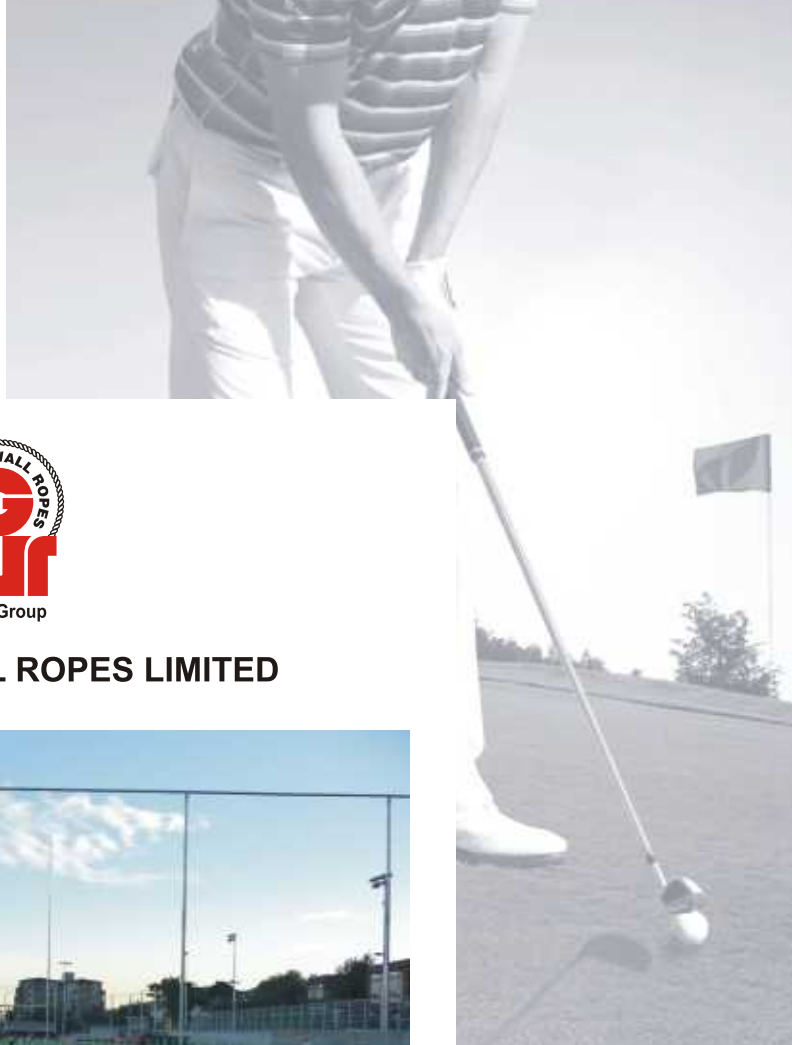
? Dividend Outgo includes Tax on Dividend, where applicable.

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



NOTES

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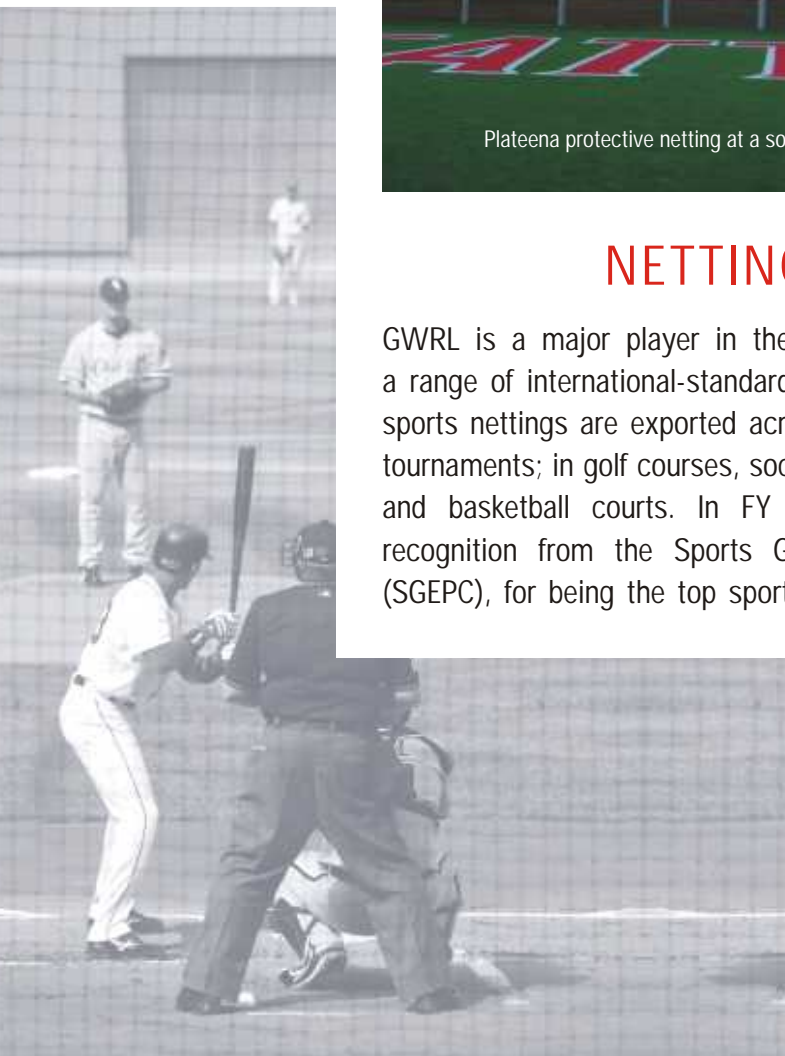
GARWARE-WALL ROPES LIMITED



Plateena protective netting at a soccer field in Seattle University, USA

NETTING GAINS

GWRL is a major player in the sports-goods segment, offering a range of international-standard netting and accessories. GWRL sports nettings are exported across the world and used in major tournaments; in golf courses, soccer fields, baseball arenas, tennis and basketball courts. In FY 2012-13, the Company earned recognition from the Sports Goods Export Promotion Council (SGEPC), for being the top sports-goods exporter from India.






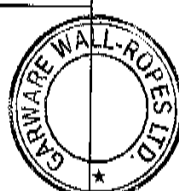

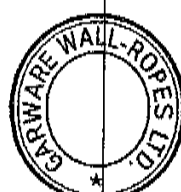
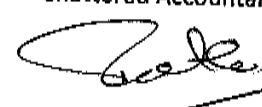
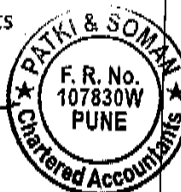
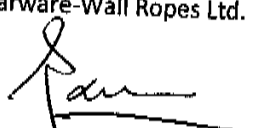
GARWARE-WALL ROPES LIMITED

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

www.garwareropes.com

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Garware-Wall Ropes Ltd.
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N. A.
5.	To be signed by-	
	CEO/Managing Director	<p>For Garware-Wall Ropes Ltd.</p>  V. R. Garware Chairman & Managing Director 
	CFO	<p>For Garware-Wall Ropes Ltd.</p>  S. H. Bamne Vice President-Corporate 
	Auditor of the Company	<p>For Patki & Soman, Chartered Accountants</p>  S. M. Patki Partner M. No. 037315, F.R. No. 107830W 
	Audit Committee Chairman	<p>For Garware-Wall Ropes Ltd.</p>  S. P. Kulkarni Chairman of Audit Committee 