

Garware
Industries Limited

ANNUAL REPORT 2013 - 2014

GARWARE INDUSTRIES LIMITED (Formerly known as You and Me Enterprise Pvt. Ltd.)
Balance Sheet as at 31st March 2014

Particulars	Note No.	As at 31.03.2014 Rs. In Lakhs		As at 31.03.2013 Rs. In Lakhs	
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,111.00		1.00	
(b) Share Capital Suspense	2	51.80		0.00	
(c) Reserves and Surplus	3	<u>1,880.48</u>	3,043.28	<u>(0.08)</u>	0.92
(2) Non Current Liabilities					
(a) Long-term borrowings	4	2,755.68		0.00	
(b) Deferred Tax liabilities (Net)	5	388.94		0.00	
(c) Long-term provisions	10	<u>61.77</u>	3,206.39		
(3) Current Liabilities					
(a) Other short term liabilities	6	64.01		0.00	
(b) Short-term borrowings	7	858.39		0.00	
(c) Trade payables	8	606.03		0.06	
(d) Other current liabilities	9	1,093.43		0.00	
(e) Short-term provisions	10	<u>496.58</u>	3,118.44	<u>0.00</u>	0.06
TOTAL			<u><u>9,368.11</u></u>		<u><u>0.98</u></u>
II ASSETS					
(1) Non Current Assets					
(a) Fixed assets					
(i) Tangible assets	12	5,866.89		0.00	
(ii) Intangible assets	12	28.71		0.00	
(iii) Capital work-in-progress	12	<u>23.83</u>	5,919.43	<u>0.00</u>	0.00
(b) Non-current Investments	11		43.66		0.00
(c) Long-term loans and advances	13		578.99		0.00
(d) Other non-current assets	14		88.28		0.00
(2) Current Assets					
(a) Inventories	15	1,276.13		0.00	
(b) Trade receivables	16	299.25		0.00	
(c) Cash and bank balances	17	979.13		0.98	
(d) Short-term loans and advances	13	52.40		0.00	
(e). Other current assets	14	<u>130.84</u>	2,737.75	<u>0.00</u>	0.98
TOTAL			<u><u>9,368.11</u></u>		<u><u>0.98</u></u>



Significant Accounting Policies & Notes on Financial Statements 1 to 37

As per our report of even date

For and on behalf of Board of Directors

For Shah & Co
Chartered Accountant
(FRN 109430W)



P.N. Shah
(P.N. Shah)
Partner
Membership No. 00 1738

Handwritten signature of S.B. Garware in black ink.

S.B. Garware
Chairman

Handwritten signature of S.S. Garware (Mrs.) in black ink.

S.S. Garware (Mrs.)
Vice Chairperson &
Managing Director

G. Pathak
C.J. Pathak
Director

GARWARE INDUSTRIES LIMITED (Formerly known as You and Me Enterprise Pvt. Ltd.)
Statement of Profit and Loss for the year ended 31st March 2014

Particulars	Note No.	For the year ended on 31st March 2014 Rs. In Lakhs	For the period ended on 31st March 2013 Rs. In Lakhs
I Income			
Revenue from Operations (Gross)	18	12,552.06	0.00
Less : Excise Duty		1,347.59	0.00
Revenue from Operations (Net)		-	0.00
II Other income			
	19	11,204.47	0.00
		128.40	0.00
III Total Revenue (I + II)			
		<u>11,332.87</u>	<u>0.00</u>
IV Expenses			
Cost of raw materials Consumed	20	6,474.44	0.00
Purchase of Traded Goods		390.82	0.00
(Increase)/Decrease in inventories of Finished goods, Work in progress & Stock in Trade	21	(82.51)	0.00
Employee benefits expense	22	264.91	0.00
Other expenses	23	1,809.30	0.08
Total Expenses			
		<u>8,856.96</u>	<u>0.08</u>
V Earning before Interest, Tax Depreciation and Amortization. (EBITDA)			
Depreciation & Amortization	12	2,475.91	(0.08)
Finance Costs	24	678.44	0.00
Profit / (Loss) before Tax		<u>509.40</u>	<u>0.00</u>
Tax Expenses:			
Current Tax .		1,288.07	(0.08)
Short /(Excess) Provision for Tax of Earlier Years		389.00	0.00
Deferred Tax		(117.00)	0.00
Total Tax Expenses		<u>254.08</u>	<u>0.00</u>
Profit for the year		<u>526.08</u>	<u>0.00</u>
		<u>761.99</u>	<u>(0.08)</u>
Earning per share - Basic & Diluted (Rupees) (absolute)		6.91	-0.80



Significant Accounting Policies & Notes on Financial Statements 1 to 37

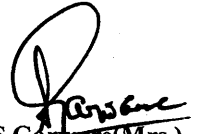
As per our report of even date

For and on behalf of Board of Directors

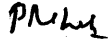
For Shah & Co
Chartered Accountant
(FRN 109430W)



S.B. Garware
Chairman



S.S. Garware (Mrs.)
Vice Chairman &
Managing Director



(P.N. Shah)
Partner
Membership No. 00 1738



C.J. Pathak
Director

GARWARE INDUSTRIES LIMITED (Formerly known as You and Me Enterprise Pvt. Ltd.)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31.03.2014	Period ended 31.03.2014
A. Cash flow from operating activities:		
Profit before Exceptional items	1,288.07	-0.08
Adj.to reconcile profit before tax to cash provided by ope. Activities		
<i>Add:</i>		
Depreciation	678.44	
Interest/fin. expenses	509.40	
Prov for gratuity & leave encash	43.81	
Amortization of Goodwill	0.00	
Sub Total	1231.65	0.00
Total	2519.72	(0.08)
<i>Less:</i>		
Interest income	71.89	
Dividend received/Income from Investment	4.83	
Rent Received	48.23	
Sundry balances Written Back (Net)	0.00	
Miscellaneous Income	0.04	
Profit(loss) on Sale of asset	(20.72)	
Sub total	104.27	0.00
Operating profit before working capital changes.	2415.45	(0.08)
Movement in working capital :		
(Increase)/Decrease in Trade receivable(Net)	(253.05)	
(Increase)/Decrease in other noncurrent Assets	(26.12)	
(Increase)/Decrease in other current Assets	39.54	
(Increase)/Decrease in non current Loan & Advances	(308.10)	
(Increase)/Decrease in current Loan & Advances	(44.19)	
(Increase)/Decrease in Inventories	(486.04)	
Increase/(Decrease) in Trade payable	573.82	0.06
Increase/(Decrease) in other current Liabilities	(181.99)	
Increase/(Decrease) in other long term Liabilities	0.00	
Increase/(Decrease) in provisions	(22.15)	
Increase/(Decrease) in other short term Liabilities		
Cash generated from operations	1707.17	(0.02)
Interest /Financial charges	(509.40)	
Direct taxes refund/(paid)(Net)	(408.14)	
Net cash inflow/(outflow) from operating activities	789.63	(0.02)
B. Cash flow from investing activities :		
Purchase of fixed assets	(173.04)	
Proceeds from Issue of Equity Shares	4.00	1.00
Sales of fixed assets	12.15	
Miscellaneous Income	0.04	
Interest received	71.89	
Dividend received	4.83	
Rent	48.23	
Sundry Balance Written Off	0.00	
Net cash inflow/(outflow) from investing activities.	(31.90)	1.00



C. Cash flow from financing activities


Receipt from Long term Borrowings	0	
Repayment of Long term Borrowings	-620.00	
Increase in Working Capital Loan	500.00	
Repayment(Availment) of Short term Borrowings	185.18	
Unsecured loan -Repayment		
Dividend Paid	(330.00)	
Dividend Distribution Tax	(56.08)	
Net cash inflow/(outflow) from financing activities	(320.90)	0.00
Net increase/(decrease) in cash and cash equivalents	436.83	0.98
Cash and cash equivalents as at opening		
Cash and bank balances	0.98	0.00
: Balance taken over As per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Refer Note No 35 & 36)	541.33	
Cash and cash equivalents as at closing	979.13	0.98
Cash and bank balances	436.82	0.98

Significant Accounting Policies & Notes on Financial Statements 1 to 37

As per our report of even date

For and on behalf of Board of Directors

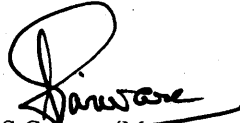
For Shah & Co
Chartered Accountant
(FRN 109430W)


(P.N. Shah)
Partner
Membership No. 00 1738

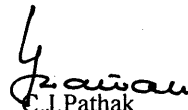




S.B. Garware
Chairman



S.S. Garware (Mrs.)
Vice Chairman &
Managing Director


C.J. Pathak
Director

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation of Financial Statements

The financial statements are prepared under the historical cost convention modified by revaluation of fixed assets and in accordance with notified Accounting Standards by companies (Accounting Standard) Rules, 2006 and relevant presentation requirements of the Companies Act, 1956 read with general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

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

B. Use Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Fixed Assets and Depreciation / Amortization

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

Depreciation / Amortization :

i) Tangible Assets-

On Building, Plant & Machinery and Data Processing Equipment has been provided on Straight Line Method as per rates prescribed under Schedule XIV of the Companies Act, 1956.

On other assets on Written Down Value Method as per rates prescribed under Schedule XIV of the Companies Act, 1956,

Lease hold land has been amortised over the period of lease.

Assets costing Rs.5000/- or Less is depreciated fully in the year of acquisition.

ii) Intangible Assets-

Computer software @20% per annum.



D. Impairment of assets

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

E. Investments

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

F. Inventories:

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

G. Foreign Currency Transactions

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



H. Duties

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

I. Employee Benefits:

i) Short Term Employee Benefits:-

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

ii) Defined Contribution Plans:

Company contributes Provident Fund in accordance with EPF Act, 1952 and ESIC Schemes in accordance with ESIC Act, 1948 under Government administered schemes. Contributions are accounted on accrual / paid basis and charged to statement of Profit & Loss.

iii) Defined Benefit Plans:

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

J. Revenue Recognition

i) Sale of products:

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

ii) Others

Revenue from services is recognised on rendering of services.

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

Interest income is recognised on the time proportion basis.

K. Government Subsidies

Received from SICOM as capital incentive shown as subsidy under reserves and surplus



L. Taxation

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

M. Borrowing Cost:

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

N. Measurement of EBITDA

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

O. Provisions, Contingent Liabilities & Contingent Assets:

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

P. Earning per Share

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



	As at 31.03.2014 (Rs. In Lakhs)	As at 31.03.2013 (Rs. In Lakhs)
2 Share Capital		
Authorized :-		
105,890,000 (Previous year 10,000) Equity Shares of Rs.10/- each	10,589.00	
2,611,000 (Previous year Nil) Preference Shares of Rs.100/- each	2,611.00	
	<u>13,200.00</u>	
Issued, subscribed and fully paid up		
i) Equity Shares		
11,000,000 (Previous year 10000 Equity Shares of Rs. 10/- Each Fully paid)	1,100.00	
ii) Preference Shares (Previous year Nil 0.01% Cumulative Redemable Preference Shares of Rs.100/-each)	11.00	
Total	<u>1,111.00</u>	
Out of the above		
i 10,950,000 Equity Shares of Rs.10 each were allotted as fully paid up bonus shares by capitalisation of reserve on 5th December 2013.		
ii 11,000 Preference shares of Rs. 100 each were allotted as fully paid up to the shareholders of Garware Industries Ltd. (GIL) as per scheme of arrangements under section 391 to 394 of the Companies Act, 1956 on 11th September 2013.		
SHARE CAPITAL SUSPENSE		
51797 (Previous year Nil) 6% Preference Shares of Rs.100/- each to be issued to the share holders of Garware Chemicals Ltd (GCL) as per scheme of arrangement.(Refer Note No 35)	51.80	

Reconciliation of Shares Outstanding at the beginning and at the end of the reporting year

	As at 31st-March 2014		As at 31st March 2013	
	Nos	Rs. In Lakhs	Nos	Rs. In Lakhs
Equity Shares				
At the beginning of the year	10,000	1.00	0.00	0.00
Add : Issued During the year				
i) Issued for Consideration received in Cash	40,000	4.00	10,000	1.00
ii) Issued for Consideration other than cash as bonus shares by capitalisation of reserve	10,950,000	1,095.00	0.00	0.00
Outstanding at the end of the year	<u>11,000,000</u>	<u>1,100.00</u>	<u>10,000</u>	<u>1.00</u>
Preference Shares				
At the beginning of the year	0.00	0.00	0.00	0.00
Add : Issued During the year				
Issued for Consideration other than cash as per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Refer Note No 36)	11,000	11.00	0.00	0.00
Outstanding at the end of the year	<u>11,000</u>	<u>11.00</u>	<u>0.00</u>	<u>0.00</u>

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

	As at 31st March 2014		As at 31st March 2013	
	No of Shares	% (Holding)	No of Shares	% (Holding)
Equity Shares				
S.B.Garware Family Trust	11,000,000	100.00	9999	99.99



Preference Shares					
S.B.Garware Family Trust	6000	54.545	0.00		0.00
Shri S. B. Garware	2000	18.182	0.00		0.00
Mrs. Sheela Garware	1000	9.091	0.00		0.00
Mrs. Monika Garware Modi	1000	9.091	0.00		0.00
Ms. Sarita Garware	1000	9.091	0.00		0.00

**Terms/Rights attached to
Equity Shares**

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

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

Preference Shares

The 0.01 % cumulative redeemable preference shares are redeemable at par at the end of 10 years from the date of allotment i.e 11th Sept 2013 .The company will have an option to redeem any time after the end of one year from the date of allotment



Notes to Financial Statements for the year ended 31st March 2014

3 Reserves and Surplus

	As at 31st March 2014 (Rs In Lakhs)	As at 31st March (Rs In Lakhs)
A Capital Reserve		
i Balance as per last Financial Statements	0.00	0.00
Add: Excess of Net Assets transferred over the consideration paid As per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Refer Note No 35).	4.30	0.00
ii Add: Balance taken over As per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Incentive from SICOM) (Refer Note No 36)	30.00	
iii Deduction during the year	0.00	0.00
iv Closing Balance	<u>34.30</u>	<u>0.00</u>
B General Reserve		
i Balance as per last Financial Statements	0.00	0.00
Add: Excess of Net assets transfere over the consideration paid As per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Refer Note No 36.)	2,568.99	0.00
Less : Capitalised on issue of Bonus Shares	1,095.00	0.00
Less: Deferred tax Liability on opening balances	0.00	0.00
Add : Transfer from Surplus in the statement of Profit and Loss	76.20	
iii Closing Balance	<u>1,550.19</u>	<u>1,550.19</u>
C Surplus in the statement of Profit and Loss		
i Balance as per last Financial Statements	-0.08	0.00
ii Add : Net Profit / (Loss) Transferred from statement of Profit and Loss for the year	761.99	-0.08
Less : Appropriations	761.91	-0.08
iii Proposed final Dividend on equity shares	330.00	0.00
iv Proposed Dividend on Preference Shares	3.11	0.00
v Tax on Dividend	56.61	0.00
iii Transfer to General Reserve	76.20	0.00
TOTAL(A+B+C)	<u>295.99</u>	<u>295.99</u>
		<u>1,880.48</u>

4 Long Term Borrowings

Loan: From Bank- Secured				
Term Loan (Refer note 4.1 below)				
Working Capital Term Loan (WCTL) (Refer note 4.2 below)				
Other loans and advances (Unsecured)				
Deferral sales tax loan (Refer note 4.3 below)				
Balance taken over As per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Incentive from SICOM) (Refer Note No 36)				

Non-Current		Current	
As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Rs.In Lakhs		Rs.In Lakhs	
2,170.15	0.00	736.66	0.00
354.59	0.00	145.41	-
230.94	0.00	70.58	0.00
<u>2,755.68</u>	<u>0.00</u>	<u>952.65</u>	<u>0.00</u>

Amount disclosed under the head "Other Current Liabilities"

- 1) Term Loans of Rs. 2906.81 lakhs (Previous year Rs. Nil) are secured by equitable mortgage of Factory Land & Building and Machineries (present and future) situated at Waluj Aurangabad and also by way of current assets of the Company. The term loans are repayable in sixty equitable monthly installments from July 2011 to July 2018 at the rate of interest currently of 12.5% p.a. There is no default as on balance sheet date for repayment of principal & interest.
- 2) WCTL of Rs. 500 lakhs (Previous year Rs. Nil) is secured by hypothecation of stores spares, packing materials, stock in trade and book debts. The same is repayable in 36 monthly installments from March 2014 to February 2017, at the rate of interest of 14% p.a. There is no default as on balance sheet date for repayment of principal & interest.
- 3) Unsecured interest free deferral sales tax loan from WMDCA/SICOM Rs. 301.52 Lakhs (Previous Year Rs. Nil) repayable in installments from 2007 to 30th April 2026. as per Package scheme of Incentives of 1988 and 1993 schemes.



5 DEFERRED TAX LIABILITY (NET) :-

	As at 31st March 2014 (Rs. In Lakhs)	As at 31st March 2013 (Rs. In Lakhs)
Opening Balance of Deferred Tax Liability	0.00	0.00
Addition during the Year	254.08	0.00
Deferred Tax Liability on Balance taken over As per scheme of amalgamation and arrangement under section 391 to 394 of the companies act 1956 (Refer Note No. 36)	134.86	
Deferred Tax Liability (Net)	388.94	0.00

6 OTHER SHORT TERM LIABILITIES :-

Dealership Deposits	1.00	0.00
Retention payable to suppliers / Advance money from customers	63.01	0.00
	64.01	0.00

7 Short Term Borrowing

Cash Credit from Banks / Overdraft (Secured)	858.39	0.00
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Are secured against Inventories and Debtors. Present rate of interest is 12.50 % p.a.

8 TRADE PAYABLES

Trade Payables - Due to Micro, Small & Medium Enterprises (Refer Note No. 28)	21.91	
Trade Payables - Others	584.12	0.00
TOTAL	606.03	0.00

9 OTHER CURRENT LIABILITIES

Current maturities of long-term borrowing	952.65	0.00
Creditors for Capital Expenditure	26.37	0.00
Interest Accrued but Not Due on Secured loans	15.89	0.00
Other liabilities (statutory liabilities and commission to Managing Director)	98.52	0.00
TOTAL	1,093.43	0.00

10 PROVISIONS

	Long Term		Short Term	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
	Rs.In Lakhs		Rs.In Lakhs	
Provisions for Employee benefits				
Provision for Gratuity	20.52	0.00	37.74	0.00
Provision for leave encashment	41.25	0.00	30.39	0.00
Other Provisions				
Provision for Taxation(Net of Advance Tax)	0.00	0.00	38.73	0.00
Provision for Proposed Dividend on Equity Shares	0.00	0.00	330.00	0.00
Provision for Proposed Dividend on Preference Shares			3.11	
Provision for Tax on Dividend	0.00	0.00	56.61	0.00
	0.00	0.00	0.00	0.00
TOTAL	61.77	0.00	496.58	0.00

11 NON-CURRENT INVESTMENT

	As at 31st March 2014 Rs.In Lakhs	As at 31st March 2013 Rs.In Lakhs
A Quoted Equity Instruments		
i 40 Eq. Shares of Reliance Industries Ltd. of the face value of Rs.10/- each, fully paid-up.	0.15	0.00



Notes to Financial Statements for the year ended 31st March 2014

ii	3000 Eq.Shares of Indian Tobacco Co. Ltd, of the face value of Rs.1/- each, fully paid-up	0.26	0.0
	100 Eq.Shares of National Organic Chemical Industries Ltd of the face value of Rs.10/- each, fully paid-up..	0.05	0.0
iii	50 Eq. Shares of Southern Petrochemicals Industries Ltd of the face value of Rs.10 each fully paid.	0.03	0.0
iv	100 Eq.Shares of SVC Superchem Ltd of the face value of Rs.10/- each, fully paid-up..	0.03	0.0
v	75 Eq.Shares(including 25 Bonus Shares) of BASF India Ltd of the face value of Rs.10/- each, fully paid-up..	0.15	0.0
vi	200 Eq.Shares (including 100 Eq. shares received in lieu of amalgamation of Gujarat propack) of Cosmo Film Ltd of the face value of Rs.10/- each, fully paid-up..	0.19	0.0
vii	5 Eq.Shares of Sharp Industries Ltd of the face value of Rs.10/- each, fully paid-up..	0.03	0.0
viii	50 Eq.Shares of Bayer Corpscience Ltd of the face value of Rs.10/- each, fully paid-up..	0.12	0.0
ix	20 Eq.Shares of Indian Oil Ltd of the face value of Rs.10/- each, fully paid-up..	0.03	0.0
x	400 Eq.Shares of Bharat Petroleum Corporation Ltd of the face value of Rs.10/- each, fully paid-up..	0.30	0.0
xi	100 Eq.Shares of JD Orgochem Ltd of the face value of Rs.1/- each, fully paid-up..	0.18	0.0
xii	100 Eq.Shares of MTZ Polyester Ltd of the face value of Rs.10/- each, fully paid-up..	0.01	0.0
xiii		1.53	0.0
	Net Total (I)	1.53	0.0

B Unquoted Equity Instruments

i	1,000 Eq. Shares of Sarswat Co-operative Bank Ltd.(Mumbai) of the face value of Rs.10/- each, fully paid-up. (Rs 10000/-)	0.10	C
ii	1,12,500 Eq. Shares of Cosmos Co-operative Bank Ltd.(Pune) of the face value of Rs20/- each, fully paid-up.	22.50	C
iii	40 Eq. Shares of Rupee Co-operative Bank Ltd.(Pune) of the face value of Rs.25/- each, fully paid-up. (Rs 1000/-)	0.01	C
iv	6,516 Eq. Shares of The Akola Janata Commercial Co-operative Bank Ltd.(Akola), of the face value of Rs.10/- each, fully paid up.	6.52	C
v	2,001 Eq. shares of The Nanadua Urban Co-operative Stores Ltd. (Nandura) of the face value of Rs.100/- each, fully paid up.	2.00	
vi	9,965 Eq. shares of The Kapol Co-operative Stores Ltd. (Mumbai) of the face value of Rs.10/- each, fully paid up.	1.00	
vii	20000 Eq. shares of The Deogiri Nagari Sahakari Ltd of the face value of Rs.25/- each, fully paid up.	5.00	
viii	20000 Eq. shares of The Vasia Janta Sahakari Bank Ltd of the face value of Rs.25/- each, fully paid up.	5.00	
	Net Total (II)	42.13	
	Total (I + II)	43.66	

Quoted
Unquoted

	Cost	Market Value	Cost	Market
	31.03.2014	31.03.2014	31.03.2013	31.03
Quoted	1.53	14.40	0.00	
Unquoted	42.13	-	0.00	
	43.66	14.40	0.00	



12 FIXED ASSETS -

Rs. In Lakhs

Description	Gross Block				Depreciation / Amortization			Net Block			
	As at 1st April, 2013	Additions due to Scheme of Arrangements and Amalgamation	Additions / Adjustments during the year	Disposals/Transfers/Adjustments during the year	As at 31 March, 2014	As at 1 April, 2013	Additions due to Scheme of Arrangements and Amalgamation	Charge for the year	Disposals/Transfers/Adjustments during the year	Upto 31 March, 2014	As at 31 March 2013
TANGIBLE ASSETS :-											
Land (Leasehold)	0.00	10.81	-	-	10.81	0.00	1.86	0.11	1.97	8.84	0.00
Buildings	0.00	3,008.33	57.35	-	3,065.68	0.00	246.49	100.49	346.98	2,718.70	0.00
Plant & Machinery	0.00	6,156.23	90.49	356.63	5,890.09	0.00	3,008.71	465.47	323.75	2,739.66	0.00
Electrical Installations	0.00	822.47	0.29	-	822.76	0.00	368.22	94.80	463.02	359.74	0.00
Moulds	0.00	4.79	-	-	4.79	0.00	4.40	0.16	4.56	0.23	0.00
Laboratory Equipments	0.00	2.49	-	-	2.49	0.00	2.05	0.06	2.11	0.37	0.00
Furniture & Fixtures	0.00	58.96	-	-	58.96	0.00	43.62	2.78	46.40	12.55	0.00
Office Equipments	0.00	62.92	-	-	62.92	0.00	44.77	2.53	47.30	15.62	0.00
Vehicles	0.00	42.42	-	-	42.42	0.00	42.24	0.05	42.29	0.13	0.00
Data Processing Equipments	0.00	77.59	0.85	-	78.44	0.00	64.90	2.49	67.39	11.05	0.00
TOTAL (A)	0.00	10,247.00	148.98	356.63	10,039.35	-	3,827.26	668.94	323.75	4,172.45	5,866.90
INTANGIBLE ASSETS :-											
Software (SAP)	0.00	47.47	0.23	-	47.70	0.00	9.49	9.50	18.99	28.71	0.00
TOTAL (B)	0.00	47.47	0.23	-	47.70	0.00	9.49	9.50	-	18.99	-
TOTAL (A + B)	0.00	10,294.46	149.21	356.63	10,087.04	-	3,836.75	678.44	323.75	4,191.44	5,895.60
Previous Period	0.00	-	-	-	-	0.00	-	-	-	-	0.00
Capital Work in Progress			23.83	-	23.83						23.83



Notes to Financial Statements for the year ended 31st March 2014

13 LOANS & ADVANCES :-	Non-current		Current	
	As at	As at	As at	As at
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs
Capital Advances (A)				
Unsecured, considered good (Including Rs. 310.00 Lakhs deposit to Director)	312.47	0.00	0.00	0.00
Security Deposit (B)				
Unsecured, considered good Including Rs. 250.00 Lakhs Rent Deposit to Directors and Rs. 28 Lakhs to a company in which Directors/ Members .	266.52	0.00	32.50	0.00
Advances recoverable in cash or kind (C)				
Unsecured, considered good for supplies/services	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	4.97	0.00
Others	0.00	0.00	14.93	0.00
Total .I (A +B+C+D)	578.99	0.00	52.40	0.00

14 OTHER ASSETS	Non-current		Current	
	As at	As at	As at	As at
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs	Rs.in Lakhs
Unsecured, considered good unless Otherwise stated Recoverable from Government Agencies- Sales Tax, Refund,Cenvat and Duty Draw Back receivable	88.28	0.00	130.84	0.00
Total .II	88.28	0.00	130.84	0.00

CURRENT ASSETS :-

15 INVENTORIES (Valued at lower of cost and net realizable value)

- i) Stores, spares & packing materials
- ii) Raw Materials
- iii) Finished Goods
- iv) Semi finished Goods

	As at 31 March 2014	As at 31 March 2013
	Rs. In Lakhs	Rs. In Lakhs
	57.29	0.00
	722.92	0.00
	210.39	0.00
	285.53	0.00
	1,276.13	0.00

16 TRADE RECEIVABLES(Unsecured Considered Good)

Outstanding from the date they are due for payment

- For More than Six Months
- Other Debts
- Total**

	As at 31 March 2014	As at 31 March 2013
	Rs. In Lakhs	Rs. In Lakhs
	10.46	0.00
	288.79	0.00
	299.25	0.00



Notes to Financial Statements for the year ended 31st March 2014

	2013-14	For the period ended March 31st, 2013
	Rs. In Lakhs	Rs. In Lakhs
18 REVENUE FROM OPERATIONS :-		
Sale of Products	12,552.06	0.00
Revenue from operation (Gross)	12,552.06	0.00
Less : Excise Duty	1,347.59	0.00
Revenue from operation (Net)	11,204.47	0.00

Details of products sold :**Finished goods sold**

Car Kit	399.98	0.00
Colour Laminated film / Others	834.36	0.00
T.S.Film	1711.99	0.00
Dyed Film	8,258.15	0.00
	11,204.47	0.00

19 OTHER INCOME

Interest Income on		
Bank Deposits	71.89	0.00
Miscellaneous Income	0.04	0.00
Dividend Income on		
Long term investment	4.83	0.00
Commission Received	3.41	0.00
Rent	48.23	0.00
TOTAL	128.40	0.00

20 Cost of Raw Materials Consumed

Raw Materials Inventory at the beginning of the year	0.00	0.00
<u>Add</u> : Inventory Taken over as per Scheme of Arrangement under section 391-394 of The Companies Act 1956 (Refer Note No. 36)	319.18	0.00
<u>Add</u> : Purchases of Raw Materials	6,878.18	0.00
	7,197.36	0.00
<u>Less</u> : Raw Materials Inventory at the end of the year	722.92	0.00
Cost of Raw materials consumed	6,474.44	0.00

Details of Raw Materials Consumed

Plain / Colour / Lami Poly. Film	3,135.96	0.00
Metalized Film	272.65	0.00
Chemicals & others	3,065.83	0.00
	6,474.44	0.00

Details of inventory

Plain / Colour /Lami Poly.Film	230.27	0.00
Metalized Film	54.58	0.00
Chemicals & others	438.07	0.00
	722.92	0.00



	2013-14	For the period ended March 31st, 2013
	Rs. In Lakhs	Rs. In Lakhs
21 (Increase) Decrease in inventories		
Inventories at the end of the year		
Work In Progress (Laminate Film)	285.53	0.00
Finished Goods	210.39	0.00
	495.92	0.00
Inventories at the beginning of the year	0.00	0.00
<u>Add: Inventory Taken over as per Scheme of Arrangement under section 391-394 of The Companies Act 1956 (Refer Note No. 36)</u>		
Work In Progress(Laminate Film)	253.48	0.00
Finished Goods	159.93	0.00
	413.41	0.00
	(82.51)	0.00
22 Employee Benefit Expenses		
Salaries, Wages & Bonus	222.35	0.00
Contribution to provident funds & other funds	39.84	0.00
Staff welfare expenses	2.72	0.00
	264.91	0.00
23 Other Expenses		
Stores, and Spares Consumed	92.75	0.00
Packing Material Consumed	42.32	0.00
Donations	15.21	0.00
Power & fuel	941.53	0.00
Labour Charges	318.04	0.00
Water Charges	26.05	0.00
Rent	26.82	0.00
Rates, taxes & licence fees	24.56	0.00
Amalgamation Expenses	28.51	0.00
Insurance	11.51	0.00
Repairs & Maintenance Of :-		0.00
Plant & Machinery	67.29	0.00
Building	82.74	0.00
Others	13.97	0.00
Legal & professional charges	36.85	0.01
Loss on sale of Fixed Assets	20.72	0.00
Sundry Balances W/off	1.67	0.00
Miscellaneous expenses	51.36	0.01
	1801.90	0.02
Auditors Remuneration		
- Audit Fees	6.12	0.06
- Taxation Matters	1.28	0.00
	7.40	0.06
Total Other Expenditure	1809.30	0.08
24 Finance Cost		
Interest Expenses	504.78	0.00
Other borrowing cost	4.62	0.00
	509.40	0.00
25 Earnings per share (EPS)		
Profit after Tax	761.99	-0.08
Less: Dividend on Preference Shares including Tax	3.64	
Amount available for Equity Share holders	758.35	-0.08
Weighted average number of Equity Shares (Basic & Diluted) including outstanding	10982137	10000
Earning per share - Basic & Diluted (Rupees) (absolute)	6.91	-0.80



26 Note on AS 15

A) Funds Retirement Benefit - Gratuity

Description	For the period ended March 31st,	
	2013-14	2013
Change in the defined benefit obligations		
Defined benefit obligation at the beginning of the year	0.00	0.00
Defined benefit obligation transfer on Amalgamation	33.40	0.00
Service Cost	4.55	0.00
Interest Cost	2.69	0.00
Actuarial loss(gain)	17.10	0.00
Benefits Paid	0.00	0.00
Defined benefit obligation at the end of the year (a)	57.74	0.00
Change in Plan Assets		
Fair Value of plan assets as at the beginning of the year	5.45	0.00
Expected return on plan assets	0.37	0.00
Contributions by employer	0.00	0.00
Actuarial loss(gain)	0.00	0.00
Benefits Paid	0.00	0.00
Fair Value of plan assets as at the end of the year (b)	5.82	0.00
Present value of funded obligation (a-b)	51.92	0.00
The net amount recognized in the statement of profit and loss for the year ended 31st March 2014 is as follows		
Current Service Cost	4.55	0.00
Interest Cost	2.69	0.00
Expected return on plan assets	(0.37)	0.00
Net Actuarial loss(gain) recognized	17.10	0.00
Net Amount recognized	23.97	0.00
The principal actuarial assumption used as at 31st March 2014 are as follows		
Discount Rate	9.15%	-
Expected rate of return on plan assets		-
Withdrawal rate	5.00%	-
Rate of Increase in compensation levels	5.00%	-

B) Unfunded retirement benefit- Leave Encashment

Defined benefit obligation at the beginning of the year	0.00	
Defined benefit obligation transfer on Amalgamation	52.18	-
Service Cost	3.84	-
Interest Cost	4.15	-
Actuarial loss(gain)	12.66	-
Benefits Paid	(1.19)	-
Defined benefit obligation at the end of the year (a)	71.64	0.00
Change in Plan Assets		
Contributions by employer	(1.19)	-
Benefits Paid	1.19	-
Fair Value of plan assets as at the end of the year (b)	0.00	0.00
Present value of funded obligation (a-b)	71.64	0.00
The net amount recognized in the statement of profit and loss for the year ended 31st March 2014 is as follows		
Current Service Cost	3.44	-
Interest Cost	4.02	-
Net Actuarial loss(gain) recognized	12.66	-
Net Amount recognized	20.12	-



The principal actuarial assumption used as at 31st March 2014 are as follows

Discount Rate	9.15%	-
Expected rate of return on plan assets		
Withdrawal rate	5.00%	-
Rate of Increase in compensation levels	5.00%	-

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

Sr Particulars	As at '31 March 2014	For the period ended March 31st, 2013
	Rs. In Lakhs	Rs. In Lakhs
a Principal amount remaining Unpaid	21.91	0.00
b Interest due thereon	0.00	0.00
c Interest paid by the Company in term of Section 16'	0.00	0.00
d Interest due and payable for the period of delay in payment	0.00	0.00
e Interest accrued and remaining unpaid	0.00	0.00
f Interest remaining due and payable even in succeeding years	0.00	0.00

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

28 Related Party Disclosures(AS-18)

List of Related Parties and relationship:

a) Key Management Personnel & Relatives

Shri S.B.Garware - Chairman
Mrs.S.S.Garware - Vice Chairperson and Managing Director
Mrs.Monika Garware Modi - Director
Mrs.Sarita Garware Ramsay - Director
Ms.Sonia S Garware Director
Mr. A.B. Bhalerao
Garware Polyester Ltd

b)Enterprise over which Key Managerial Person are able to exercise significant influence :

S.B.Garware Family Trust

Great View Real Estates Pvt. Ltd.

Transaction with

Transaction with	2013-14	For the period ended March 31st, 2013
	Rs. In Lakhs	Rs. In Lakhs
a) Key Management Personnel & Relatives		
i. Managerial Remuneration	135.81	
ii. Deposits Balance Outstanding	250.00	0.00
iii. Rent Paid to Directors	3.00	0.00
iv. Advance paid to Director for purchase of Fixed assets and Outstanding as at March 31st 2014	310.00	0.00
b) Enterprise over which Key Managerial Person are able to exercise significant influence :		
i. Sales of Goods-Gross	12,528.34	0.00
ii. Services provided	63.56	0.00
iii.Purchases of Goods-Gross	8,920.34	0.00
iv.Services Received	356.56	0.00



v. Rent Deposit paid	28.00	
c) Net Amount Outstanding [Dr / (Cr)]		0.00
i) Key Management Personnel & Relatives	(3.49)	0.00
ii) Enterprise over which Key Managerial Person are able to exercise significant influence (Rent Deposit)	28.00	0.00
iii) Enterprise over which Key Managerial Person are able to exercise significant influence :	(488.76)	0.00

29 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 420.34 Lakhs (Previous year Rs. Nil Lakhs) against which an advance of Rs. 312.47 Lakhs (Previous year Rs Nil) has been paid.

30 Contingent Liabilities -

a) Contingent Liabilities not provided for -

Disputed matters in appeal / contested in respect of:

	31 March 2014 Rs. In Lakhs	For the period ended March 31st, 2013 Rs. In Lakhs
Income Tax	10.50	0.00
Sales Tax	42.00	0.00
	52.50	0.00

b) The Company has given counter-guarantees for Rs. 167 Lakhs (Previous year Rs. Nil Lakhs) to Banks in respect of guarantees given by the Banks to third parties for supply of goods, clearance of goods from Customs, Excise Bonds, etc.

Value of imports calculated on CIF basis

31

	2013-14 Rs. In Lakhs	For the period ended March 31st, 2013 Rs. In Lakhs
Raw materials	0.00	0.00

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

Particulars	2013-14	
	% of Total	% of Total
32 Raw Materials:		
- Imported	0.00	-
- Indigenous	6,474.44	-
Total	6,474.44	-
33 Stores & Spares:		
- Imported	0.00	-
- Indigenous	92.75	-
Total	92.75	-

34 Earning In Foreign Exchange (Accrual Basis)

Exports (FOB Basis) :

	2013-14 Rs. in Lakhs	For the period ended March 31st, 2013 Rs. In Lakhs
	21.10	0.00

35 Amalgamation of Garware Chemicals Ltd. with the Company

The scheme of amalgamation and arrangements, under the provision of the section 391 to 394 of the Companies Act 1956, between the Company and Garware Chemicals Ltd. (GCL) was approved by the Honourable High Court of judicature at Bombay vide its order dated April 17, 2014 and filed with the Registrar of Companies (ROC) on May 20th, 2014.

As per the scheme, the business of GCL stands transferred to and vest with the Company with effect from April 1st, 2013, the appointed date has been given effect to on May 20th,



2014 being the effective date and the accounting treatment prescribed by the scheme has been given effect to in the Financial Statements for the year ended March 31st, 2014.

The business of GCL with the Company has been accounted as per Accounting Standard(AS) 14- Accounting for Amalgamation notified under Companies (Accounting Standards) Rule, 2006 subject to the adjustments specified in the scheme of arrangements.

In accordance with the said scheme and as per the Honourable High Courts approval:

- I. All the assets and liabilities of GCL business has been transferred and stands vested with the Company from the appointed date at their respective fair values on that date.
- II. 51797 6 % Preference Shares of Rs. 100 each are to be issued to the share holders of GCL in proportion to their share holdings. Pending allotment an amount of Rs. 51.80 Lakhs has been shown under Capital Suspense Account as at March 31st, 2014. These shares were subsequently issued .
- III. The difference in the net value of the assets and liabilities acquired being Rs. 4.30 lakhs after giving effect to clause No. II above has been credited to Capital Reserve Account.

36 Under the scheme of arrangements between Garware Industries Ltd. (GIL) and You and Me Enterprise Pvt. Ltd. (The company) under the provisions of Section 391 to 394 of the Companies Act 1956 for Demerger of Manufacturing Business of GIL with the Company was approved by the Honourable High Court of judicature at Bombay vide its order dated June 21st, 2013 and filed with the Registrar of Companies (ROC) on August 1st, 2013. The name of You and Me Enterprise Pvt. Ltd has been changed to Garware Industries Ltd. w.e.f. December 4th 2013. As per the scheme, the manufacturing business of GIL stands transferred to and vest with the Company with effect from April 1st, 2013 which is the appointed date and has been given effect to on August 1st, 2013 being the effective date and the accounting treatment prescribed by the scheme has been given effect to in the financial statements for the year ended March 31st, 2014. The Demerger of the Manufacturing Business of GIL with the Company has been accounted as per Accounting Standard (AS) 14 -Accounting for the amalgamation notified under the Companies (Accounting Standards) rules, 2006 subject to the adjustments specified in the scheme of arrangement.

The Demerger complies with the provision of Section 2 (19 AA) of the Income Tax Act 1961 and in accordance with the said scheme and as per the Honourable High Court's Approval.

- I. All the properties of the Demerged business held by GIL immediately before the Demerger has become the properties of the Company by virtue of the Demerger.
- II. All the liabilities relating to the Demerged business held by GIL immediately before the Demerger has become the liabilities of the Company by virtue of the Demerger.
- III. The properties and liabilities relating to the Demerged business transferred from GIL are transferred to the Company at the values appearing in the books of account of GIL immediately before the Demerger.
- IV. The transfer of the demerged business of GIL is on going concern basis .
- V. 11,000 0.01% Preference shares of Rs. 100 each of the Company are issued to the shareholders of GIL in proportion to their shareholdings.
- VI. The difference of Rs. 2568.99 lacs being the excess of the net assets value of the Manufacturing business of GIL transferred to the Company after giving effect to Clause V above has been credited to General Reserve Account.

37 Previous years figures have been regrouped and rearranged wherever necessary. Figures of the current year are not comparable with the figures of the previous period being current year includes the Demerger figures of Manufacturing Business of Garware Industries Ltd. (GIL) and erstwhile figures of Garware Chemicals Ltd. (GCL) the transferred company.

