



# **Garware**

## **Polyester Limited**

**ANNUAL REPORT**  
**2012-13**



<b>BOARD OF DIRECTORS</b>	:	S. B. GARWARE	<i>Chairman &amp; Managing Director</i>
	:	S. S. GARWARE (Mrs.)	
	:	DILIP J. THAKKAR	
	:	N. P. CHAPALGAONKAR	
	:	MONIKA GARWARE MODI (Mrs.)	<i>Vice Chairperson &amp; Jt. Managing Director</i>
	:	SARITA GARWARE RAMSAY (Mrs.)	<i>Jt. Managing Director</i>
	:	SONIA GARWARE (Ms.)	<i>Jt. Managing Director</i>
	:	B. MORADIAN	
	:	M. S. ADSUL	<i>Director – Technical</i>
	:	M. C. AGARWAL (Dr.)	
	:	RAMESH. P. MAKHIJA	
	:	A. B. BHALERAO	
<b>COMPANY SECRETARY &amp; SR. GENERAL MANAGER</b>	:	Manoj Koul	
<b>BANKERS</b>	:	Indian Overseas Bank Dena Bank The Federal Bank Limited	
<b>AUDITORS</b>	:	Shah & Co. Chartered Accountants  Chaturvedi & Shah Chartered Accountants	
<b>SOLICITORS &amp; ADVOCATES</b>	:	Crawford Bayley & Co.	
<b>REGISTERED OFFICE</b>	:	Naigaon, Post Waluj, Aurangabad - 431 133.	
<b>CORPORATE OFFICE</b>	:	Garware House, 50-A, Swami Nityanand Marg, Vile Parle (East), Mumbai 400 057.	
<b>WORKS</b>	:	L-5 & L-6, Chikalthana Industrial Area, Dr. Abasaheb Garware Marg, Aurangabad 431 210.  Naigaon, Post Waluj, Aurangabad 431 133.  A-1 & A-2, MIDC, Ambad, Nasik 422 010.	
<b>OFFICES</b>	:	204,DLF Tower B, Near Apollo Hospital, Jasola, New Delhi 110 025.  37/1B, Hazra Road, Kolkata 700 029.  Old No. 37, New No. 55, Ambercrest, 4th Floor, Pantheon Road Lane, Egmore, Chennai - 600 008.	
<b>OVERSEAS BRANCH OFFICE</b>	:	Unit 2-17, The Plaza, 535, Kings Road, London - SW10 0SZ.	
<b>REGISTRARS &amp; TRANSFER AGENTS</b>	:	Link Intime India Private Limited	

### GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by sending the duly filled in and signed copy of the '**E-Mail Registration Form**' attached with this Annual Report by post at the Registered Office address of the Company or to the Registrar & Share Transfer Agent viz. M/s. Link Intime India Pvt. Limited. Alternatively members can also send the scanned copy of duly filled in and signed 'E-Mail Registration Form' to the Company at the e-mail address [cs@garwarepoly.com](mailto:cs@garwarepoly.com) or to the Registrars & Share Transfer Agents at the e-mail address [garwarepolyestergogreen@linkintime.co.in](mailto:garwarepolyestergogreen@linkintime.co.in) Members, in their own interest, are requested to get the shares dematerialized.

## NOTICE

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting of the members of GARWARE POLYESTER LIMITED will be held at the Registered Office of the Company on Thursday, 26th September, 2013 at 11.30 a.m. at Naigaon, Post Waluj, Aurangabad - 431 133 to transact the following businesses:

### Ordinary Business:

- 1 To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
- 2 To appoint a Director in place of Mrs. S. S. Garware, who retires by rotation and being eligible, offers herself for re-appointment.
- 3 To appoint a Director in place of Mrs. Sarita Garware Ramsay, who retires by rotation and being eligible, offers herself for re-appointment.
- 4 To appoint a Director in place of Mr. B. Moradian, who retires by rotation and being eligible, offers himself for re-appointment.
- 5 To appoint a Director in place of Dr. M. C. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
- 6 To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s. Shah & Co., Chartered Accountants, Mumbai (Registration no. 109430W) the retiring auditors of the Company be and are hereby appointed as auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be mutually agreed upon between the Board of Directors of the Company and auditors, plus travelling and out of pocket expenses actually incurred by the auditors in connection with the audit work".

### Special Business:

- 7 To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following: -  
**"RESOLVED THAT** subject to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof and such other statutory approvals as may be required, approval of the members be and is hereby accorded to the re-appointment of Mrs. Monika Garware Modi as Joint Managing Director of the Company for a term of five years with effect from 1st November, 2013, on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting.  
**RESOLVED FURTHER THAT** if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mrs. Monika Garware Modi the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration."
- 8 To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following: -  
**"RESOLVED THAT** subject to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or

re-enactments thereof and such other statutory approvals as may be required, approval of the members be and is hereby accorded to the re-appointment of Mrs. Sarita Garware Ramsay as Joint Managing Director of the Company for a term of five years with effect from 1st November, 2013, on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting.

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

- 9 To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following: -

**"RESOLVED THAT** in partial modification of the Resolution Number 8 passed by the Members of the Company at the Annual General Meeting held on 5<sup>th</sup> September, 2012 and pursuant to Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof and such other statutory approvals as may be required, approval of the members be and is hereby accorded to the revision in the payment of remuneration payable to Ms. Sonia Garware, Joint Managing Director with effect from 1<sup>st</sup> September, 2013, on such terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting.

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

- 10 To consider and if thought fit, to pass with or without modification(s), as a Special Resolution, the following: -

**"RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof and such other statutory approvals as may be required, approval of the members be and is hereby accorded to the re-appointment of Mr. M. S. Adsul as a Whole-Time Director of the Company designated as Director-Technical for a term of 5 years with effect from 1<sup>st</sup> June, 2013 on such terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mr. M. S. Adsul the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration."

By Order of the Board of Directors

Mumbai,  
9th August, 2013

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

**Manoj Koul**  
Company Secretary &  
Sr. General Manager

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the 'Meeting') IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for the Meeting.
3. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to Item No. 6 to 10 of the Notice is annexed hereto.
4. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 16th September, 2013 to Thursday, 26th September, 2013 (both days inclusive).
6. Members are requested to notify immediately any change in their addresses directly to their Depository Participant in case they hold shares in dematerialized form or to the Company's Registrars & Share Transfer Agents, in case they hold shares in physical form.
7. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed / unpaid for a period of seven years from the date of transfer to the respective unpaid dividend accounts, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Accordingly, the Company has transferred Rs. 4,55,340/- being unpaid and unclaimed dividend amount pertaining to the financial year 2004-05 on 17<sup>th</sup> November, 2012 to the Investor Education and Protection Fund of the Central Government.  
The Ministry of Corporate Affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules). The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed Dividends for the financial years 2008-09 to 2010-11, as on the 55<sup>th</sup> Annual General Meeting (AGM) held on 5<sup>th</sup> September, 2012 on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).
8. Unclaimed dividend for the Financial Years 2008-09, 2009-10, 2010-11 (Interim & Final) and 2011-12 are still lying in the respective unpaid dividend accounts of the Company. Members, who have not encashed the dividend warrants for the said financial years are requested to contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited at the address provided in point no. 10 below.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Members holding shares in physical form are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any,

to the Registrars and Share Transfer Agents of the Company at the following address:

**LINK INTIME INDIA PRIVATE LIMITED**

(Unit: Garware Polyester Limited)  
 C-13, Pannalal Silk Mill Compound,  
 L .B.S. Marg, Bhandup (West),  
 Mumbai - 400 078.  
 Tel. No. 022-2594 6970, Fax : 022-2594 6969.

Notice of the Meeting and copies of Audited Financial Statements, Directors' Report, Auditors' Report will also be displayed on the company's website [www.garwarepoly.com](http://www.garwarepoly.com)

By Order of the Board of Directors

Mumbai,  
 9th August, 2013

**Manoj Koul**  
*Company Secretary &  
 Sr. General Manager*

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

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 6:**

Since more than 25% of the subscribed share capital of the Company is held by public financial institutions/ nationalized banks, it is mandatory to appoint auditor by passing a Special Resolution in compliance with Section 224A of the Companies Act, 1956.

M/s. Shah & Co., Chartered Accountants (Registration No. 109430W), have conveyed their consent to act as an auditor of the Company vide their letter dated August 6, 2013 whereas M/s. Chaturvedi & Shah has tendered their resignation from the office of auditors vide their letter dated August 2, 2013.

Copy of the consent letter by M/s. Shah & Co. and the resignation letter tendered by M/s. Chaturvedi & Shah as referred hereinabove are available for inspection by the members at the Registered office of the Company on all working days during the business hours prior to the date of this Annual General Meeting.

The Directors recommended the resolution for approval of the members. None of the Directors of the Company is concerned or interested in the Resolution.

**Item No. 7:**

Mrs. Monika Garware Modi was re-appointed as Joint Managing Director of the Company by the members at the Annual General Meeting (AGM) held on 28<sup>th</sup> December, 2009 for a period of five years with effect from 1st November, 2009 and the terms of her remuneration were approved by the members at the Annual General Meeting held on 28<sup>th</sup> December, 2009. On account of overall increase in the volume of business of the Company, the duties and responsibilities of Mrs. Monika Garware Modi, Vice Chairperson and Joint Managing Director of the Company, has correspondingly increased. In order to enable Shri S. B. Garware to concentrate on policy matters of the Company, it is considered advisable that Mrs. Monika Garware Modi should assist Shri S. B. Garware in discharging his duties more effectively. In the process of assisting Shri S. B. Garware, Mrs. Monika Garware Modi will shoulder additional responsibilities.

Mrs. Monika Garware Modi has been associated with the Company from April, 1989. She bears an excellent academic career. She graduated from Vasaar College, one of the renowned institutions in U.S.A. and then did her M.B.A. degree from Lubin Business School, Pace University, New York, U.S.A. She has requisite knowledge and experience to manage the corporate affairs.

The Remuneration Committee of the Company's Board of Directors reviewed the remuneration package of Mrs. Monika Garware Modi, with a view to align her package with the practices prevailing in the corporate world and came to a conclusion that a revision was called for. The Remuneration Committee decided to revise the remuneration payable to Mrs. Monika Garware Modi, keeping in mind the additional managerial responsibilities shouldered by her. In view of such revision, her existing terms were mutually terminated and her re-appointment for a fresh term of five years effective from 1st November, 2013 on terms as set out in the draft agreement was approved by the remuneration committee at its meeting held on 9th August, 2013.

The Board of Directors has, at its meeting held on 9th August, 2013 approved her appointment as Joint Managing Director of the Company including the revised terms of remuneration and perquisites payable to Mrs. Monika Garware Modi, so as to be commensurate with her duties and responsibilities, subject to necessary approvals.

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

- a) Salary : Rs.10,00,000/- per month. (With an annual increase of 10% per annum with effect from 1st November, 2014 till the expiry of the term.)
- b) Commission: Mrs. Monika Garware Modi will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956.
- c) Perquisites: Mrs. Monika Garware Modi will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary. Mrs. Monika Garware Modi shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:-
  - i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
  - ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
  - iii) Encashment of leave at the end of her tenure.
- d) Mrs. Monika Garware Modi will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) Mrs. Monika Garware Modi will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) Mrs. Monika Garware Modi will also be entitled to receive from the Company travelling, hotel and other expenses incurred by her in performance of her duties on behalf of the Company.

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

The draft Agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 7 of the accompanying notice will be open for inspection by the Members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Mrs. Monika Garware Modi, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid/payable to Mrs. Monika Garware Modi, would be in excess of the limits prescribed under Schedule XIII read with relevant provisions of Companies Act 1956, therefore the special resolution is proposed for the approval of the shareholders. After the member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Mrs. Monika Garware Modi as minimum remuneration. The statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at Item No. 7 is annexed hereto as **Annexure-A**.

Mrs. Monika Garware Modi is concerned or interested in the resolution under Item No.7 of the accompanying notice. Shri S. B. Garware, Mrs. S. S. Garware, Mrs. Sarita Garware Ramsay, and Ms. Sonia Garware Directors of the Company, being related to Mrs. Monika Garware Modi, may be deemed to be concerned or interested in the resolution. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

This may also be treated as an abstract of the draft Agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

Your Directors recommend this resolution.

#### Item No. 8

At the Annual General Meeting held on 28th December, 2009, Mrs. Sarita Garware Ramsay was appointed as Joint Managing Director for a period of five years with effect from 1st November, 2009. On account of overall increase in the volume of business of the Company, the duties and responsibilities of Mrs. Sarita Garware Ramsay, Joint Managing Director of the Company, have accordingly increased. Further Mrs. Sarita Garware Ramsay is assisting Mrs. Monika Garware Modi in discharging her duties more effectively. In the process of assisting Mrs. Monika Garware Modi, Mrs. Sarita Garware Ramsay will shoulder additional responsibilities.

Mrs. Sarita Garware Ramsay has been associated with the Company as Director since 1993. She is an M.B.A. from European University in Switzerland with specialisation in marketing. She has requisite knowledge and experience to manage the corporate affairs.

The Remuneration Committee of the Company's Board of Directors reviewed the remuneration package of Mrs. Sarita Garware Ramsay, with a view to align her package with the practices prevailing in the corporate world and came to a conclusion that a revision was called for. The Remuneration Committee decided to revise the remuneration payable to Mrs. Sarita Garware Ramsay keeping in mind the additional responsibilities shouldered by her. In view of such revision, her existing terms were mutually terminated and her re-appointment for a fresh term of five years effective from 1st November, 2013 on terms as set out in the draft agreement was approved by the remuneration committee at its meeting held on 9th August 2013.

The Board of Directors has, at its meeting held on 9th August, 2013, approved her appointment as Joint Managing Director of the Company including the revised terms of remuneration and perquisites payable to Mrs. Sarita Garware Ramsay, so as to be commensurate with her duties and responsibilities, subject to necessary approvals.



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

- a) Salary: Rs. 9,00,000/- per month. (With an annual increase of 10% per annum with effect from 1<sup>st</sup> November, 2014 till the expiry of the term.)
- b) Commission: Mrs. Sarita Garware Ramsay will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956.
- c) Perquisites: Mrs. Sarita Garware Ramsay will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary. Mrs. Sarita Garware Ramsay shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration: -
  - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
  - ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
  - iii. Encashment of leave at the end of her tenure.
- d) Mrs. Sarita Garware Ramsay will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) Mrs. Sarita Garware Ramsay will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) Mrs. Sarita Garware Ramsay will also be entitled to receive from the Company travelling, hotel and other expenses incurred by her in performance of her duties on behalf of the Company.
- g) Mrs. Sarita Garware Ramsay will not, so long as she functions as such, become interested or otherwise concerned directly in any selling agency of the Company in future without the prior approval of the Central Government.

The draft Agreement and the resolution of the Annual General Meeting referred to in the resolution under Item No. 8 of the accompanying notice will be open for inspection by the members at the Registered Office of the Company on any working day between 11:00 a.m. and 01:00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Mrs. Sarita Garware Ramsay, the Company may have inadequacy of profits in any such financial year/s, in such case the above mentioned remuneration paid / payable to Mrs. Sarita Garware Ramsay, would be in excess of the limits prescribed under Schedule XIII read with relevant provisions of Companies Act 1956, therefore the special resolution is proposed for the approval of the shareholders. After the member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Mrs. Sarita Garware Ramsay as minimum remuneration. The statement as required under Section II, Part II of the Schedule XIII of the Companies

Act, 1956 with reference to Special Resolution at Item No. 8 is annexed hereto as **Annexure-A**.

Mrs. Sarita Garware Ramsay is concerned or interested in the resolution under Item No.8 of the accompanying notice. Shri S. B. Garware, Mrs. S. S. Garware, Mrs. Monika Garware Modi, and Ms. Sonia Garware Directors of the Company, being related to Mrs. Sarita Garware Ramsay, may be deemed to be concerned or interested in the resolution. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

This may also be treated as an abstract of the draft Agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

Your Directors recommend this resolution.

#### Item No. 9

At the Annual General Meeting held on 5<sup>th</sup> September, 2012, Ms. Sonia Garware was appointed as Joint Managing Director of the Company by Members for a term of five years with effect from 1<sup>st</sup> September, 2012. On account of overall increase in the volume of business of the Company, the duties and responsibilities of Ms. Sonia Garware, Joint Managing Director of the Company, have substantially increased. Ms. Sonia Garware is looking after the entire export division of the Company and has been posted at London-U.K.

Ms. Sonia Garware has been associated with the Company from 1997. She bears an excellent academic career. Ms. Sonia Garware is a M.B.A. with triple major in Finance, Marketing & Strategy from Boston College, U.S.A. Under her stewardship, the performance of Sun Control film division has improved substantially. Ms. Sonia Garware was instrumental in branding Sun Control film in U.S.A. and Europe.

The Remuneration Committee of the Company's Board of Directors reviewed the remuneration package of Ms. Sonia Garware keeping in mind the additional responsibilities shouldered by her.

In view of the fact that Ms. Sonia Garware is not presently availing any of the retiral benefits like provident fund, superannuation and gratuity from the Company as was approved by the members in the immediately preceding Annual General Meeting held on 5<sup>th</sup> September, 2012 and further increase in her job responsibility to look after the entire export division of the Company, the Remuneration Committee at its' Meeting held on 9th August, 2013, decided to revise the remuneration payable to Ms. Sonia Garware w.e.f. 1<sup>st</sup> September, 2013 till expiry of her present term of Agreement.

The Board of Directors has, at its meeting held on 9th August, 2013, approved the revised terms of remuneration payable to Ms. Sonia Garware as recommended by the Remuneration Committee, so as to be commensurate with her duties and responsibilities, subject to necessary approvals. Unless otherwise approved by the Board subsequently and subject to other necessary approvals, the term of employment of Ms. Sonia Garware as Joint Managing Director will be upto 31<sup>st</sup> August, 2017 as approved by members by the resolution passed at the Annual General Meeting of the Company held on 5<sup>th</sup> September, 2012.

The break-up of revised remuneration for Ms. Sonia Garware is as follows.

- a) Salary : Rs. 8,00,000/- per month (With an annual increase of 10% per annum with effect from 1<sup>st</sup> September, 2014 till the expiry of term of her agreement dated 25<sup>th</sup> September, 2012).
- b) Commission: Ms. Sonia Garware will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956.



- c) Perquisites : (i) Ms. Sonia Garware will be entitled to furnished housing accommodation, gas electricity, water and furnishing and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concessions for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 30% of salary.
- (ii) Ms. Sonia Garware shall also be entitled to the Encashment of leave at the end of her tenure which shall not be included in the computation of the ceiling on remuneration.
- d) Special Allowance Rs. 3,00,000/- per month.

Save as provided above, the other terms and conditions of her appointment/ employment previously approved by the members of the Company at the Annual General Meeting held on 5<sup>th</sup> September, 2012 shall remain the same.

The previous agreement dated 25<sup>th</sup> September, 2012 and the supplementary draft agreement specifying the revised remuneration payable to Ms. Sonia Garware as mentioned herein this explanatory statement, along with resolution passed by the members at the Annual General Meeting held on 5<sup>th</sup> September, 2012 will be open for inspection by members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m., prior to the date of the meeting.

In anticipation that during the term of employment of Ms. Sonia Garware, the Company may have inadequacy of profits during any such financial year/s, in such case the above mentioned remuneration paid/payable to Ms. Sonia Garware, would be in excess of the limits prescribed under Schedule XIII read with relevant provisions of Companies Act 1956, therefore the special resolution is proposed for the approval of the shareholders. After member's approval, an application seeking approval of the Central Government will be filed by the Company for payment of above mentioned remuneration to Ms. Sonia Garware as minimum remuneration. The statement as required under Section II, Part II of Schedule XIII of the Companies Act, 1956 with reference to Special Resolution at Item No.9 is annexed hereto as **Annexure-A**.

Ms. Sonia Garware is concerned or interested in the Resolution. Shri S. B. Garware, Mrs. S. S. Garware, Mrs. Monika Garware Modi and Mrs. Sarita Garware Ramsay, Directors of the Company, being related to Ms. Sonia Garware, may be deemed to be concerned or interested in the Resolution. Save as aforesaid, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

This may also be treated as an abstract of the supplementary draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

Your Directors recommend this resolution.

#### Item No. 10

At the Annual General Meeting held on 5<sup>th</sup> September, 2012, Mr. M. S. Adsul was re-appointed as Whole-Time Director, designated as Director-Technical, for a further term of five years with effect from 1st August, 2012.

Mr. M. S. Adsul is B.Sc. – Tech. in Plastics from Bombay University and DBM from Marathawada University. He has been working in the Company from 1979 in various areas such as Research and Development, Production and Technical.

Mr. M. S. Adsul has retired from the services on attaining age of superannuation with effect from 1st June, 2013 and therefore ceases to be a Whole-Time Director of the Company. However, on recommendation of the Management, considering his technical expertise and vast experience spanning over a period of more than 40 years, the Board of Directors at their meeting held on 9th August, 2013 approved to extend the services of Mr. M. S. Adsul w.e.f. 1st June, 2013 on such terms and conditions as approved by the Remuneration Committee at its' Meeting held on 9th August, 2013. Board perceived that it would be in the interest of the Company to avail of the valuable experience and guidance of Mr. M. S. Adsul in accomplishing the Company's goals.

The salient features of the agreement between the Company and Mr. M. S. Adsul, are set out below:

- (a) Salary : Rs. 3,00,000/- per month.
- (b) Perquisites : Perquisites in the form of provision of a car along with a driver, reimbursement of petrol expenses and telephone/mobile bills, subject to maximum of Rs. 75,000/- per month. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules.
- (c) Mr. M. S. Adsul will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of Business of the Company.
- (d) Mr. M. S. Adsul will also be entitled to receive from the Company travelling, hotel and other expenses incurred in performance of the duties on behalf of the Company.
- (e) Mr. M. S. Adsul will not, so long as he functions as such, become interested or otherwise concerned directly in any selling agency of the company in future without the prior approval of the Central Government.
- (f) In the event of inadequacy or absence of profit, his remuneration shall be governed by the provisions of Schedule XIII of the Companies Act, 1956.
- (g) This Agreement can be terminated by giving one month's Notice on either side.

The draft Agreement and the resolution of the Annual General Meeting referred to in the resolution under Item No. 10 of the accompanying notice will be open for inspection by the members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m., prior to the date of the meeting. The statement as required under Clause 1(B)(iv) of Section II, Part II of the Schedule XIII of the Companies Act, 1956, with reference to Special Resolution at item no. 10 is annexed hereto as **Annexure - A**.

Mr. M. S. Adsul is concerned or interested in the resolution under Item No.10 of the accompanying notice. Save as aforesaid, none of the other Directors of the Company is, in any way, concerned or interested in the resolution.

This may also be treated as an abstract of the draft Agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 302 of the Companies Act, 1956.

Your Directors recommend this resolution.

By Order of the Board of Directors

Mumbai,  
9th August, 2013

#### Registered Office

Naigaon, Post Waluj,  
Aurangabad – 431 133.

**Manoj Koul**  
Company Secretary &  
Sr. General Manager

### Annexure – A

Statement as required under Section II, Part II of the Schedule XIII of the Companies Act, 1956 with reference to the Resolutions at Item Nos. 7, 8, 9 and 10 of the Notice for the 56th Annual General Meeting of Garware Polyester Limited.

#### I. General Information:

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

(Rs. in lakhs)

Sr.No.	Particulars	2012-13	2011-12	2010-11
i)	Turnover	81,150.53	82,751.27	94,142.01
ii)	Profit/(Loss) before tax	1,183.71	3,506.85	21,100.22
iii)	Net Profit / (Loss)	2,770.65	3,506.85	18,845.22
iv)	Paid-up Share Capital	7,771.31	7,771.31	6,698.12*
v)	Reserves & Surplus	51,734.50	43,443.57	40,343.81
vi)	Dividend Pay-out	-	15%	100%

(\*Rs.1,073.19 being amount in Share Suspense Account, pursuant to Scheme of Arrangement)

- 5 *Export performance and net foreign exchange collaborations:* The Company had foreign exchange earning of Rs. 456.69 crores during the financial year 2012-13 as compared to Rs. 371.85 crores during the financial year 2011-12.
- 6 *Foreign investments or collaborators, if any:* Not applicable.

#### II. (a) Information about Mrs. Monika Garware Modi

1. *Background Details:* Mrs. Monika Garware Modi has been associated with the Company from April, 1989. She bears an excellent academic career. She graduated from Vasaar College, one of the renowned institutions in U.S.A. and then did her M.B.A. degree from Lubin Business School, Pace University, New York, U.S.A. With her immense subject knowledge and experience, she has been able to manage the functions of corporate affairs professionally.
2. *Past Remuneration:*

Financial Years	Amount (in Rs.)	Remarks
2012-13	1,27,80,625/-	Pending approval of Central Govt.
2011-12	1,15,55,396/-	Approved by Central Govt. vide letter No. SRN B32654931/4/2011-CL.VII dated 23.08.2012.
2010-11	1,85,60,534/-	Remuneration paid in compliance to Sec. 198, Sec. 309, read with Part II of Schedule XIII of the Companies Act, 1956 and as approved by members.

(The above remuneration excludes retiral benefits like Provident Fund, Superannuation, gratuity and encashment of leave, which is payable as per the Company's Policy applicable to its employees)

3. *Recognition or awards:* Not Applicable
4. *Job profile and her suitability:* Mrs. Monika Garware Modi has been associated with the Company as a Whole Time Director since last 25 years effectively from April 1989 and later on appointed as the Vice-Chairperson in the year 2002. Mrs. Monika Garware Modi is looking after the business finance vertical of the organization like fund raising and fund management, audit, taxation, Capex and inventory management. Besides that she is monitoring the 'Safety' and adherence to 'TPM', 'ISO' norms etc. Further she is responsible for the business development and other strategic issues of the Company.
5. *Remuneration proposed:* As stated in the Explanatory Statement at Item No.7 of the Notice.
6. *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):* Revised remuneration as proposed for Mrs. Monika Garware Modi is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses.
7. *Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:* Mrs. Monika Garware Modi is a promoter-director, holding 2,50,004 equity shares of Rs.10/- each representing 1.07 % of the total paid-up capital of the Company as on 31<sup>st</sup> March, 2013. Shri. S. B. Garware, Chairman & Managing Director and Mrs. S.S.Garware, Director are the parents of Mrs. Monika Garware Modi and Mrs. Sarita Garware Ramsay and Ms. Sonia Garware are sisters of Mrs. Monika Garware Modi.

#### (b) Information about Mrs. Sarita Garware Ramsay

1. *Background Details:* Mrs. Sarita Garware Ramsay has been associated with the Company as Director since 1993. She is an M.B.A. from European University in Switzerland with specialization in marketing. She has requisite knowledge and experience to manage the corporate affairs.
2. *Past Remuneration:*

Financial Years	Amount (in Rs.)	Remarks
2012-13	1,08,14,375/-	Pending approval of Central Govt.
2011-12	97,90,336/-	Approved by Central Govt. vide letter No. SRN B32656944/4/2011-CL.VII dated 23.08.2012.
2010-11	1,58,05,332/-	Remuneration paid in compliance to Sec. 198, Sec. 309, read with Part II of Schedule XIII of the Companies Act, 1956 and as approved by members.

(The above remuneration excludes retiral benefits like Provident Fund, Superannuation, gratuity and encashment of leave, which is payable as per the Company's Policy applicable to its employees)

3. *Recognition or awards:* Not Applicable.
4. *Job profile and her suitability:* Mrs. Sarita Garware Ramsay joined the Company as Director in December 1993 and was appointed a Whole-time Director from April 1994 to March 1997. On account of her continuous support as a member of the Board of Directors of the Company and her positive contributions, the Board of Directors elevated Mrs. Sarita Garware Ramsay as Joint Managing Director for a term of five years with effect from 1st July, 2002. Since then