

GTFL:SEC:2020

August 05, 2020

BSE Limited

Corporate Relationship Department,
New Trading Ring,
Rotunda Building, P. J. Towers,
Dalal Street, Fort,
Mumbai 400001.

(Company code: 509557)

National Stock Exchange of India Ltd.

Exchange Plaza, Plot No. C/1, 'G' Block,
Bandra-Kurla Complex,
Bandra East,
Mumbai 400051.

(Symbol: GARFIBRES, Series: EQ)

Sub: Submission of 43rd Annual Report for the financial year 2019-20 along with Notice of 43rd Annual General Meeting of the Company.

Dear Sirs,

This is to inform you that the 43rd Annual General Meeting ('AGM') of the Company will be held on Friday, 28th August, 2020 at 10:30 a.m. (IST), through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM").

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, please find attach herewith 43rd Annual Report for the financial year 2019-20 along with Notice of 43rd Annual General Meeting of the Company, which is being sent to Shareholders through electronic mode today i.e., 5th August, 2020.

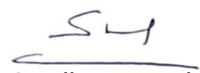
The 43rd Annual Report for the financial year 2019-20 along with Notice of 43rd Annual General Meeting of the Company is also available on website of the Company: www.garwarefibres.com.

Please acknowledge the communication.

Thanking you.

Yours faithfully,

For **GARWARE TECHNICAL FIBRES LIMITED**



Sunil Agarwal
Company Secretary
M. No. - FCS 6407
Encl: as above

Registered Office

Garware Technical Fibres Ltd. (Formerly Garware – Wall Ropes Ltd.): Plot No.11, Block D-1, MIDC, Chinchwad, Pune 411 019, India
T +91 20 2799 0000/0306 E pune_admin@garwarefibres.com www.garwarefibres.com CIN L25209MH1976PLC018939



GARWARE
TECHNICAL FIBRES

Better Ideas in Action

Garware Technical Fibres Limited

(Formerly Garware-Wall Ropes Limited)

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

CIN: L25209MH1976PLC018939; Telephone No.: (+91-20) 27990000;

E-mail: pune_admin@garwarefibres.com;

Website: www.garwarefibres.com

NOTICE

Notice is hereby given that the FORTY-THIRD (43rd) ANNUAL GENERAL MEETING of the Company will be held on Friday, 28th August, 2020 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), at 10:30 a.m. (IST) to transact the following business:

ORDINARY BUSINESS:

- To receive, consider, and adopt:
 - the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020, together with the Reports of the Board of Directors and Auditors; and
 - the Audited Consolidated Financial Statements for the financial year ended 31st March, 2020 and the Report of the Auditors.
- To confirm the payment of interim dividend of ₹ 17.00/- per share (170%) [which includes Special Dividend of ₹ 10.00/- per share (100%)] as the final dividend for the financial year 2019-2020.
- To appoint a Director in place of Ms. Mayuri Vayu Garware (DIN 06948274), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

4. Ratification of Cost Auditors' remuneration:

To consider, and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of ₹ 5,60,000/- (Rupees Five Lakh Sixty Thousand only) plus applicable taxes and re-imbursment of actual travelling and out-of-pocket expenses to M/s. Joshi Apte & Associates, appointed as Cost Auditors (Firm Registration No. 000240), by the Board of Directors based on recommendation by the Audit Committee, to conduct the Audit of the Cost Records in respect of the Products covered under the said Rules for the financial year ended 31st March, 2021, be and is hereby ratified and approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including a Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, relevant, and / or expedient for giving effect to this resolution."

5. Re-appointment of Ms. Mallika Sagar (DIN 02228386) as a Non-executive Independent Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and to comply with the provisions of Regulation 16(1)(b) and 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"], Ms. Mallika Sagar (DIN 02228386), a Non-executive Independent Director of the Company, whose current term of office shall expire at the ensuing Annual General Meeting of the Company, and who has submitted a declaration that she meets the criteria of Independence and who is eligible for re-appointment under the provisions of the Act and SEBI (LODR) Regulations, 2015 and whose re-appointment is recommended by the Nomination and Remuneration Committee of the Board of Directors of the Company and in respect of whom the Company has received notice in writing from a Member proposing her candidature for the office of Director under Section 160 of the Act, be and is hereby re-appointed as a Non-executive Independent Director of the Company to hold office for a second term of 05 (five) consecutive years with effect from conclusion of ensuing Annual General Meeting of the Company, and who shall not be liable to retire by rotation."

By Order of the Board of Directors

Sunil Agarwal

Company Secretary

FCs No.: 6407

Pune,
30th June, 2020

NOTES:

- In view of the outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020, read with General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue.
- Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 ("Act") and read with the said MCA Circulars and SEBI Circular dated 12th May, 2020 ("SEBI Circular"), the Company has decided to convene its ensuing 43rd AGM through VC / OAVM ("AGM"), and the Members can attend and participate in the ensuing AGM through VC / OAVM only. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance / Clarification dated 15th April, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company, which shall be the deemed Venue of the AGM.

3. The explanatory statement pursuant to Section 102(1) of the Act, relating to Special Business to be transacted at the AGM, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through VC / OAVM, whereby physical attendance of Members has been dispensed with and in line with the said MCA Circulars read with SEBI Circular, the facility to appoint a proxy to attend and cast vote for the Member is not made available for this AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC / OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, herein below). Such Corporate Members are requested to refer "General Guidelines for Shareholders" provided in the Point No. 18.H herein below, for more information.

5. At the 40th Annual General Meeting of the Company, the Members approved appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants (Firm Registration No. 106201W), as the Statutory Auditors of the Company to hold office from the conclusion of 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting. However, pursuant to the provisions of the Companies (Amendment) Act, 2017, effective from 7th May, 2018, the requirement of seeking approval for ratification of appointment of Statutory Auditors by Members of the Company at every Annual General Meeting is omitted. Therefore, the Company is not seeking any ratification of appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants as the Statutory Auditors of the Company, by the Members at the 43rd Annual General Meeting of the Company.
6. In compliance with the aforementioned MCA Circulars and SEBI Circular, the Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members, whose email addresses are registered with the Company/Depositories Participant(s). Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website: www.garwarefibres.com; websites of the Stock Exchanges i.e. the BSE Limited and National Stock Exchange of India Ltd at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL at www.evoting.nsdl.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. Members holding shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically, by sending following details / documents by email to the Company at secretarial@garwarefibres.com and to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at pune@linkintime.co.in:
 - i. A signed request letter mentioning your name, folio number and complete address along with self-attested scanned copy of PAN Card and self-attested scanned copy of any document (such as Aadhaar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.
 - ii. Name and Branch of Bank in which dividend is to be received and Bank Account type:
 - iii. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - iv. 11 digit IFSC Code; and
 - v. Self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly.
 Members holding shares in demat form are requested to update their Electronic Bank Mandate with their Depository Participant(s).
8. Members are requested to notify immediately the change, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number, ECS mandates, nominations, power of attorney, bank account details, etc., to their Depository Participant(s) ["DP"(s)] in case the Equity Shares are held by them in electronic form and to the Company's Registrar and Share Transfer Agent, quoting folio number along with necessary documentary evidence.
9. Pursuant to Provisions of Sections 124 and 125 of the Companies Act, 2013 (Section 205A and 205C of erstwhile Companies Act, 1956), any money transferred to the Unpaid Dividend Account which remains unpaid or unclaimed for a period of 07 (seven) years from the date of such transfer, shall be transferred by the Company to a fund called "Investor Education and Protection Fund" (the "IEPF") established by the Central Government.

Accordingly, the unclaimed dividends up to the financial year 2011-2012 have been transferred by the Company to the IEPF.

The unpaid / unclaimed dividend for the financial year 2012-13 and onwards will become transferable to the IEPF at the end of 07 (seven) years from the respective dates of transfer of such amounts to the Unclaimed Dividend Accounts of the Company. Members are, therefore, requested to check and send their claims, if any, for the relevant financial year 2012-13 and onwards before the respective amounts become due for transfer to the IEPF.

The Ministry of Corporate Affairs ("MCA") notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 on 5th September, 2016 ("IEPF Rules"), which is applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial year 2012-2013, on the website of the Company viz. www.garwarefibres.com.

Members are also requested to note that, pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Rules, the Company is obliged to transfer all shares, in respect of which dividend has remained unpaid or unclaimed for 07 (seven) consecutive years or more to demat account of the IEPF Authority to be opened for said purpose.

In compliance with the aforesaid Rules, the Company has transferred equity shares pertaining to financial year 2011-12 to IEPF Authority after providing necessary intimation to concern Members.

The eligible Members are entitled to claim the shares or apply for refund of dividend to IEPF Authority by making an application in prescribed Form, the details of which are available at www.iepf.gov.in.

10. Non-Resident Indian Members are requested to inform the Company, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their Bank Account maintained in India with complete name, branch, account type, MICR number, account number and address of the bank with pin code number, if not furnished earlier.
11. 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 DP's with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names, are requested to send the Share Certificate(s) to the Company for consolidation of their holdings into a single folio.

13. Documents Open for Inspection:

- a. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection of the Members during the AGM, on the Company's website: www.garwarefibres.com.
- b. All documents referred to in this Notice and accompanying explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 shall be available for inspection of the Members through electronic mode. Members are requested to write to the Company at secretarial@garwarefibres.com for inspection of the documents, by mentioning "Request for inspection" in the subject of the Email.
14. As per the provisions of the Regulation 40 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, with effect from 1st April, 2019, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Therefore, Members who still hold share certificates in physical form are advised to get their shares dematerialised.
15. Members attending the meeting through VC / OAVM will be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 Members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restrictions of "first-come-first-serve" basis. The Institutional Investors are encouraged to attend the meeting.
17. Since the AGM will be held through VC or OAVM, route map of venue of the AGM and attendance slip is not attached to this Notice.

18. Voting through electronic means:

- A. In compliance with the provisions of Sections 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and MCA Circulars and SEBI Circular, the Company is providing only e-Voting facility to all the Members of the Company to transact the business set out in the Notice of AGM through the electronic voting system. The Company has engaged the services of NSDL for facilitating remote e-Voting as well as by electronic means during the VC / OAVM proceedings at the AGM ("e-Voting at AGM") (collectively referred to as "e-Voting") to enable the Members to cast their votes electronically. Resolution(s) passed by Members through e-Voting is / are deemed to have been passed as if it / they have been passed at the AGM.
- B. Members are provided with the facility for e-Voting at AGM during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting, are eligible to exercise their right to vote at the AGM through electronic means.
- C. Members who have already cast their vote by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote again on such resolution(s).
- D. Members of the Company holding shares either in physical form or electronic form as on the cut-off date of Friday, 21st August, 2020, may cast their vote by e-Voting. The remote e-Voting period commences on Tuesday, 25th August, 2020 at 9:00 a.m. (IST) and ends on Thursday, 27th August, 2020 at 5:00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

E. Instructions for Shareholders/Members for remote e-Voting:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

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

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

- 1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 3) Select "EVEN" of company for which you wish to cast your vote.
- 4) Now you are ready for e-Voting as the Voting page opens.
- 5) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 6) Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

F. Instructions for Shareholders / Members for e-Voting during the proceedings of the AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

G. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this Notice:

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the Company at secretarial@garwarefibres.com and to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at pune@linkintime.co.in.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to the Company at secretarial@garwarefibres.com and to Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company at pune@linkintime.co.in.

H. General Guidelines for Shareholders / Members:

- 1) Institutional / Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF / JPEG Format) of its Board Resolution or governing body Resolution / Authorisation, etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through their registered email address to cssvdassociates@gmail.com with copies marked to secretarial@garwarefibres.com, evoting@nsdl.co.in and pune@linkintime.co.in. In case of remote e-Voting, the said Resolution / Authorization should reach the scrutinizers on / before 27th August, 2020 at 5.00 p.m.
- 2) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Sunil Agarwal, Company Secretary at the Registered office address or Tel. (020) 2799 0000 or e-mail at secretarial@garwarefibres.com.

19 Instructions for Shareholders / Members to Attend the Annual General Meeting through VC / OAVM:

- 1) Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
 - 2) Members are encouraged to join the Meeting through Laptops for better experience.
 - 3) Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's e-mail address at secretarial@garwarefibres.com. Questions received by the Company till 5.00 p.m. (IST) on Friday, 21st August, 2020 shall only be considered and responded during the AGM.
 - 4) Members who would like to express their views or ask questions as a Speaker during the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID / folio number, PAN and mobile number to secretarial@garwarefibres.com between 9:00 a.m. (IST) on Saturday, 22nd August, 2020 and 5:00 p.m. (IST) on Tuesday, 25th August, 2020. Only those Members who have pre-registered themselves as Speakers will be allowed to express their views or ask questions during the AGM. The Company reserves the right to restrict the number of Speakers depending on the availability of time for the AGM.
 - 5) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 - 6) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
20. Disclosure pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard – 2 on General Meetings issued by Institute of Company Secretaries of India with respect to Director seeking re-appointment / appointment / continuation of appointment at the Meeting is given in explanatory statement annexed to this Notice.
21. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, 21st August, 2020.
22. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Friday, 21st August, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company at secretarial@garwarefibres.com
23. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of e-Voting.
24. Mr. S. V. Deulkar, Partner (CP No. 965) or failing him Mr. Sridhar Mudaliar, Partner (CP. No. 2664) of M/s. S V D & Associates, Company Secretaries has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner and in accordance with the applicable laws.

25. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of e-Voting system for all those Members who are present during the AGM through VC / OAVM but have not cast their votes by availing the remote e-Voting facility. The e-Voting system during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
26. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
27. The results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.garwarefibres.com immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be communicated to Stock Exchanges i.e. the BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed.
28. A person, who is not member as on Cut-off date should treat this Notice for information purposes only.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out the material facts relating to the business mentioned under Item Nos. 4 to 5 of the accompanying Notice dated 30th June, 2020.

Item No. 4:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct the audit of the cost records in respect of the products covered under the said Rules for the financial year ending on 31st March, 2021. Accordingly, M/s. Joshi Apte & Associates, Cost Accountants have been appointed as the Cost Auditors of the Company for the financial year 2020-21 by the Board of Directors in its meeting held on 30th June, 2020, on the recommendation of the Audit Committee of the Company for conducting the audit of the concerned cost records maintained by the Company.

The Board of Directors has fixed a remuneration of ₹ 5,60,000/- (Rupees Five Lakh Sixty Thousand only) plus applicable taxes and reimbursement of actual traveling and out-of-pocket expenses. In terms of Section 148(3) of the Companies Act, 2013 and Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the cost auditors, as fixed by the Board of Directors is required to be ratified by the Company.

None of the Directors and Key Managerial Personnel and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of this Notice.

The Board of Directors commends the resolution set out at Item No. 4 for ratification by the Members of the Company as an Ordinary Resolution.

Item No. 5:

The Members of the Company at 42nd Annual General Meeting of the Company held on 17th September, 2019, approved the appointment of Ms. Mallika Sagar (DIN 02228386) as Non-executive Woman Independent Director of the Company with effect from 30th May, 2019, to hold the office for a term of 18 (Eighteen) months or till the conclusion of the 43rd Annual General Meeting of the Company, whichever is earlier and who shall not be liable to retire by rotation.

As per the provisions of Section 149(10) of the Companies Act, 2013, Independent Director shall be eligible for re-appointment for another term of upto 05 (five) consecutive years on the Board of a Company upon passing of Special Resolution by the Members of the Company.

Accordingly, the Board of Directors of the Company at their meeting held on 30th June, 2020, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, recommend the re-appointment of Ms. Mallika Sagar (DIN 02228386) as Non-Executive Independent Directors of the Company to hold offices for a second term of 05 (five) consecutive years with effect conclusion of 43rd Annual General Meeting of the Company, as set out in the Resolutions relating to her re-appointment.

Ms. Mallika Sagar has submitted a declaration in writing that she meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(i)(b) of the SEBI (LODR) Regulations, 2015.

The Company has also received from her, (i) consent in writing to act as a Director, in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) a declaration that she is not debarred or disqualified from holding the office of Director, by virtue of any order passed by SEBI, Ministry of Corporate Affairs or any other such Authority.

The Company has received a notice in writing from a Member under the provisions of Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Mallika Sagar for the office of Director of the Company.

The Board of Directors considers that her rich business / industry experience of over 20 years, especially in the field of Sales and Marketing would be of immense use to the Company. In the opinion of the Board of Directors, Ms. Mallika Sagar fulfils the criteria of Independent Director, as envisaged in Section 149(6) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules 2014 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

Copy of draft letter setting out the terms and conditions of her appointment will be available for inspection of the Members through electronic mode. Members may write to the Company at secretarial@garwarefibres.com in that regard, by mentioning "Request for inspection" in the subject of the Email.

The Board of Directors commends the resolution set out at Item No. 5 for approval of the Members of the Company as a Special Resolution.

Ms. Mallika Sagar is not related to any of the Directors or Key Managerial Personnel of the Company in terms of Section 2(77) of the Companies Act, 2013.

Except Ms. Mallika Sagar, none of the other Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the Resolution under the resolution mentioned at Item No. 5.

Brief profile of Ms. Mallika Sagar:

Ms. Mallika Sagar (aged 44 years) is having Bachelor of Arts degree in History of Art from Bryn Mawr College in the United States and trained as an Auctioneer with world renowned auction house Christie in New York.

Ms. Mallika Sagar has experience of more than twenty years, in the field of sales and auction of Ancient, Modern and Contemporary Indian Art. Ms. Sagar has developed a wide network of contact with prominent people from diverse field. She has served on the advisory panel of the National Gallery of Modern Art, Mumbai.

Ms. Mallika Sagar is also Director of Manisha Trading and Investments Pvt. Ltd. and Mara Trading Pvt. Ltd. She does not hold Membership / Chairmanship of Committees of other Boards.

Ms. Mallika Sagar does not hold any shares in the Company.

Other detail such as the number of Meetings of the Board attended during the financial year 2019-20 and remuneration drawn has been given in Corporate Governance Report, which forms part of the Annual Report.

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-APPOINTMENT AT THE FORTY-THIRD ANNUAL GENERAL MEETING

Ms. Mayuri Vayu Garware (DIN 06948274)

Ms. M. V. Garware (DIN 06948274) (aged 44 years) studied at the Cathedral and John Connon school, after which she completed her Bachelor of Arts at St. Xavier's College, Mumbai, where she majored in Political Science.

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

Ms. M. V. Garware then started a garment design and export business in the year 1997, which initially included export of embellished Indian bridal wear and eventually moved into western resort wear. The export business was managed successfully by her covering exports to several countries including the United States, Caribbean and the UK. She is actively involved in social activities through Charitable Trusts.

Ms. M. V. Garware was first appointed as Director of the Company on 16th August, 2014. She is liable to retire by rotation.

Ms. M. V. Garware does not hold Directorship, Membership / Chairmanship of Committees of other Boards.

Ms. M. V. Garware holds 10 shares of the Company as on 31st March, 2020.

She is related to Mr. V. R. Garware, Chairman & Managing Director of the Company.

Other detail such as the number of Meetings of the Board attended during the financial year 2019-20 and remuneration drawn has been given in Corporate Governance Report, which forms part of the Annual Report.

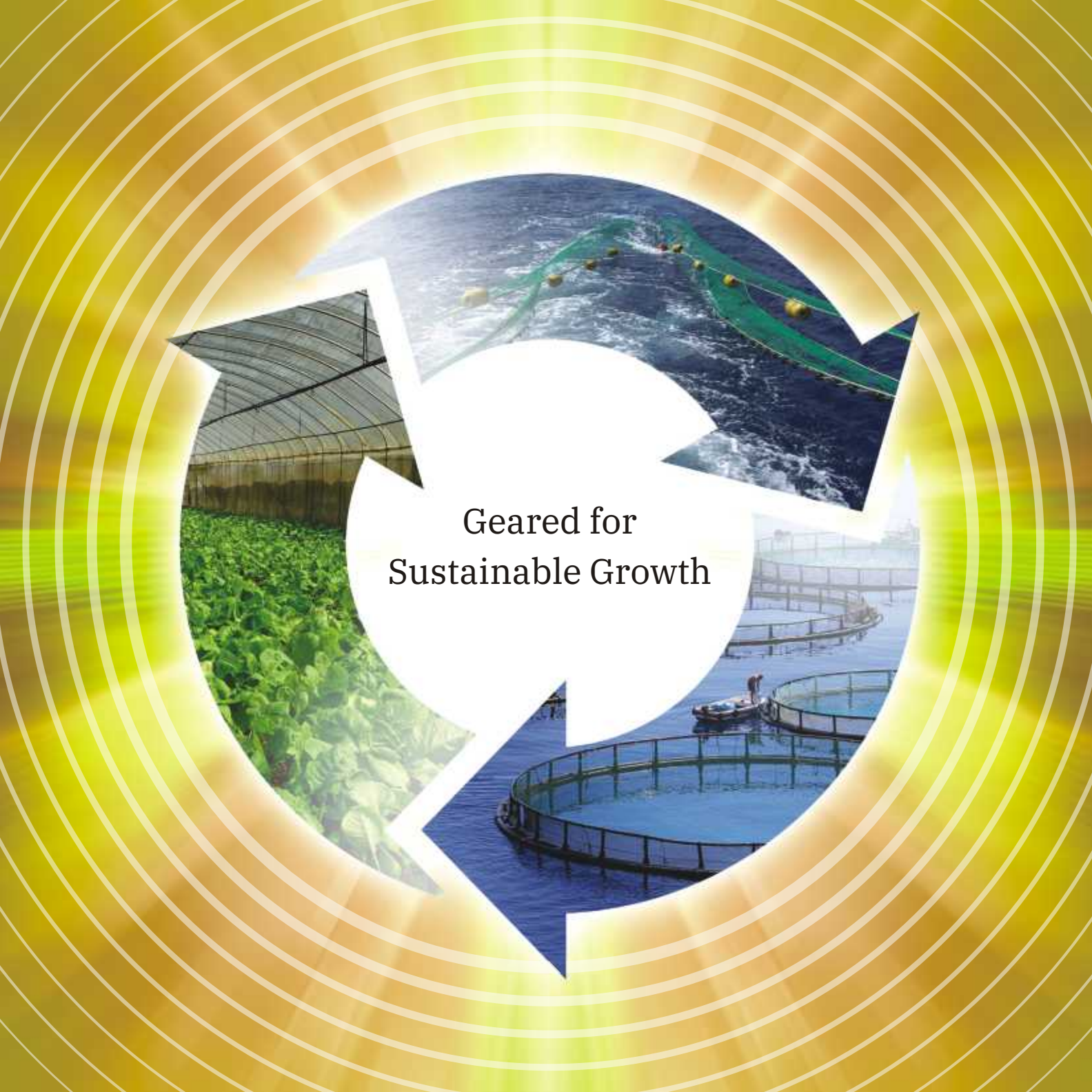
By Order of the Board of Directors

Sunil Agarwal

Company Secretary

FCS No.: 6407

Pune,
30th June, 2020



Geared for
Sustainable Growth

43rd Annual Report 2019-2020



GARWARE
TECHNICAL FIBRES

43rd ANNUAL GENERAL MEETING

Day & Date: Friday, 28th August, 2020

Time: 10.30 am (IST)

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GARWARE
TECHNICAL FIBRES

In FY 2019-20, GTFL achieved satisfactory financial results in the face of the outbreak of COVID-19. Despite the challenging situation facing all businesses, the outlook for the Company is positive, as it has strong foundations for sustainable growth: Around 60% of the Company's business caters to end-users in food-related industries, which are expected to enjoy high demand. Leveraging this positioning, GTFL is continuously enhancing its operational performance and the capabilities of its people. These strengths give the Company the ability to face challenges and seize opportunities.

GEARED FOR SUSTAINABLE GROWTH



“

I am happy to report that despite the difficult situation, your Company recorded satisfactory performance in FY 2019-20, and it is well poised to stay on its journey of sustainable growth.

”

From the Chairman's Desk

Dear Shareholders,

I am herewith presenting the annual report of your Company for the financial year (FY) 2019-20 in challenging times.

COVID-19 has impacted every person and every sphere of life. Due to the country-wide lockdown, normal business operations came to a halt, and some sectors of the economy continue to be in stasis.

I am happy to report that despite the difficult situation, your Company recorded satisfactory performance in FY 2019-20, and it is well poised to stay on its journey of sustainable growth.

Your Company achieved consolidated revenue of ₹ 985.27 crores for the year ended 31st March 2020, a decrease of 5.16% over the previous year's consolidated revenue of ₹ 1,038.90 crores. Consolidated profit before tax (PBT) was ₹ 178.86 crores, 1.77% lower than the figure for the previous year. The return on capital employed (ROCE) was 25.8%.

During the year, your Board of Directors declared an interim dividend at ₹ 17.00 per share (170%), which includes a special dividend of ₹ 10.00 per share (100%). The Board of Directors have not recommended any further dividend and have recommended that the interim dividend declared as above be treated as the final dividend for the year ended 31st March 2020.

The top and bottom line growth of your Company would have been higher but for the lockdown. Particularly our strong order book for international sales in the fourth quarter was significantly affected. Domestic sales from depots around the country also could not take place as planned. Both these factors significantly affected the year-ending inventory value, which increased by ₹ 18.7 crores compared to the previous year-end in the standalone financials.

The sustained profitability of your Company in the rest of the year was driven by its portfolio of differentiated products. V2, our path-breaking and patented solution for the problem of biofouling of aquaculture nets, received a



tremendous market response and is now an established game-changer in key markets. Deploying V2, your Company met the cage-net requirements of the world's first-of-its-kind offshore salmon project. V2 was also established for cage nets and predator nets in the Chilean market.

Breakthroughs were achieved for other technology innovations as well. X12, our solution to the problem of sea lice, was grabbed by a large customer in North America. Our compact and low shrinkage Sapphire Next Generation (SNG) netting continued to gain popularity in Europe. In Africa we made inroads supplying fully assembled pelagic trawls. Various new rope products were introduced for aquaculture mooring. In the international sports-allied business, we made a mark with frames and other accessories. A breakthrough was achieved in the US market for our geo-textiles, and a new product, flexible rope net gabions, was commercially launched with a large order from Europe.

On the domestic front, cyclones and an extended monsoon affected our growth in the fisheries segment in the first half of the financial year. However, your Company could overcome this setback due to its presence in diverse segments. FY 19-20 was particularly a good year for the geosynthetics division. It continued to consolidate its presence in the focus sectors of railways, roads, and industrial landfills, and demonstrated excellent execution of projects.

Your Company earned much appreciation from customers and business and industry-specific publications during the year. Our R&D team bagged four patents, and several more are in the pipeline. Our manufacturing teams responded smartly to dynamic market demands, and our finance team managed working capital astutely to generate higher funds from operations. We continued to strengthen our commitment to our core values with the initiative of rewarding 'Living Values' across all the levels in the organization. It also gives me pride to report that

for the third year in a row your Company was ranked as a 'Great Place to Work'. Our employees are our core resource and their welfare is a matter of our utmost concern. Despite the business challenges imposed by COVID-19, we have not resorted to any layoffs.

As a responsible corporate citizen, your Company participated in the fight against COVID-19, by contributing to the PM Cares Fund, partnering with the Maharashtra Chamber of Commerce Industries and Agriculture (MCCIA) in its Pune Platform for COVID-19 Response (PPCR) initiatives. Your Company also undertook some traffic safety projects under its CSR initiatives.

Looking at the future, I am happy to report that after the lifting of the lockdown your Company resumed a large part of its operations, taking all due precautions for the health of employees. Even during the lockdown period, your Company received international orders, and this attests to the superiority of our value propositions. While several sectors of the domestic economy continue to be in a state of shock, our positioning in the food-supply industry and international presence give us considerable insulation from recessionary trends. We are financially strong and our cash reserves are a big asset in these challenging times. We remain strongly committed to the execution of our strategic plans and, barring unforeseen circumstances, we are well placed to stay on the trajectory of growth.

I look forward to your continued support in our effort towards delivering enhanced value to all stakeholders.

With warm regards,

V. R. Garware
Chairman & Managing Director



Positioned in a Core Sector

The food industry, including agriculture, aquaculture and fishing, is intrinsically insulated against long-term business shocks. GTFL enjoys this advantage as its products for fisheries, aquaculture and agriculture together account for the major part of its business. The Company is the largest manufacturer and supplier of Salmon aquaculture cage nets in the world, with a large share in major markets like Scotland, Canada, Norway, and Chile. The Company is also a major player in the domestic fisheries sector, with a dominant position in the supply of nets for trawl fishing. In the domestic agriculture sector, GTFL is well-poised to meet the growing demand for high-value output, with products like anti-bird nets, anti-hail nets, insect nets, and shade nets.





Delivering Superior Value Propositions

V2 TECHNOLOGY
Patented technology from Garware that has in-built antifouling properties

Unique HDPE netting with in-built antifouling technology and one of the first sustainable antifouling technologies with negligible emissions.

This is why fish farmers across the world are seeking V2 technology nets from Garware Technical Fibres.

Reduced operational costs and improved fish health
Light IPS* reduction in chasing nets.
Reduced fouling aids in less stress and better environment for the fish.



Through sustained efforts in application-focused innovation, GTFL has diversified its offerings and moved up the value chain with multiple solutions. Many of the Company's products are superior value propositions that have received an encouraging market response. A star performer in FY 2019-20 was V2, the world's first aquaculture cage net with built-in eco-friendly, anti-fouling technology. Another superior value proposition is X12, a non-pharmaceutical solution to protect Salmon farms from the chronic problem of infestation by marine ectoparasites.

GTFL's Sapphire PE anti-predator nets have led to a significant reduction in Seal culling in salmon farms. The Company's custom-made geosynthetic solutions for reinforcing soil structures, preventing rockfall, and protecting coastal areas have won accolades. GTFL's range of nets for high-value agriculture is being increasingly accepted on account of the long-term benefits offered.



Enhancing Operational Performance

Since 2007, GTFL is working systematically towards excellence in operations, integrating people, processes, systems, technology and equipment. The performance of people is improved by training and development programmes across the board. Manufacturing processes are strengthened by deploying Safety, Quality, Delivery, Cost, and Morale (SQDCM) metrics on the shop floor. By following Design For Manufacturing (DFM) guidelines, Failure Mode and Effects Analysis (FMEA), and Advanced Product Quality Planning (APQP), reliability is brought at the product- design stage itself. An online system is used to track the performance of critical assets.

The Company's operational excellence model also includes supply chains, sourcing, resource optimization, management control systems, organizational redesign, overall system capability, and social responsibility initiatives.





Nurturing People Potential



GTFL provides an enabling workplace that brings out the best from its people and empowers them to do even better. High-potential leaders at senior levels have been identified and their capabilities have been sharpened through a structured leadership development programme incorporating an optimum mix of experiential learning, classroom training, and coaching. High-potential managers have also been identified at the middle level and their capabilities are being developed through customized and structured management development programmes.

Career growth opportunities are expanded for employees who consistently contribute to the improved performance of the Company. In FY 19-20, several such employees were given additional responsibilities in their roles to sustain organizational growth. The sales team was also provided continuous training inputs to enhance its value-based selling skills.



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Corporate Information

Founder Chairman

- Late Shri. B. D. Garware

Chairman Emeritus

- Late Shri. R. B. Garware

Board of Directors

- V. R. Garware - Chairman & Managing Director
- Ms. M. V. Garware
- R. M. Telang
- S. P. Kulkarni
- Ashish Goel
- S. S. Rajpathak
- Ms. Mallika Sagar

Company Secretary

- Sunil Agarwal

Bankers

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

Auditors

- Mehta Chokshi & Shah LLP, Chartered Accountants

Share Transfer Agent

Link Intime India Pvt. Ltd.

202, 2nd Floor, Akshay Complex, Off Dhole Patil Road,
Near Ganesh Temple, Pune - 411 001.

Tel : +91-20-2616 0084, 2616 1629

Telefax : +91-20-2616 3503

E-mail : pune@linkintime.co.in

Registered Office

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

Tel : +91-20-2799 0000/0306

E-mail : pune_admin@garwarefibres.com

Website : www.garwarefibres.com

CIN : L25209MH1976PLC018939

Mumbai Offices

- Chowpatty Chambers, Sandhurst Bridge,
Mumbai - 400 007.

Tel : +91-22-2263 4696, 2368 6627

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

Tel : +91-22-2309 1164/1168/5111

E-mail : mum_accounts@garwarefibres.com





Directors' Report

(For the Financial Year ended 31st March, 2020)

To The Members,

Your Directors have pleasure in presenting the Forty-Third Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

■ FINANCIAL SUMMARY:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 2019-2020	Year ended 2018-2019	Year ended 2019-2020	Year ended 2018-2019
Total Revenue	1,01,385.25	1,03,879.84	98,527.43	1,03,890.12
Profit subject to Depreciation & Taxation	23,546.41	19,924.08	19,812.52	19,933.48
Less: Depreciation, net of transfer from Revaluation Reserve	1,926.22	1,724.04	1,926.22	1,724.04
Profit Before Tax	21, 620.19	18,200.04	17,886.30	18,209.44
Less: Tax Expenses				
Current Tax	4,447.04	5,366.29	4,460.04	5,368.99
Deferred Tax	(626.86)	397.92	(626.86)	397.92
Prior period Taxation	--	(125.42)	--	(125.42)
Profit After Tax	3,820.18	5,638.79	3,833.18	5,641.49
Share of (profit)/loss from Investment in Associate & Joint Venture	--	--	(0.10)	(0.10)
Profit for the year	17,800.01	12,561.25	14,053.02	12,567.85

■ 2019-2020 – THE YEAR UNDER REVIEW:

During the year under review, your Company recorded satisfactory performance despite challenging external situations.

Your Company recorded standalone revenue of ₹ 1,013.85 crore for the year ended 31st March, 2020, a decrease of 2.40% over the previous year's standalone revenue of ₹ 1,038.80 crores. Standalone Profit Before Tax ("PBT") is ₹ 216.20 crores against ₹ 182.00 crores of the previous year.

Domestic Sales amounted to ₹ 393.32 crores, and the Export Sales amounted to ₹ 551.40 crores for the year ended 31st March, 2020 on Standalone basis.

Further, your Company earned consolidated revenue of ₹ 985.27 crores for the year ended 31st March, 2020, a decrease of 5.16% over the previous year's consolidated revenue of ₹ 1,038.90 crores. Consolidated Profit Before Tax ("PBT") is ₹ 178.86 crores against ₹ 182.09 crores of the previous year.

■ OPERATIONS:

The operations of the Company are elaborated in the annexed "Management Discussion and Analysis Report".

■ SUBSIDIARIES AND ASSOCIATE:

During the FY 2019-20, the Company incorporated a subsidiary named as Garware Technical Fibres USA INC. ("GTF USA INC") in the State of Washington, United State of America. The Company contributed, assigned and transferred, all of its rights, title and interest in and to the Business / Undertaking along with all its assets and liabilities in its USA Branch on a going concern basis to GTF USA INC. The consideration for the same was discharged by GTF USA INC., by issuance of 100% shares of its common stock to the Company. The business of GTFL USA INC., is in line with main business activities of the Company and has started its operation towards the end of this Financial Year.

During the year under review, Garware Technical



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Fibres Chile SpA, was incorporated as a Wholly Owned Subsidiary ("WOS") of the Company in Republic of Chile in order to expand its presence in Chilean Market. This WOS is yet to start its commercial operations.

Garware Environmental Services Private Limited, is a wholly owned subsidiary of your Company. This Subsidiary Company is yet to start its commercial operations.

Garware Meditech Private Limited is an associate of your Company and presently not having any business activity.

Pursuant to provisions of first proviso of sub-section (3) of Section 129 of the Companies Act, 2013, a Statement containing salient features of the Financial Statement of its Subsidiaries and Associate Company in Form No. AOC-1 is attached to the Financial Statement.

■ CONSOLIDATED FINANCIAL STATEMENTS:

Pursuant to the provisions of Section 129 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and applicable Accounting Standards, the Company has prepared a Consolidated Financial Statement of the Company, its Subsidiaries and Associate Companies in the same form and manner as that of the Company, which shall be laid before the ensuing Annual General Meeting of the Company along with the laying of the Company's Standalone Financial Statement.

The Annual Report of the Company inter alia contains the Standalone Audited Financial Statement of the Company and Consolidated Audited Financial Statements of the Company and its Subsidiaries and Associate Company.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Standalone Audited Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate Audited Financial Statements in respect of its Subsidiaries and Associate Company are also uploaded on the Company's website: <https://www.garwarefibres.com/investors/financial-results/>.

The Financial Statements of the Subsidiaries, Associate Company and the related detailed

information will be made available to any Member of the Company / its Subsidiaries and Associate Company, who may be interested in obtaining the same. The Financial Statements of the Subsidiaries and Associate Company will also be kept for inspection by any Member at the Company's Registered Office and that of the Subsidiaries and Associate Companies.

■ REDUCTION OF CAPITAL OF THE COMPANY:

The Members of the Company had approved Reduction of Capital of the Company by passing of the Special Resolution, through Postal Ballot, by cancelling 9,46,500 Equity Shares of ₹ 10/- each held by "GWRL Managerial Staff Welfare Trust" ("Trust") and adjusting outstanding amount of interest free advance of ₹ 3,49,29,308.10/- payable by the Trust to the Company, against the Securities Premium Account of the Company.

The BSE Limited and the National Stock Exchange of India Limited have given their no-objection vide Letters dated 31st October, 2018 and 2nd November, 2018, respectively, for reduction of capital of the Company, as stated above.

Thereafter, your Company had filed an application with Hon'ble National Company Law Tribunal at Mumbai Bench for confirmation of Special Resolution passed by the Members of the Company of approving reduction of capital of the Company, as stated above. The Hon'ble National Company Law Tribunal at Mumbai Bench heard the matter on 13th February, 2020 and reserved the Company's application of confirming the reduction of capital for order.

■ RESERVES:

Your Directors, do not propose to transfer any amount to the General Reserve and retain ₹ 63,326.82/- lakhs in the Statement of the Profit and Loss.

■ DIVIDEND:

The Board of Directors had declared an interim dividend at ₹ 17.00/- per share (170%) [which includes Special Dividend of ₹ 10.00/- per share (100%)] on the fully paid-up equity capital consisting of 2,18,82,060 Equity shares of ₹ 10/- (Ten) each of the Company at its meeting held on 14th March, 2020.



The Board has not recommended any further dividend and recommended that the Interim dividend of ₹ 17.00/- per share (170%) [which includes Special Dividend of ₹ 10.00/- per share (100%)] be treated as the final dividend for the year ended 31st March, 2020, which absorb an amount of ₹ 3,723.34/- lakhs (including tax on dividend), for the approval by the Members of the Company at the ensuing Annual General Meeting of the Company.

■ **DIVIDEND DISTRIBUTION POLICY:**

Pursuant to the provision of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy and the same is set out in “**Annexure 1**”, forming an integral part of the Directors Report and the same is uploaded on the Company's website: www.garwarefibres.com/investors/dividend-distribution-policy/.

■ **DEPOSITS:**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

■ **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in the nature of business of your Company during the Financial Year ended 31st March, 2020.

■ **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION:**

No material changes and commitments, affecting the financial position of the Company occurred between the end of the Financial Year of the Company i.e. 31st March, 2020 and the date of this Directors' Report i.e. 30th June, 2020.

COVID - 19 Pandemic and resulting lockdown measures by the Government of India has impacted economic activities worldwide and as a result, impacted operations and financial results of the Company. The Company has considered all available information, while preparing its Financial Results for the Financial Year ended 31st March, 2020.

■ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of your Company is duly constituted in accordance with the requirements of the Companies Act, 2013 read with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, read with Article 96 of the Articles of Association of the Company, Ms. Mayuri Vayu Grware (DIN 06948274) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment.

Ms. Mallika Sagar (DIN 02228386) was appointed as Independent Director of the Company, with effect from 30th May, 2019 to hold office for a term of Eighteen (18) months or till the conclusion of the Forty-Third (43rd) Annual General Meeting of the Company, whichever is earlier. The said term is going to expire at the ensuing Forty-Third (43rd) Annual General Meeting of the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee of the Board, the Board of Directors of your Company recommends the re-appointment of Ms. Mallika Sagar (DIN 02228386), the non-executive Directors, as Independent Directors of the Company to hold offices for a second term of five (05) consecutive years with effect from the conclusion of ensuing Forty-Third (43rd) Annual General Meeting of the Company. The Company has received notices in writing from Members under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Directors.

As per the provisions of the Companies Act, 2013, Independent Directors will not be liable to retire by rotation.

The resolution seeking approval of the Members of the Company for re-appointment of Ms. Mallika Sagar has been incorporated in the accompanying Notice calling Forty-Third (43rd) Annual General Meeting of the Company, which forms an integral part of this Report.

The details of Ms. Mayuri Vayu Garware and Ms. Mallika Sagar, as required under the SEBI (Listing Obligations



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and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard - 2 of General Meeting are contained in the accompanying Notice calling Forty-Third (43rd) Annual General Meeting of the Company, which forms an integral part of this Report.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. V. R. Garware, Chairman & Managing Director, Mr. Mukesh Surana, Chief Financial Officer and Mr. Sunil Agarwal, Company Secretary and Compliance Officer, are discharging the functions and responsibilities of whole-time Key Managerial Personnel of the Company.

During the Financial Year 2019-20, there was no change in the composition of the Board of Directors and the Key Managerial Personnel, except as stated above.

■ **DECLARATION BY INDEPENDENT DIRECTORS':**

The Company has received declarations from all the Independent Directors, confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

In terms of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have applied online, to the Indian Institute of Corporate Affairs for inclusion of their names in the data bank of Independent Directors. Accordingly, they are in compliance with sub-rule (1) and (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

■ **STATEMENT OF BOARD OF DIRECTORS:**

The Board of Directors of the Company are of the opinion that all the Independent Directors of the

Company appointed during the year possesses integrity, relevant expertise and experience required to best serve the interests of the Company.

■ **DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, hereby state and confirm that:

1. In the preparation of the Annual Financial Statements for the year ended 31st March, 2020, the applicable Accounting Standards have been followed and there are no material departures;
2. For the Financial Year ended 31st March, 2020, such Accounting Policies as mentioned in the Notes to the Financial Statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended 31st March, 2020;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities in accordance with the provisions of the Companies Act, 2013;
4. The Annual Financial Statements have been prepared on a "Going Concern" basis;
5. Proper Internal Financial Controls were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

■ **ANNUAL EVALUATION BY THE BOARD:**

In view of the provisions of the Companies Act, 2013 and considering the Guidance Note dated 5th January, 2017, issued by the Securities and Exchange Board of India ("SEBI"), the Nomination & Remuneration Committee of the Board had laid down comprehensive



framework including the criteria for evaluation of performance of the Board as a whole and various committees of the Board and individual Directors, including Independent Directors.

Based on the comprehensive framework, the Board of Directors of the Company had carried out Annual Evaluation of the performance of the Board as a whole, the Directors individually and also the working of its Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee.

On collation of all the responses, feedback was provided by Chairman of the Board to each member of the Board.

The Board noted the evaluation results that were collated and presented to the Board.

The Directors expressed their satisfaction with the evaluation process.

A separate meeting of Independent Directors was held on Wednesday, 19th February, 2020, inter alia, to:

- i. Review the performance of Non-Independent Directors and the Board as a whole;
- ii. Review the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- iii. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that was deemed necessary for the Board to effectively and reasonably perform their duties.

■ NUMBER OF MEETINGS OF THE BOARD:

There were six (06) meetings of the Board of Directors held during the year, details of which are given in the annexed "Corporate Governance Report".

■ COMPOSITION OF THE COMMITTEES OF THE BOARD:

The details relating to the composition of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk Management Committee are given in the annexed "Corporate Governance Report".

■ AUDITORS:

1. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and pursuant to the recommendation of the Audit Committee, M/s. Mehta Chokshi & Shah LLP, Chartered Accountants (Firm Registration No. 106201W), were appointed as Statutory Auditors at the 40th Annual General Meeting to hold office from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company.

There are no audit qualifications, reservations or adverse remarks or disclaimers, in the Auditors' Report, as annexed elsewhere in this Annual Report.

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company under Section 143(12) of the Companies Act, 2013.

2. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. SVD & Associates, Company Secretaries as Secretarial Auditor, for the year ended 31st March, 2020.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended on 31st March, 2020 and the same is set out in "Annexure 2", forming an integral part of the Directors' Report. The observation of the Secretarial Auditor in their report are self-explanatory and therefore, the Directors do not have any further comments to offer on the same.

■ COST AUDIT AND COST COMPLIANCE:

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, Cost Audit for the Financial Year 2019-20, was applicable to the Company. M/s. Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 000240), were appointed as Cost Auditor for conducting audit of Cost Accounting Records



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maintained by the Company, for the Financial Year 2019-20.

The Audit Report for the Cost Accounting records maintained by the Company for the Financial Year 2019-20, 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, (Firm Registration No. 000240), were re-appointed as Cost Auditor for conducting an audit of Cost Accounting Records maintained by the Company, for the Financial Year 2020-21.

A resolution proposing ratification of the remuneration of the said Cost Auditors' for the Financial Year ended 31st March, 2021, forms part of the Notice of the Forty-Third (43rd) Annual General Meeting of the Company as Special Business by way of Ordinary Resolution.

■ PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of loans and guarantees given and investments made during the Financial Year 2019-20, under the provisions of Section 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements.

■ RELATED PARTY TRANSACTIONS:

All the transactions with Related Parties entered during the Financial Year 2019-20 by the Company, were in the ordinary course of business and on arm's length basis except herein below.

The Company contributed, assigned and transferred, all of its rights, title and interest in and to the Business / Undertaking along with all its assets and liabilities in its USA Branch on a going concern basis to its subsidiary, Garware Technical Fibres USA INC. ("GTF USA INC"). The consideration for the same, as determined as per the valuation reports of SEBI registered Merchant banker, was discharged by GTF USA INC by issuance of 100% shares of its common stock to the Company. This transaction was at arm's length basis but not in ordinary course of business.

There were no Material Related Party Transaction(s) made with the Related Party falling within Regulation

23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Related Party Transactions were placed before the Audit Committee for their prior approval.

Omnibus approval was obtained on a yearly basis for transactions which were of repetitive nature. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website: <https://www.garwarefibres.com/investors/related-party-transactions-policy/>.

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

■ ADEQUACY OF INTERNAL FINANCIAL CONTROL:

Your Company, continued to remain focused on ensuring a robust and effective Internal Financial Control framework.

Internal Financial Controls laid down by your Company with reference to the Financial Statements are adequate, operating effectively and commensurate to the size, scale of operations and nature of business of the Company.

■ REMUNERATION POLICY:

The Board of Directors of the Company has approved the Policy relating to remuneration for the Directors, Key Managerial Personnel, Senior Management based on recommendation of Nomination & Remuneration Committee of the Board.

The salient aspects covered in the Policy have been outlined in the Corporate Governance Report, which forms an integral part of this Report.

As per the requirements of Section 178(4) of the Companies Act, 2013 details of such a Policy have been uploaded on the Company's website: <https://www.garwarefibres.com/remuneration-policy/>.

■ RISK MANAGEMENT POLICY:

The Company recognizes the importance of Risk Management and hence the Board of Directors of the Company has adopted Risk Assessment and Minimization Policy Statement. This Policy Framework has been adopted as a fundamental part of the business policy to counter and combat the adverse consequential effects of various risks.



Risk Management involves the following:

- Identification of risks.
Evaluation of the risks as to likelihood and consequences.
- Assessment of options for minimising / covering the risks.
- Action Plan for the implementation of the Risk Management Plans.
- Review of the Risk Management efforts.
- Cyber Security Risk.

The Board of Directors of the Company regularly review the risk and initiatives taken within framework of Risk Assessment and Minimization Policy Statement and accordingly, take necessary corrective actions, if required, for managing / mitigating the same.

■ **VIGIL MECHANISM**

The Board of Directors of the Company has formulated a Vigil Mechanism Policy, which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013, Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015, details of which are given in the annexed “Corporate Governance Report”.

■ **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility), Rules, 2014, your Company has established Corporate Social Responsibility ("CSR") Committee and an Annual Report on CSR Activities, forming an integral part of the Directors' Report is set out in “Annexure 3”.

■ **THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is set out in “Annexure 4”, forming an integral part of the Directors' Report.

■ **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rule 12

of the Companies (Management & Administration) Rules, 2014, an extract of Annual Return as of 31st March, 2020, in Form No. MGT-9, is set out in “Annexure 5”, forming an integral part of the Directors' Report.

■ **PERSONNEL:**

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

■ **PARTICULARS OF EMPLOYEES:**

The information required pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in “Annexure 6”, forming an integral part of the Directors' Report.

■ **THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (“the Sexual Harassment Act”):**

Your Company, has zero tolerance towards any action on the part of any employee, which may fall under the ambit of “Sexual Harassment” at workplace, and is fully committed to uphold and maintain the dignity of every woman employee working in the Company. Your Company, has adopted a Policy under the Sexual Harassment Act and Rules framed thereunder.

As per the provisions of the Sexual Harassment Act and Rules made thereunder, your Company has constituted Internal Complaints Committee ("ICC").

During the Financial Year 2019-20, there was no complaint reported under the Sexual Harassment Act.

■ **CORPORATE GOVERNANCE:**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance is set out in Annexure, which forms an integral part of this Report.

The Report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

■ **BUSINESS RESPONSIBILITY REPORT:**

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Business Responsibility



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Report detailing the various initiatives taken by the Company from an environmental, social and governance perspective is set out in Annexure, which forms an integral part of this Report.

■ **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant and material orders passed by Regulators / Courts / Tribunals that would impact the going concern status of the Company and its future operations.

■ **SECRETARIAL STANDARDS:**

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October,

2017. The Company is in compliance with the revised Secretarial Standards.

■ **ACKNOWLEDGMENT:**

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

V. R. GARWARE

Chairman & Managing Director
DIN 00092201

Pune
30th June, 2020

ANNEXURE 1 TO DIRECTORS' REPORT 2019-20

DIVIDEND DISTRIBUTION POLICY

1. Background and Legal framework:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to formulate and disclose a Dividend Distribution Policy in the annual report and on the corporate website.

As on 31st March, 2019, Garware Technical Fibres Limited ("Company") is amongst the top 500 listed companies (by market capitalisation). The Board of Directors ("Board") of the Company has adopted this Dividend Distribution Policy, which endeavours for fairness, consistency and sustainability, while distributing profits to the shareholders.

2. Effective date:

The Dividend Distribution Policy will become effective from the date of its approval and adoption by the Board, i.e. 30th May, 2019.

3. Applicability:

The Dividend Distribution Policy will be applicable in respect of dividend(s) declared by the Company during any financial year commencing from 1st April, 2019.

This Policy shall not apply to:

- Determination and declaration of dividend on preference shares, if any issued or to be issued by the Company, since dividend on preference shares will always be as per the terms of issue approved by the Shareholders;
- In case of issuance of fully or partly paid up bonus share or other securities;
- Distribution of cash (i) by way of share buy-back scheme or any other alternate profit distribution measure (ii) reduction of capital of the Company and (iii) on account of payment of fraction entitlement due to sub-division, split of securities or any such similar corporate action by the Company;

4. Objective:

The Objective of this Policy is to enumerate the details of the broad parameters that would be considered by the Board of Directors of the Company to declare or not to declare any dividend from time to time.

5. Parameters/Factors, that shall be considered for declaration of dividend:

The Company shall pay dividend (including Interim dividend), if any in the compliance with provisions of Section 123 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 and the Regulation or other applicable provisions, if any.



The Board of Directors will refer to this policy for declaration of interim dividend or while recommending final dividend to shareholders for their approval in the Annual General Meeting.

The Board of Director would, inter alia consider the following parameters while declaring or recommending the dividend.

a. Internal factors / financial parameters:

- Distributable surplus available as per the provisions of the Companies Act, 2013 and the Regulations;
- The Company's liquidity position and future cash flow needs;
- Working Capital and Capital expenditure requirements;
- Capital requirements considering the expansion/ modernization plans, long term strategic plans, new businesses, diversification of business, acquisition, investment or growth opportunities;
- Cost and availability of alternative sources of financing;
- Contractual covenants;
- Provisioning for financial implications arising out of unforeseen events and/or contingencies;
- Track record of dividends distributed by the Company; and
- Any special event or achievement or events of similar nature.

b. External factors:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable laws including tax laws;
- Economic and regulatory environment including industry or sectoral considerations; and
- Industry growth rate.

In addition to the above, the Board of Directors may consider such other factors as it may consider relevant before declaring or not declaring any dividend from time to time.

6. Circumstances under which shareholders may not expect any Dividend:

The Shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:-

- i. Proposed expansion or modernization plans requiring higher capital allocation;
- ii. Plans to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches, long term strategic plans, diversification, etc. which may require significant capital outflow;
- iii. Requirement of higher working capital for the purpose of business of the Company;
- iv. The Company has implemented or intends to implement, a share buy-back scheme or any other alternate profit distribution measure;
- v. In the event of loss or in adequacy of profits; and
- vi. Other internal and external factors as mentioned in clause 5 of this policy impeding the dividend payment.

7. Utilisation of retained earnings:

The Board of Directors may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders from long term prospective. The decision of utilisation of retained earnings of the Company shall be based on the following factors:

- (a) Plan expansion / modernization plans, long term strategic plans, new businesses, diversification of business, acquisition and investment opportunities;
- (b) Cost and availability of alternative sources of financing;
- (c) Market or product development / expansion plan;
- (d) Increase in production capacity;
- (e) Replacement of Capital intensive assets; and
- (f) Any other factor, which the board may consider relevant for determining the manner of utilization of retained earnings.

8. Parameters adopted with regard to various classes of shares:

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.



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9. Modification of the Policy:

The Board may change / amend this policy from time to time at its sole discretion and / or in pursuance of any amendments made in the Companies Act, 2013, the Regulations, etc.

10. Disclaimer:

This document does not solicit investments in the Company's securities nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

ANNEXURE 2 TO DIRECTORS' REPORT 2019-20

Secretarial Audit Report - Form No. MR-3

(For the Financial Year ended 31st March, 2020)

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

and

Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,

The Members,

Garware Technical Fibres Limited,

(Formerly known as Garware-Wall Ropes Limited),

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garware Technical Fibres Limited (Formerly known as Garware Wall-Ropes Limited)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2020** according to the provisions of:

- I. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, wherever applicable;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018 (**not applicable to the Company during the audit Period**);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable to the Company during the audit Period**);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable to the Company during the audit Period**);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**not applicable to the Company during the audit Period**); and



- h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(not applicable to the Company during the audit Period);**
- vi. We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company:
- We have also examined compliance with the applicable clauses and regulations of the following:
- Secretarial Standards issued by The Institute of Company Secretaries of India;
 - The Listing Agreement entered into by the Company with Stock Exchanges pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto.
- During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observation:
- Pursuant to sub section 6 of Section 124 of the Act read with sub rule (1) of Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the filing of Corporate Actions with Depositories for transfer of shares to IEPF have been made beyond the time prescribed therefor.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board meeting, notice, agenda or notes on agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors have consented to the shorter period of circulation of the same.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following:

- The following special resolutions have been passed by the members of the Company in its Annual General meeting held on 17th September, 2019:
 - to approve the borrowing limit of ₹ 500 Crores;
 - to approve the maximum limit of granting loans and making investments by the Company upto ₹500 Crores.
- The company has incorporated a Wholly owned subsidiary in the Republic of Chile in the name and style "Garware Technical Fibres Chile SpA" and a subsidiary in USA in the name and style "Garware Technical Fibres USA Inc" w.e.f. 12th February, 2020 and 20th February, 2020 respectively.
- The Interim dividend declared at the board meeting held on 14th March, 2020 was remitted electronically to the shareholders, whose bank account details were registered with the respective Depository Participant (DP) / Company, on 27th March, 2020; however, the Company has dispatched the Bank Warrants / Demand Drafts (DDs) to remaining shareholders beyond the prescribed time, due to nation-wide lockdown caused by COVID-19 pandemic.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
C P No: 965

Place: Pune
Date: 30th June, 2020

UDIN: F001321B000393350

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.



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'ANNEXURE A'

To,
The Members,
Garware Technical Fibres Limited,
(Formerly known as Garware-Wall Ropes Limited),
Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune-411019

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have also relied on the documents and evidences provided on email to us, in view of the prevailing Pandemic situation of COVID-19.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
C P No: 965

Place: Pune
Date: 30th June, 2020

UDIN: F001321B000393350

ANNEXURE 3 TO DIRECTORS' REPORT 2019-20

The Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2019-20

[Pursuant to the provision of Section 135 & Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy), Rule, 2014, and forming part of the Directors Report for the year ended 31st March, 2020].

i. Brief Outline:

The Board of Directors of the Company in compliance of the provisions of the Companies Act, 2013, has formulated the CSR Policy and the same has been displayed on the Company's Website: <https://www.garwarefibres.com/investors/csr-policy/>.

The major thrust area of CSR Policy are Promoting Education, Promoting Research and Development in Agriculture / Horticulture / Aquaculture / Fisheries etc., Promoting Health Care, Empowering Women, Undertake Environmental Friendly Measures like Tree Plantation, Rural / Agricultural extension / Development Projects, mainly in and around the geographical areas where Company's plant / businesses are located.

ii. Composition of the CSR Committee of the Board:

Sr. No.	Name of the Member	Designation	Position
1	Mr. R. M. Telang	Chairman	Independent - Non-Executive
2	Mr. S. P. Kulkarni	Member	Independent - Non-Executive
3	Mr. V. R. Garware	Member	Executive
4	Ms. M. V. Garware	Member	Non-Executive



iii. Average net profit of the Company for last three (3) Financial Years: ₹ 13,675.54 lakhs.

iv. Prescribed CSR Expenditure: ₹ 273.51 lakhs.

v. Details of CSR spent during the Financial Year 2019-20:

a. Total amount to be spent for the Financial Year 2019-20: ₹ 273.51 lakhs.

b. Amount unspent, if any: ₹ 151.71 lakhs .

c. Manner in which the amount spent during the Financial Year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and District where Projects or Programs were undertaken	Amount of outlay (budget) Project or Programs wise (₹ in lakhs)	Amount spent on the Projects or Programs sub-heads: (1) Direct expenditure on Projects or Programs (2) Overheads: (₹ in lakhs)	Cumulative expenditure upto to the reporting period (₹ in lakhs)	Amount spent: Direct or through implementing agency
1.	Safety traffic engineering and awareness through various medium	Promoting Education	Local Area, Maharashtra, (Pune)	66.55	66.55	66.55	Direct
2.	Undertaking Livelihood enhancement project in the field of protected cultivation	Enhancing Livelihood	Local Area, Maharashtra (jalna & Buldhana)	5.25	5.25	5.25	Indirect
3.	Covid-19 relief related welfare activities	Health Care	Local Area, Maharashtra, (Pune)	50.00	50.00	50.00	Direct
Total				121.80	121.80*	121.80	

Note: *Include Overhead Expense upto 5% of the total CSR Spending.

vi. Your Company exercises prudence in selecting the implementation partners on the basis of background, ability to perform and monitoring capabilities etc. During the year under review, an internal committee was given the task of identifying suitable projects, programs, implementation partners / strategies and submitting proposals to CSR committee. After a lot of efforts, the internal committee submitted various proposals found suitable by it to the CSR committee with activity plan and estimated time line involved in implementation of the projects.

During the year under review, the Company was able to spend ₹ 121.80 lakhs towards CSR Expenditure. The shortfall in CSR Expenditure aggregating to ₹ 151.71 lakhs was due to difficulties in finalizing the suitable implementation partners and to reach agreement on implementation methodology and terms thereof that meet the requirement of the CSR objectives and Corporate Social Responsibility Policy ("CSR Policy") of the Company, effectively and efficiently.

The Company is working on enhancing its CSR implementation capabilities on sustainable basis.

vii. Responsibility Statement of the CSR Committee:

Pursuant to the provisions of Section 135 & Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy), Rule, 2014, the CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company.

V. R. Garware

Chairman & Managing Director

DIN: 00092201

R. M. Telang

Chairman, CSR Committee

DIN: 00092103



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ANNEXURE 4 TO DIRECTORS' REPORT 2019-20

The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

[Pursuant to the provisions of Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014].

A. CONSERVATION OF ENERGY:

- i) The Company constantly takes effective steps towards energy conservation. Some of the measures taken by the Company during the year are as under:
 - a. To replace 0.37 KW old Motor of Ratera Braider machine by new motor.
 - b. To replace existing 250 Watt high bay light fitting by 90 Watt LED fitting.
 - c. To replace 30/40/50 HP motors by Energy Efficient (IE3) 30 HP motors.
 - d. Replacement of 250 W street lights by 120 W LED lamps.
 - e. Replacement of Eddy Current coupling by VFD and AC Motor for braiding machines.
 - f. Installation neutral compensating filter for ESL 1 machine.
 - g. Installation of heat exchanger for extrusion machine ESL 1.
 - h. Installation 100 TR Chilling Plant with VFD and Screw Compressor.
 - i. Installation for LED tube lights.
- ii) The steps taken by the Company for utilising alternate sources of energy:
The Company is not consuming any alternate source of energy in its operations.
- iii) The Capital Investment on energy conservation equipments:
The Company has spent ₹ 71.48/- lakhs as Capital Investment on energy conservation equipments during the Financial Year 2019-20.

B. TECHNOLOGY ABSORPTION:

i) The efforts made towards technology absorption and benefit derived:

The Company has no active technology transfer or know-how / royalty agreements with local entities. However, the Company makes continuous efforts to gain data, knowledge and expertise from all its suppliers, customers, service providers, channel partners, etc., in their respective areas of operation and apply the same towards continually improving and innovating products and services offerings to its customers. This results in various benefits such as better solutions to satisfy customer needs, higher efficiencies and lower costs of operations, reduced carbon footprint, better utilization of capital, etc.

ii) In case of Imported Technology:

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

iii) The Expenditure incurred on Research & Development:

(₹ in lakhs)

a) Capital	105.80
b) Revenue / Recurring	1,155.79
d) Total (a + b)	<u>1,261.59</u>
e) Total of Research & Development as a percentage of Revenue from Operation	1.34%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange earned and used:	(₹ in lakhs)
A. Total Foreign Exchange earned:	55,140.33
Total value of exports	<u>55,140.33</u>
B. Total Foreign Exchange used:	
a) Import of raw materials stores & spares, traded goods and capital goods	8,817.20
b) Expenditure in foreign currencies for business travel, subscription, professional fees, commission on export sales and overseas branch expenses, etc.	3,056.47
	<u>11,873.67</u>

On behalf of the Board of Directors

V. R. GARWARE

Chairman & Managing Director

DIN: 00092201

Pune,
30th June, 2020


ANNEXURE 5 TO DIRECTORS' REPORT 2019-20
Extract of Annual Return as on the Financial Year ended on 31st March, 2020 - Form No. MGT-9

[Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L25209MH1976PLC018939
ii.	Registration Date	01/04/1976
iii.	Name of the Company	Garware Technical Fibres Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares
v.	Address of the Registered office and contact details	Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411 019. Tel. No.: (020) 2799 0000.
vi.	Whether listed company	Yes (Listed on BSE Ltd. & National Stock Exchange of India Ltd.)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	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.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of Main Products / Services	NIC Code of the Product / Service	% to Total Turnover of the Company
1	Nettings	1394	61.26%
2	Twines, Ropes & Yarns	1394 / 2030	24.45%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Garware Technical Fibres USA Inc. 6102 North 9th Street Unit 500, TACOMA, WA 98406, USA	Not Applicable	Subsidiary	100.00%	2(87) of the Companies Act, 2013
2	Garware Technical Fibres Chile SpA Rosario Norte 407, Piso 6, Las Condes, Santiago, Chile	Not Applicable	Subsidiary	100.00%	2(87) of the Companies Act, 2013
3	Garware Environmental Services Pvt. Ltd. Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411 019.	U74900PN2007PTC130686	Subsidiary	100.00%	2(87) of the Companies Act, 2013
4	Garware Meditech Private Limited Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411 019.	U18109PN2011PTC141536	Associate	50.00%	2(6) of the Companies Act, 2013



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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	3568305	0	3568305	16.31	3568305	0	3568305	16.31	0.00
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	7526629	0	7526629	34.40	7527632	0	7527632	34.40	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	11094934	0	11094934	50.70	11095937	0	11095937	50.71	0.01
(2)	Foreign									
(a)	NRIs Individuals	0	0	0	0	0	0	0	0	0
(b)	Other Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	11094934	0	11094934	50.70	11095937	0	11095937	50.71	0.01
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	398562	0	398562	1.82	419575	0	419575	1.92	0.10
(b)	Financial Institutions / Banks	10257	1150	11407	0.05	3811	1150	4961	0.02	(0.03)
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	173839	150	173989	0.80	6499	150	6649	0.03	(0.76)
(g)	Foreign Institutional Investors	1078056	0	1078056	4.93	1508825	0	1508825	6.90	1.97
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify) - Alternate Investment Fund	225107	0	225107	1.03	409316	0	409316	1.87	0.84
	Sub-Total (B)(1)	1885821	1300	1887121	8.62	2348026	1300	2349326	10.74	2.11
(2)	Non-Institutions									
(a)	Bodies Corporate	1340479	2896	1343375	6.14	868059	2531	870590	3.98	(2.16)
(b)	Individuals									
i.	Individual shareholders holding nominal share capital upto ₹ 1 lakh	4117392	410508	4527900	20.69	4187791	339940	4527731	20.69	0.00
ii.	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1402755	0	1402755	6.41	1417312	0	1417312	6.48	0.07
(c)	NBFC's registered with RBI	13125	0	13125	0.06	7000	0	7000	0.03	(0.03)
(d)	Any Other (specify)									
i.	Investor Education and Protection Fund Authority (IEPF)	61866	0	61866	0.28	82365	0	82365	0.38	0.09
ii.	Trust	6866	0	6866	0.03	5856	0	5856	0.03	0.00
iii.	Foreign Nationals	3220	0	3220	0.01	2270	0	2270	0.01	0.00
iv.	Hindu Undivided Family	303578	0	303578	1.39	287951	0	287951	1.32	(0.07)
v.	Non Resident Indians (Non Repat)	126317	2278	128595	0.59	152557	1936	154493	0.71	0.12
vi.	Non Resident Indians (Repat)	162225	0	162225	0.74	134729	0	134729	0.62	(0.13)
vii.	GWRL Managerial Staff Welfare Trust	0	946500	946500	4.33	0	946500	946500	4.33	0.00
	Sub-Total (B)(2)	7537823	1362182	8900005	40.67	7145890	1290907	8436797	38.56	(2.12)
	Total Public Shareholding (B) = (B)(1)+(B)(2)	9423644	1363482	10787126	49.30	9493916	1292207	10786123	49.29	0.00
	TOTAL (A)+(B)	20518578	1363482	21882060	100.00	20589853	1292207	21882060	100.00	0.00
(C)	Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Grand Total (A+B+C)	20518578	1363482	21882060	100.00	20589853	1292207	21882060	100.00	0.00


ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change in Share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / Encumbered to Total Shares**	
1	Vayu Ramesh Garware***	3568295	16.31	0	3568295	16.31	0	0.00
2	Garware Capital Markets Ltd.	3562567	16.28	0	3563570	16.29	0	0.01
3	Gurukrupa Comtrade Private Limited (formerly Gurukrupa Investments & Trading Co. Pvt. Ltd.)	90849	0.42	0	90849	0.42	0	0.00
4	Manmit Investments & Trading Co Pvt Ltd	284185	1.30	0	284185	1.30	0	0.00
5	Moonshine Investments & Trading Co. Pvt. Ltd.	459695	2.10	0	459695	2.10	0	0.00
6	Sanand Investments & Trading Co. Pvt. Ltd.	275032	1.26	0	275032	1.26	0	0.00
7	Starshine Comtrade Private Ltd. (formerly Starshine Investments & Trading Co. Pvt. Ltd.)	201720	0.92	0	201720	0.92	0	0.00
8	Sukukar Holdings & Trading Co. Pvt. Ltd.	256600	1.17	0	256600	1.17	0	0.00
9	Garware Research Institute	2300	0.01	0	2300	0.01	0	0.00
10	Vimlabai Garware Research Institute	590070	2.70	0	590070	2.70	0	0.00
11	VRG Investments Limited	881400	4.03	0	881400	4.03	0	0.00
12	VMIR Investment Limited	922211	4.21	0	922211	4.21	0	0.00
13	Mayuri Vayu Garware	10	0.00	0	10	0.00	0	0.00
	Total	11094934	50.70	0	11095937	50.71	0	0.01

(**) The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SAST Regulations, 2011.

(***) Out of these 35,68,295 equity shares, 21,18,893 equity shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of two Partnership Firms. Beneficial interest in the said shares is held by the said Partnership firms.

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Garware Capital Markets Limited				
	At the beginning of the year	3562567	16.28	3562567	16.28
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	(on 17-12-2019) (+)200 (on 18-12-2019) (+)138 (on 19-12-2019) (+) 500 (on 23-12-2019) (+) 165	0.00 0.00 0.00 0.00	3562767 3562905 3563405 3563570	16.28 16.28 16.29 16.29
	At the end of the year	3563570	16.29		
2	Gurukrupa Comtrade Private Limited (formerly Gurukrupa Investments & Trading Co. Pvt. Ltd.)				
	At the beginning of the year	90849	0.42	90849	0.42
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		90849	0.42
	At the end of the year	90849	0.42		



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3	Manmit Investments & Trading Co. Pvt. Ltd.				
	At the beginning of the year	284185	1.30	284185	1.30
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		284185	1.30
	At the end of the year	284185	1.30		
4	Moonshine Investments & Trading Co. Pvt. Ltd.				
	At the beginning of the year	459695	2.10	459695	2.10
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		459695	2.10
	At the end of the year	459695	2.10		
5	Sanand Investments & Trading Co. Pvt. Ltd.				
	At the beginning of the year	275032	1.26	275032	1.26
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		275032	1.26
	At the end of the year	275032	1.26		
6	Starshine Comtrade Private Ltd. (formerly Starshine Investments & Trading Co. Pvt. Ltd.)				
	At the beginning of the year	201720	0.92	201720	0.92
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		201720	0.92
	At the end of the year	201720	0.92		
7	Sukukar Holdings & Trading Co. Pvt. Ltd.				
	At the beginning of the year	256600	1.17	256600	1.17
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		256600	1.17
	At the end of the year	256600	1.17		
8	Garware Research Institute				
	At the beginning of the year	2300	0.01	2300	0.01
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		2300	0.01
	At the end of the year	2300	0.01		
9	Vimlabai Garware Research Institute				
	At the beginning of the year	590070	2.70	590070	2.70
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		590070	2.70
	At the end of the year	590070	2.70		



10	VRG Investments Limited				
	At the beginning of the year	881400	4.03	881400	4.03
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		881400	4.03
	At the end of the year	881400	4.03		
11	VMIR Investment Limited				
	At the beginning of the year	922211	4.21	922211	4.21
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		922211	4.21
	At the end of the year	922211	4.21		
12	* Vayu Ramesh Garware				
	At the beginning of the year	3568295	16.31	3568295	16.31
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		3568295	16.31
	At the end of the year	3568295	16.31		
13	Mayuri Vayu Garware				
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]	No Change		10	0.00
	At the end of the year	10	0.00		
(*) Out of these 35,68,295 equity shares, 21,18,893 equity shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of two Partnership Firms. Beneficial interest in the said shares is held by the said Partnership firms.					

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	GWRL Managerial Staff Welfare Trust				
	At the beginning of the year	946500	4.33	946500	4.33
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		946500	4.33
	At the end of the year (or on the date of separation, if separated during the year)	946500	4.33		
2	Verdipapirfondet Odin Emerging Markets				
	At the beginning of the year	397897	1.82	397897	1.82
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 23-08-2019)	(+)20334	418231	1.91
		(on 30-08-2019)	(+)5795	424026	1.94
		(on 31-01-2020)	(-)20000	404026	1.85
		(on 20-03-2020)	(-)7854	396172	1.81
	At the end of the year (or on the date of separation, if separated during the year)	396172	1.81		



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3	Garware Polyester Limited					
	At the beginning of the year		262543	1.20	262543	1.20
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change			262543	1.20
	At the end of the year (or on the date of separation, if separated during the year)		262543	1.20		
4	Vinodchandra Mansukhlal Parekh					
	At the beginning of the year		256568	1.17	256568	1.17
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change			256568	1.17
	At the end of the year (or on the date of separation, if separated during the year)		256568	1.17		
5	SBI Small Cap Fund					
	At the beginning of the year		286043	1.31	286043	1.31
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 26-04-2019)	(-)12745	0.06	273298	1.25
		(on 03-05-2019)	(-)7255	0.03	266043	1.22
		(on 24-05-2019)	(-)4759	0.02	261284	1.19
		(on 31-05-2019)	(-)1241	0.01	260043	1.19
		(on 14-02-2020)	(-)4000	0.02	256043	1.17
	At the end of the year (or on the date of separation, if separated during the year)		256043	1.17		
6	Al Mehwar Commercial Investments LLC - (whiting)					
	At the beginning of the year		(+)121650	0.56	121650	0.56
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 13-09-2019)	(+)54000	0.25	175650	0.80
		(on 27-12-2019)	(+)38000	0.17	213650	0.98
	At the end of the year (or on the date of separation, if separated during the year)		213650	0.98		
7	India Acorn Fund Ltd					
	At the beginning of the year		162628	0.74	162628	0.74
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 12-04-2019)	(+)9000	0.04	171628	0.78
		(on 13-09-2019)	(-)27000	0.12	144628	0.66
		(on 20-12-2019)	(+)15000	0.07	159628	0.73
		(on 07-02-2020)	(-)7300	0.03	152328	0.70
	At the end of the year (or on the date of separation, if separated during the year)		152328	0.70		



8	White Oak India Equity Fund					
	At the beginning of the year	194881		0.89	194881	0.89
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 16-08-2019)	(-)42000	0.19	152881	0.70
		(on 30-08-2019)	(-)15000	0.07	137881	0.63
		(on 13-09-2019)	(-)10000	0.05	127881	0.58
		(on 20-12-2019)	(+)12000	0.05	139881	0.64
		(on 24-01-2020)	(+)2222	0.01	142103	0.65
	At the end of the year (or on the date of separation, if separated during the year)	142103		0.65		
9	Ashoka India Equity Investment Trust PLC					
	At the beginning of the year	52033		0.24	52033	0.24
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 12-04-2019)	(+)2700	0.01	54733	0.25
		(on 12-07-2019)	(+)30000	0.14	84733	0.39
		(on 20-12-2019)	(+)32500	0.15	117233	0.54
		(on 27-12-2019)	(+)5795	0.03	123028	0.56
		(on 31-12-2019)	(+)5000	0.02	128028	0.59
		(on 24-01-2020)	(+)3000	0.01	131028	0.60
		(on 20-03-2020)	(+)8631	0.04	139659	0.64
		At the end of the year (or on the date of separation, if separated during the year)	139659		0.64	
10	Caisse De Depot Et Placement Du Quebec - White Oak Capital Partners Pte. Ltd.					
	At the beginning of the year	0		0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	(on 24-05-2019)	(+)1380	0.01	1380	0.01
		(on 31-05-2019)	(+)333	0.00	1713	0.01
		(on 07-06-2019)	(+)1244	0.01	2957	0.01
		(on 14-06-2019)	(+)1159	0.01	4116	0.02
		(on 21-06-2019)	(+)32080	0.15	36196	0.17
		(on 12-07-2019)	(+)48000	0.22	84196	0.38
		(on 16-08-2019)	(+)42000	0.19	126196	0.58
		(on 13-09-2019)	(-)17000	0.08	109196	0.50
		(on 13-12-2019)	(+)15600	0.07	124796	0.57
		(on 20-12-2019)	(+)7800	0.04	132596	0.61
		At the end of the year (or on the date of separation, if separated during the year)	132596		0.61	



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v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Directors				
1	Vayu Ramesh Garware*				
	At the beginning of the year	3568295	16.31	3568295	16.31
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		3568295	16.31
	At the end of the year	3568295	16.31		
2	Mayuri Vayu Garware				
	At the beginning of the year	10	0.00	10	0.00
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		10	0.00
	At the end of the year	10	0.00		
3	Ramesh Manjnath Telang				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		0	0.00
	At the end of the year	0	0.00		
4	Shrikant Pandharinath Kulkarni				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		0	0.00
	At the end of the year	0	0.00		
5	Ashish Dhurvendra Goel **				
	At the beginning of the year	3325	0.02	3325	0.02
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		3325	0.02
	At the end of the year	3325	0.02		
6	Shridhar Shrikrishna Rajpathak				
	At the beginning of the year	300	0.00	300	0.00
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		300	0.00
	At the end of the year	300	0.00		
7	Mallika Sagar				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		0	0.00
	At the end of the year	0	0.00		



KEY MANAGERIAL PERSONNEL (KMP)				
1	Mukesh Surana			
	At the beginning of the year	0	0.00	0
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		0
	At the end of the year	0	0.00	
2	Sunil Agarwal			
	At the beginning of the year	0	0.00	0
	Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)].	No Change		0
	At the end of the year	0	0.00	
(*) Out of these 35,68,295 equity shares, 21,18,893 equity shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of two Partnership Firms. Beneficial interest in the said shares is held by the said Partnership firms.				
(**) 3,325 Equity Shares were registered in the name of Mr. Ashish Dhurvendra Goel as Trustee, beneficial interest in which were held by Trust – Akanksha Beneficiary Trust.				

vi. Indebtedness (KMP):

Indebtedness of the Company including interest outstanding / accrued but not due for payment: (₹ in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	10,797.27	-	-	10,797.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,797.27	-	-	10,797.27
Change in Indebtedness during Financial Year				
Addition	-	-	-	-
Reduction	759.57	-	-	759.57
Net Change	(759.57)	-	-	(759.57)
Indebtedness at the end of the Financial Year				
i) Principal Amount	10,037.70	-	-	10,037.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10,037.70	-	-	10,037.70

(Previous year figures have been re-grouped / re-arranged, wherever necessary)

vii. Remuneration of Directors and Key Managerial Personnel (KMP):
A. Remuneration to Managing Director, Whole-time Directors and / or Manager: (₹ in lakhs)

Sr.No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr. V. R. Garware, Chairman & Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	194.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10.90
	(c) Profits in lieu of Salary under Section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission as % of profit	-
5.	Others, please specify	-
	Total	205.37
	Ceiling as per the Act	₹ 1,872.53 - Being 10% of the Net Profit of the Company



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B. Remuneration to other Directors:

(₹ in lakhs)

Sr.No.	Particulars of Remuneration	Name of Director			Total Amount
1.	Independent Directors	R. M. Telang	S. P. Kulkarni	Ashish Goel	
	● Fee for attending Board / Committee Meetings	2.80	2.80	0.60	6.20
	● Commission	-	-	-	-
	● Others, Please specify	-	-	-	-
	Total (1)	2.80	2.80	0.60	6.20
2.	Other Non-Executive Directors	M. V. Garware	S. S. Rajpathak	Mallika Sagar	
	● Fee for attending Board / Committee Meetings	1.80	1.20	0.60	3.60
	● Commission	-	-	-	-
	● Others, Please specify	-	-	-	-
	Total (2)	1.80	1.20	0.60	3.60
	Total (B)=(1+2)				9.80
	Total Managerial Remuneration				215.25
	Overall Ceiling as per the Act	₹ 2,059.79 - Being 11% of the Net Profit of the Company			

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

(₹ in lakhs)

Sr.No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary:	39.45	139.26	178.71
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission:	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	39.45	139.26	178.71

viii. Penalties / Punishment / Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			None		
Compounding					



ANNEXURE 6 TO DIRECTORS' REPORT 2019-20

The information pursuant to the provision of Section 197(12) the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Part A:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirement	Disclosure		
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20.	Name of the Director / KMP	Ratio per Median Remuneration of the Employees	% Increase in Remuneration
		Mr. V. R. Garware, Chairman & Managing Director	39.42	(75.86)%
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2019-20; (as compared to last year).	Mr. Mukesh Surana, Chief Financial Officer	26.73	NA*
		Mr. Sunil Agarwal, Company Secretary	7.57	23.20%
		* Since this information is available for part in the year 2018-19, therefore, the same is not comparable. For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.		
3.	The percentage increase in the median remuneration of employees in the Financial Year 2019-20.	4.55		
4.	The number of permanent employees on the roll of the Company as on 31st March, 2020.	1,198 (Including apprentice and probationer)		
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentile increase in remuneration of the employee and percentile increase in remuneration of Managerial Personnel is in line with normal pay revisions, which is linked to individual performance and the Company's performance.		
6.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	The Company affirms that remuneration is as per the Remuneration Policy of the Company.		

PART B

The Statement comprising the names and other particulars of employees as per Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report. The Annual Report is being sent to all the Members of the Company excluding the aforesaid statement. In terms of second proviso of Section 136 of the Companies Act, 2013, the said statement is available for inspection by the Members at the Registered Office of the Company, during the working hours of the Company for a period of twenty-one days before date of the ensuing Annual General Meeting of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office.



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ANNEXURE TO DIRECTORS' REPORT 2019-20: CORPORATE GOVERNANCE REPORT

Your Company has already complied with the mandatory requirements on Corporate Governance as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "the SEBI (LODR) Regulations, 2015"]. A detailed Report is set out below.

I. MANDATORY REQUIREMENTS

1) PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company continues to be committed to high standards of Corporate Governance. Your Company's philosophy on Corporate Governance aims at adopting and practicing best 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 by the provisions of the SEBI (LODR) Regulations, 2015.

2) BOARD OF DIRECTORS

i. Composition: The Board of Directors of the Company as on 31st March, 2020, consisted of:

Sr. No.	Name of Director	DIN	Designation	Position	Relationship between Directors inter-se
1	Mr. V. R. Garware	00092201	Chairman & Managing Director	Promoter - Executive	Relative of Ms. M. V. Garware
2	Ms. M. V. Garware	06948274	Director	Promoter - Non-Executive	Relative of Mr. V. R. Garware
3	Mr. R. M. Telang	00092103	Director	Independent - Non-Executive	-
4	Mr. S. P. Kulkarni	00006914	Director	Independent - Non-Executive	-
5	Mr. Ashish Goel	00147449	Director	Independent - Non-Executive	-
6	Dr. S. S. Rajpathak	00040387	Director	Non- Independent - Non-Executive	-
7	Ms. Mallika Sagar*****	02228386	Director	Independent - Non-Executive	-

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

- Six (06) meetings of the Board were held during the Financial Year 2019-20 - on 30th May, 2019, 07th August, 2019, 13th November, 2019, 03rd February, 2020, 20th February, 2020 and 14th March, 2020.

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, 2020*			No. of Equity Shares held as on 31st March, 2020
				Other Boards	Other Board Committees**		
					Chairman	Member	
Mr. V. R. Garware	6	N.A.	Yes	3***	---	---	*****35,68,295
Ms. M. V. Garware	6	1,20,000	No	---	---	---	10
Mr. R. M. Telang	6	1,20,000	Yes	---	---	---	0
Mr. S. P. Kulkarni	6	1,20,000	Yes	---	---	---	0
Mr. Ashish Goel	3	60,000	Yes	---	---	1	*****3325
Dr. S. S. Rajpathak	6	1,20,000	Yes	---	---	---	300
Ms. Mallika Sagar*****	3	60,000	Yes				0

* Excludes Directorships in Foreign Companies, Private Limited Companies and companies under Section 8 of the Companies Act, 2013.

** Only Audit Committee and Stakeholder Relationship Committee are reckoned for this purpose.

*** Mr. V. R. Garware was not Independent Director in any of these companies.

**** 3,325 Equity Shares were registered in the name of Mr. Ashish Goel as Trustee, beneficial interest in which were held by Akanksha Beneficiary Trust.

***** Out of these 35,68,295 Equity Shares, 21,18,893 Equity Shares are registered in the name of Mr. Vayuramesh Garware as Partner of two Partnership Firms. Beneficial interest in the said shares is held by the said Partnership firms.

***** Ms. Mallika Sagar was appointed as Director of the Company, with effect from 30th May, 2019.

- None of the Directors of the Company hold directorship in other Listed Entities.

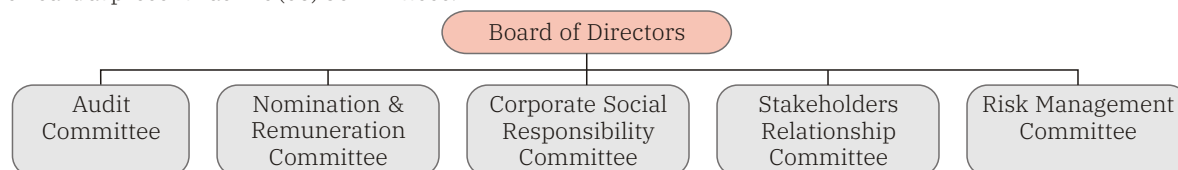
3) INDEPENDENT DIRECTORS

Your Company has appointed Independent Directors, who are having experience in their respective field / profession and meet the criteria of independence according to Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 2(47) and 149(6) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and are independent from the management. The Company has appointed Independent Directors and issued appointment letters to them. The terms and conditions of their appointment are on the Company's website: <https://www.garwarefibres.com/investors/terms-of-appointment-of-independent-directors/>.



4) COMMITTEES OF BOARD OF DIRECTORS

The Board at present has five (05) Committees.



A) AUDIT COMMITTEE

i. Constitution:

Terms of Reference of the Audit Committee have been set out in accordance with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015, and Section 177 of the Companies Act, 2013, and the Rules made thereunder, as amended from time to time.

ii. Composition:

Sr. No.	Name of the Member	Designation	Position
1	Mr. S. P. Kulkarni	Chairman	Independent - Non-Executive Director
2	Mr. R. M. Telang	Member	Independent - Non-Executive Director
3	Mr. V. R. Garware	Member	Executive Director

iii. Meetings and Attendance:

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

- Five (05) meetings of the Audit Committee were held during the Financial Year 2019-20 - on 29th May, 2019, 07th August, 2019, 12th November, 2019, 31st January, 2020 and 20th February, 2020.

Name of the Member	No. of Meetings attended	Sitting Fees paid (₹)
Mr. S. P. Kulkarni	5	1,00,000
Mr. R. M. Telang	5	1,00,000
Mr. V. R. Garware	5	N.A.

The Statutory Auditors of the Company attended three (03) meetings out of five (05) meetings held during the Financial Year 2019-20. The Company Secretary acted as Secretary to the Audit Committee.

B) NOMINATION & REMUNERATION COMMITTEE / REMUNERATION-COMPENSATION OF DIRECTORS

i. Constitution:

Terms of Reference of the Nomination & Remuneration Committee have been set out in accordance with the requirements of Regulation 19 read with Paragraph A of Part D of Schedule II of the SEBI (LODR) Regulations, 2015, and Section 178 of the Companies Act, 2013, and Rules made thereunder. Further, in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Nomination & Remuneration Committee of the Company is authorized to administer and superintend the General Employee Welfare Scheme – “GWRL Managerial Staff Welfare Trust Scheme”, acting as Compensation Committee in terms of the said Regulations.

ii. Composition:

Sr. No.	Name of the Member	Designation	Position
1	Mr. S. P. Kulkarni	Chairman	Independent - Non-Executive Director
2	Mr. R. M. Telang	Member	Independent - Non-Executive Director
3	Mr. V. R. Garware	Member	Executive Director
4	Ms. M. V. Garware	Member	Non-Executive Director

iii. Meetings and Attendance:

Three (03) Meeting of the Nomination & Remuneration Committee were held during the Financial Year 2019-20 on 23rd April, 2019, 30th May, 2019 and 07th August, 2019.

Name of the Member	No. of Meetings Attended	Sitting Fees paid (₹)
Mr. S. P. Kulkarni	3	60,000
Mr. R. M. Telang	3	60,000
Mr. V. R. Garware	3	N.A.
Ms. M. V. Garware	3	60,000

The Company Secretary acted as Secretary to the Nomination & Remuneration Committee.



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iv. Performance Evaluation Criteria of Directors and Independent Directors:

Based on the criteria set by the Nomination & Remuneration Committee of the Board, the Board of Directors of the Company has carried out annual evaluation of its own performance, the Directors individually (excluding the director being evaluated) as well as done the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, and Stakeholder Relationship Committee.

On collation of all the responses, feedback was provided by Chairman of the Board to each member of the Board.

The Board noted the evaluation results that were collated and presented to the Board.

The Directors expressed their satisfaction with the evaluation process.

On 19th February, 2020, a separate Meeting of the Independent Directors of the Company, was held, inter alia to:

- Review the performance of Non-Independent Directors and the Board of Directors as a whole,
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors, and
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. S. P. Kulkarni, Mr. Ashish Goel and Ms. Mallika Sagar were present at the meeting held on 19th February, 2020.

v. Remuneration Policy and Remuneration of Directors:

a) Remuneration Policy

The salient aspects of Remuneration Policy are present here in below.

The Company's Remuneration Policy is guided by the set of principles as envisaged under Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Policy provides broad frame work relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and Senior Management. The guiding principles of the Policy are that Remuneration and other terms of employment would be competitive and attractive in order to ensure that the Company can attract, retain and motivate competent professionals, who would work towards achieving Company's Mission, as set out in Company's "Mission and Value Statement".

The Policy is framed with an objective that in determination of the remuneration packages / scales of pay, due consideration is given to pay and other employment conditions prevailed in the technical textile industry and other comparable manufacturing organizations in around the place of work and there is a proper balance between the fixed and variable (i.e. incentive) pay with a aim to reward the short-term and long-term performance taking into consideration the overall performance of the Company and achievements of Key Result Areas (KRAs) / Balance Score Card Objectives / Targets, as mutually agreed in advance between the concerned Executive and his supervising personnel.

As per the requirements of Section 178(4) of the Companies Act, 2013, details of such a Policy have been displayed on the Company's website: <https://www.garwarefibres.com/remuneration-policy/>.

b) REMUNERATION OF DIRECTORS

i. Non-Executive Directors:

The remuneration of Non-Executive Directors is decided by the Board of Directors on recommendation by Nomination & Remuneration Committee. At present, only Sitting Fees are paid to Non-Executive Directors for attending Board Meetings, Audit Committee Meetings and Nomination & Remuneration Committee Meetings. The payment of Sitting Fees is within the limits prescribed under the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

ii. Executive Director:

Mr. V. R. Garware, was re-appointed as Managing Director of the Company to be designated as Chairman & Managing Director for a period of five (05) years effective from 1st December, 2016 and his appointment and terms thereof including remuneration was approved by the Members at Thirty-Ninth Annual General Meeting of the Company held on Wednesday, 10th August, 2016.

Particulars of the present remuneration payable are detailed below:

- a. Salary: Basic Salary of ₹ 7,50,000 (Rupees Seven Lakhs Fifty Thousand only) per month.
- b. Special Allowance: ₹ 7,00,000 (Rupees Seven Lakhs only) per month.



c. Perquisites and Allowances:

1. The CMD shall be entitled to various perquisites including rent free fully furnished accommodation or house rent allowance in lieu thereof up to sixty (60) percent of his basic salary, medical expenses / allowance, leave travel allowance / concession, travelling and halting allowances, club fees, group health insurance coverage, group accident insurance coverage, such other perquisites and allowances in accordance with the rules of the Company.

These perquisites would be either in the form of reimbursement of actual expenses or payment of allowances.

2. The CMD shall be entitled to the Company's contribution to provident fund, employees' pension scheme and superannuation fund as per the rules of the Company.
3. The CMD shall also be entitled to the benefits of gratuity as per the scheme for senior executives and earned leave and encashment of earned leave at the end of the tenure, which shall not be included in the computation of the ceiling on remuneration.
4. The CMD shall be entitled to use of Company's maintained car(s) with driver(s) for the use of the Company's business. Further, the telephone and other communication facilities will be provided to the CMD at his residence and other places of his temporary stay for business purposes. These cost / expenses towards such communication facilities will not be considered as perquisites.

Perquisites and allowances shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

d. Commission:

Besides the salary, perquisites and allowances, the CMD shall also be paid remuneration by way of commission. The amount of commission shall be determined by the Board of Directors every year based on the performance of the Company for the particular year such that total remuneration for any financial year shall not exceed the maximum remuneration as determined as per the provisions of Section 197 and Section 198 of the Companies Act, 2013.

Pursuant to second proviso of Section 197(1) of the Companies Act 2013, the Member of the Company at Fortieth Annual General Meeting of the Company held on Friday, 4th August, 2017 approved the proposal that Mr. V. R. Garware, Chairman & Managing Director of the Company be paid a commission, every year, based on the performance of the Company for that particular year such that total remuneration for any financial year shall not exceed ten (10) percent of the net profits of the Company from the financial year, which has started on 1st April, 2017, till the remainder of term of his appointment i.e., upto 30th November, 2021, so that total remuneration is commensurate with the growth, and overall prospects of the Company and adequately rewards the efforts put-in, and contribution made in overall growth and prospects of the Company during his tenure as CMD of the Company.

- e. Upon recommendation by the Committee, the Board of Directors is at liberty to alter and vary the terms and conditions of the remuneration as above, as long as total remuneration does not exceed the permissible limits specified in Section 197 of the Act or any other amendments thereto.

Notwithstanding anything contrary herein contained, where in any financial year during the currency of tenure of the appointee, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances as specified above, as minimum remuneration with a liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to remuneration payable to the CMD in such manner as may be permitted in accordance with provisions of the Act and Schedule V thereto or any other amendments thereto.

- f. For the purpose of computation of minimum remuneration, the following shall not be included:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961;
2. Gratuity at a rate not exceeding half a month's salary for each completed year of service; and
3. Encashment of leave at the end of the tenure.

- g. The employment may be terminated by either party by giving to the other party one hundred and eighty (180) days' prior notice in writing;

C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR Committee")

i. Constitution:

In terms of the requirements under the provisions of Section 135 and Schedule VII of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy), Rules, 2014, a CSR Committee was constituted by the Board of Directors of the Company. Terms of Reference of the CSR Committee have



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been set out in accordance with the requirements of Section 135 of the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

ii. Composition:

Sr. No.	Name of the Member	Designation	Position
1	Mr. R. M. Telang	Chairman	Independent - Non-Executive Director
2	Mr. S. P. Kulkarni	Member	Independent - Non-Executive Director
3	Mr. V. R. Garware	Member	Executive Director
4	Ms. M. V. Garware	Member	Non-Executive Director

iii. Meetings and Attendance:

The details of meetings held during the Financial Year 2019-20, and the attendance thereat, are as follows:

- Five (05) meetings of the Corporate Social Responsibility Committee (“CSR Committee”) were held during the Financial Year 2019-20 on 30th May, 2019, 07th August, 2019, 13th November, 2019, 03rd February, 2020 and 23rd March, 2020.

Sr. No.	Name of the Member	No. of Meetings attended
1	Mr. R. M. Telang	5
2	Mr. S. P. Kulkarni	5
3	Mr. V. R. Garware	4
4	Ms. M. V. Garware	4

The Company Secretary act as Secretary to the CSR Committee.

D) STAKEHOLDERS RELATIONSHIP COMMITTEE

i. Constitution and Composition:

The Board of Directors of the Company at its meeting held on 13th February, 2019, had re-constituted the existing “Stakeholder Relationship Committee”, which consists of the following Directors.

Sr. No.	Name of the Member	Designation	Position
1	Mr. R. M. Telang	Chairman	Independent - Non-Executive Director
2	Mr. S. P. Kulkarni	Member	Independent - Non-Executive Director
3	Mr. V. R. Garware	Member	Executive Director
4	Dr. S. S. Rajpathak	Member	Non-Independent - Non-Executive Director

ii. Functions, Role and Responsibility:

The Board of Directors at its meeting held on 13th February, 2019, entrusted the following functions, role and responsibility to the “Stakeholder Relationship Committee”:-

1. Approving transfer/transmission/transposition of shares/consolidation of folios.
 2. Approving issue of duplicate / fresh share certificates on account of requests for duplicate / split / consolidation of shares.
 3. Resolving the grievances of the security holders of the company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
 4. Review of measures taken for effective exercise of voting rights by shareholders.
 5. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
 6. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company and
 7. Appoint or designate any Company Official as a Secretary of the Committee.
- iii. During the Financial Year 2019-20, twenty-two (22) meetings of the “Stakeholder Relationship Committee” were held.
 - iv. During the Financial Year 2019-20, one (01) complaint was received and the same was resolved to the satisfaction of the Shareholder. Other communications received were also replied / resolved satisfactorily.
 - v. There were no unresolved / unattended communications / complaints of Shareholders pending as of 31st March, 2020.
 - vi. There were no pending share transfers as of 31st March, 2020.
 - vii. The Share Transfer Agents, M/s. Link Intime India Private Limited, has been authorized to authenticate all routine transfers, transmission and transposition of Shares Certificates. Presently, transfers, transmissions etc., are effected within fifteen (15) days.



- viii. Mr. Sunil Agarwal, Company Secretary & Head-Legal, of the Company is appointed as a Compliance Officer.
- ix. On receipt of authorization from the Board of Directors of the Company, the Stakeholder Relationship Committee ("SR Committee") has formed a sub-committee in the name and style as Share Transfer Committee comprising of Mr. Sunil Agarwal, Company Secretary & Compliance Office and Mr. Santosh Purohit, Dy. Manager, Secretarial & Legal, of the Company and sub-delegated following role and responsibilities, to this sub committee:-
 Approving transfer / transmission / transposition of shares / consolidation of folios for subject to a maximum of 1,000 shares per case.
- x. During the Financial Year 2019-20, three (03) meetings of the "Share Transfer Committee" were held.

E) RISK MANAGEMENT COMMITTEE:

i. Constitution and Composition:

The Board of Directors of the Company at its meeting held on 30th May, 2019, had constituted the "Risk Management Committee", which consists of the following Directors.

Sr. No.	Name of the Member	Designation	Position
1	Mr. V. R. Garware	Chairman	Executive Director
2	Mr. S. P. Kulkarni	Member	Independent - Non-Executive Director
3	Dr. S. S. Rajpathak	Member	Non-Independent - Non-Executive Director

ii. Functions, Role and Responsibility:

The Board of Directors at its meeting held on 30th May, 2019, entrusted the following functions, role and responsibility to the "Risk Management Committee":-

- a) To monitor and review the Risk Assessment and Minimisation Policy Statement as adopted by the Company to identify, assess, mitigate and review the existing as well as potential risks to the Company (including risks associated with cyber security and financial risk).
- b) To perform such other activities related to Risk Assessment and Minimisation as requested by the Board of Directors or to address issues related to subject within its term of reference.
- c) The role and responsibilities of the Risk Management Committee shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

- iii. One Meeting of Risk Management Committee was held on 30th June, 2020, which was attended by all its Members.

5) GENERAL BODY MEETINGS

- i. Details of location and time of holding the last three (03) Annual General Meetings:

Date	Time	Venue of all three (03) Meetings	Details of Special Resolution Passed
Friday, 4th August, 2017	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.	Revision in terms of remuneration of Mr. V. R. Garware (DIN 00092201), Chairman & Managing Director of the Company
Tuesday, 11th September, 2018	10.30 a.m.		To continue the appointment of Mr. R. M. Telang (DIN 00092103), as a Non-Executive Independent Director of the Company
Tuesday, 17th September, 2019	10.30 a.m.		a. Re-appointment of Mr. R. M. Telang (DIN 00092103) as a Non-executive Independent Director of the Company. b. Re-appointment of Mr. S. P. Kulkarni (DIN 00006914) as a Non-executive Independent Director of the Company. c. To approve the continuation of payment of remuneration to Mr. V. R. Garware (DIN 00092201), Chairman & Managing Director of the Company. d. To approve the borrowing limit pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 e. To approve the limit for Loans and Investment by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013.

- ii. During the Financial Year 2019-20, no Special Resolution was passed by Postal Ballot.
- iii. As on date, no Special Resolution is proposed to be conducted through Postal Ballot.



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6) FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarises its Independent Directors with their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. As per the requirements of Regulation 34 (3) read with Part C of Clause V of the SEBI (LODR) Regulations, 2015 details of such Familiarisation Programmes conducted has been displayed on the Company's website: <https://www.garwarefibres.com/investors/familiarisation-programme-for-independent-directors/>.

7) THE CORE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS, AS REQUIRED IN THE CONTEXT OF BUSINESS(ES) AND SECTOR(S) OF THE COMPANY FOR IT TO FUNCTION EFFECTIVELY

The Board of Directors of the Company has identified the following core skills / expertise / competence of the board of directors, as required in the context of business(es) and sector(s) of the Company for it to function effectively and those actually available with the board of directors and directors individually:

Sr. No.	Areas of Expertise Required	Availability with the Board	Names of the Directors, who have such core skills / expertise / competence
1.	Technical Textile Industry knowledge / experience		
a.	Experience relating to technical textile industry	Yes	Mr. Vayu R. Garware, Mr. R. M. Telang, Mr. S. P. Kulkarni and Dr. S. S. Rajpathak
b.	Knowledge relating to technical textile and polymer industry	Yes	
c.	Understanding of laws, rules, regulation and policy relevant to technical textile industry	Yes	
d.	Experience relating to International business, market and competition	Yes	
2.	Technical skills / experience possessed by the board members		
a.	Accounting and finance knowledge	Yes	Mr. Vayu R. Garware, Ms. Mayuri V. Garware, Mr. S. P. Kulkarni, Mr. R. M. Telang, Dr. S. S. Rajpathak, Mr. Ashish Goel, Ms. Mallika Sagar
b.	Marketing knowledge	Yes	Mr. Vayu R. Garware, Ms. Mayuri V. Garware, Mr. Ashish Goel, Ms. Mallika Sagar
c.	Information Technology understanding	Yes	Mr. Vayu R. Garware, Mr. Ashish Goel
d.	Talent Management qualities	Yes	Mr. Vayu R. Garware, Ms. Mayuri V. Garware, Mr. R. M. Telang, Mr. S. P. Kulkarni, Dr. S. S. Rajpathak, Mr. Ashish Goel, Ms. Mallika Sagar
e.	Leadership qualities	Yes	Mr. Vayu R. Garware, Ms. Mayuri V. Garware, Mr. R. M. Telang, Mr. S. P. Kulkarni, Dr. S. S. Rajpathak, Mr. Ashish Goel, Ms. Mallika Sagar
f.	Compliance and risk assessment abilities	Yes	Mr. Vayu R. Garware, Mr. S. P. Kulkarni, Dr. S. S. Rajpathak
3.	Behavioral Competencies possessed by the board members		
a.	Integrity and ethical standards	Yes	Mr. Vayu R. Garware, Ms. Mayuri V. Garware, Mr. R. M. Telang, Mr. S. P. Kulkarni, Dr. S. S. Rajpathak, Mr. Ashish Goel, Ms. Mallika Sagar
b.	Mentoring abilities	Yes	
c.	Interpersonal relations	Yes	

8) POLICY ON RELATED PARTY TRANSACTIONS OF THE COMPANY

The Board of Directors of the Company has approved a Policy on Materiality of Related Party Transaction and dealings with Related Party Transactions as per the provisions of the Companies Act, 2013, the Companies (Meeting of Board and Its Power) Rules, 2014 and the SEBI (LODR) Regulations, 2015 and the same has been displayed on the Company's website: <https://www.garwarefibres.com/investors/related-party-transactions-policy/>.

The Company management ensures total adherence to the approved Policy on Related Party Transactions without any compromise.

9) 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 (03) years on any matter related to Capital Market.



- iii. The Board of Directors have adopted a Vigil Mechanism Policy, which is applicable to all full-time employees and Directors of the Company for reporting their genuine concerns, which covers malpractice, unethical behavior, fraud or suspected fraud, manipulation, misappropriation of monies and violation of the Companies Codes. The Company has insider trading policy which extends and applicable to external stakeholders like consultants, auditors, etc. The said Vigil Mechanism Policy also provides adequate safeguards against victimization of persons who use such mechanism and provisions for direct access to the Chairperson of the Audit Committee, in appropriate and exceptional cases. None of the employees has been denied access to the Audit Committee Chairman. The salient features of the "Vigil Mechanism" of the Company as approved by the Board of Directors has been displayed on the Company's website: <https://www.garwarefibres.com/investors/vigil-mechanism/>.
- iv. The Board of Directors has 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 displayed on the Company's website: <https://www.garwarefibres.com/investors/code-of-conduct-for-directors/> & <https://www.garwarefibres.com/investors/code-of-conduct-for-managers/>. Certificate on compliance is given separately.
- v. The Board of Directors of the Company has adopted "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)", "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Immediate Relatives of Designated Persons" and formulated a "Policy and Procedure for inquiry in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information", in accordance with the amended SEBI (Prohibition of Insider Trading) Regulations, 2015.
- vi. CEO (Chairman and Managing Director), and CFO, have made necessary certification on Financial Statements & Cash Flow Statement for the year to the Board of Directors of the Company.
- vii. The Board of Directors, on quarterly basis, reviews compliance reports of all laws. There were no instances of non-compliance of material nature reported.
- viii. The Company has laid down procedures to inform the Board of Directors about the risk assessment and minimization procedures.
- ix. There were no transactions disclosed to Board by Senior Management relating to material financial and commercial nature, involving potential conflict of interest with the Company. A statement in summary form of transactions with related parties is placed periodically before the Audit Committee.
- x. The Company is not having any outstanding Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.
- xi. The Company has complied with all mandatory requirements of the SEBI (LODR) Regulations, 2015.
- xii. The Company is not having any material subsidiary as defined under Regulation 16(c) of the SEBI (LODR) Regulations, 2015. The policy for determining Material Subsidiaries has been displayed on the Company's website: <https://www.garwarefibres.com/investors/policy-to-determine-material-subsidiaries/>.
- xiii. The Company is exposed to commodity price risk and foreign currency exchange risk in the course of its business. The Company did not engage in commodity price risk hedging activities. The Company's foreign currency exchange exposures are monitored on a daily basis under the expert guidance of external consultants. A formal foreign exchange policy had been adopted by the Board thereby providing the treasury with a broad operating framework with stress on keeping risks low as far as possible and within a specified limit. The Board also review foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement, if material in its quarterly meeting.
- xiv. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations, 2015.
- xv. The Company has received a certificate dated 29th June, 2020 from Mr. S. V. Deulkar, Partner of M/S. SVD & Associates, a company secretary in practice stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- xvi. During the Financial Year 2019-20, the Board of Directors of the Company has accepted all the recommendations of Committees of the Board of Directors of the Company, were mandatorily required.
- xvii. Total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the Statutory Auditor of the Company and all entities in the network firm / network entity of which the Statutory Auditor of the Company is a part was ₹32.05 lakhs/-.
- xviii. The details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is as below:
 - a. Number of complaints filed during the Financial Year 2019-20: Nil
 - b. Number of complaints disposed of during the Financial Year 2019-20: Nil
 - c. Number of complaints pending as on end of the Financial Year 2019-20: Nil



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10) MEANS OF COMMUNICATION

- i. Apart from publication in leading newspapers, the Quarterly Financial Statements as well as Annual Financial Statements are displayed on the Company's website: <https://www.garwarefibres.com/investors/financial-results/>. Further, Quarterly Shareholding Patterns are displayed on the Company's website: <https://www.garwarefibres.com/investors/shareholding-pattern/>. Presentation on Financial Statements and official news releases are also submitted to Stock Exchange(s) for public dissemination before its release. During the year under review, presentation made to institutional investors analysts is displayed on the Company's website: <https://www.garwarefibres.com/investors/stock-exchanges-disclosure/> and is also submitted to Stock Exchange(s).
- ii. A Management Discussion and Analysis Report is enclosed separately as part of this Annual Report.

11) GENERAL SHAREHOLDER INFORMATION

i. 43rd Annual General Meeting

- Day, Date and Time Friday, 28th August, 2020, 10:30 a.m. (IST)
- Venue The Annual General Meeting of the Company shall be held through Video Conference ("VC") / Other Audio Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 and General Circular No. 20/2020 read with General Circular Nos. 14/2020 and 17/2020 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circular dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") without the physical presence of the Members at a common venue. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance / Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

ii. **Financial Year** 1st April to 31st March

iii. **Book closure date** Not Applicable

iv. **Dividend payment date** The Board of Directors has not recommended any further dividend and recommended that the Interim dividend of ₹ 17.00/- per share (170%) [which includes Special Dividend of ₹ 10.00/- per share (100%)] on the fully paid-up equity capital consisting of 2,18,82,060 Equity shares of ₹ 10/- (Ten) each of the Company declared at its meeting held on 14th March, 2020, be treated as the final dividend for the year ended 31st March, 2020, for the approval by the Members of the Company at the ensuing Annual General Meeting.

v. Listing of Equity Shares

The Equity Shares of the Company are listed on:

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Tel No.: (022) 2272 1233 / 4 Fax No.: (022) 2272 1919	National Stock Exchange of India Limited. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Tel No.: (022) 2659 8100 / 8114 Fax No.: (022) 2659 8120
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The Listing Fee has been paid up to date, to BSE Limited and National Stock Exchange of India Limited.

vi. Stock Code / Symbol

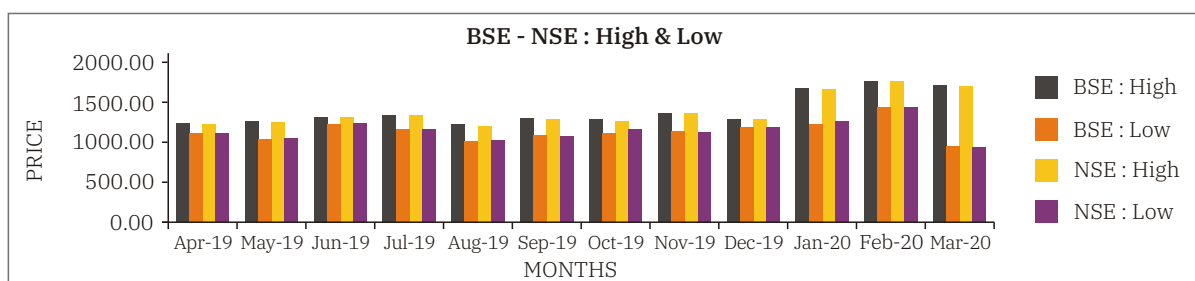
BSE Limited	Code No.: 509557
National Stock Exchange of India Limited	Symbol: GARFIBRES


vii. Stock Market Data

The high and low prices recorded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) were as under:

Months	Share Price (₹)				BSE		NSE	
	At BSE		At NSE		S & P Sensex		CNX Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr-19	1,172.95	1,060.25	1,165.00	1,060.00	39,487.45	38,460.25	11,856.15	11,549.10
May-19	1,200.00	992.20	1,204.00	990.10	40,124.96	36,956.10	12,041.15	11,108.30
Jun-19	1,245.00	1,174.20	1,247.95	1,187.50	40,312.07	38,870.96	12,103.05	11,625.10
Jul-19	1,268.00	1,100.00	1,270.00	1,100.00	40,032.41	37,128.26	11,981.75	10,999.40
Aug-19	1,150.95	967.50	1,159.45	968.00	37,807.55	36,102.35	11,181.45	10,637.15
Sep-19	1,230.40	1,040.05	1,236.40	1,027.60	39,441.12	35,987.80	11,694.85	10,670.25
Oct-19	1,210.00	1,099.70	1,225.00	1,050.00	40,392.22	37,415.83	11,945.00	11,090.15
Nov-19	1,298.85	1,089.75	1,300.00	1,085.00	41,163.79	40,014.23	12,158.80	11,802.65
Dec-19	1,219.90	1,137.30	1,235.00	1,142.20	41,809.96	40,135.37	12,293.90	11,832.30
Jan-20	1,600.00	1,188.00	1,603.95	1,177.45	42,273.87	40,476.55	12,430.50	11,929.60
Feb-20	1,694.05	1,379.95	1,695.00	1,365.15	41,709.30	38,219.97	12,246.70	11,175.05
Mar-20	1,627.80	872.50	1,632.70	885.00	39,083.17	25,638.90	11,433.00	7,511.10

(Source: from BSE Web Site www.bseindia.com & NSE Web Site 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. No.: (020) 2616 1629, 2616, 0084; Fax No.: (020) 2616 3503; Email: pune@linkintime.co.in

ix. Share Transfer System

The power to approve the transfer / transmission of shares / consolidation of folios for subject to a maximum of 1,000 shares per case has been delegated to the "Share Transfer Committee". Share transfer requests are processed within fifteen (15) days from the date of receipt.

x. (i) Distribution of Share holding as on 31st March, 2020

Distribution of Shareholding (Rupees)				Report Type = All (NSDL + CDSL + Physical)				
Sr. No.	Shareholding of Nominal Value of ₹ 10 each			No. of Shareholders	% to Total Shareholders	No. of Shares Held	Nominal Value (in ₹)	% to Total Shares
	From	-	To					
1	1	to	5,000	14843	85.09	1724576	17245760	7.88
2	5,001	to	10,000	1406	8.06	1024314	10243140	4.68
3	10,001	to	20,000	640	3.67	903197	9031970	4.13
4	20,001	to	30,000	215	1.23	520062	5200620	2.38
5	30,001	to	40,000	78	0.45	275832	2758320	1.26
6	40,001	to	50,000	57	0.33	257716	2577160	1.18
7	50,001	to	1,00,000	98	0.56	692890	6928900	3.17
8	1,00,001	and	Above	107	0.61	16483473	164834730	75.33
Total				17444	100.00	21882060	218820600	100.00



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(ii) Pattern of Shareholding as on 31st March, 2020.

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	15	11095937	11095937	50.71
(2)	Foreign Promoters	0	0	0	0
	Sub-Total (A)	15	11095937	11095937	50.71
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Fund	6	419575	419575	1.92
(b)	Alternate Investment Funds	4	409316	409316	1.87
(c)	Foreign Portfolio Investor	31	1508825	1508825	6.90
(d)	Indian Institutions / Banks	5	4,961	3,811	0.02
(e)	Insurance Companies	3	6649	6499	0.03
	Sub-Total (B)(1)	49	2349326	2348026	10.74
(2)	Non-Institutions				
(a)	Individuals	15359	5945043	5605103	27.17
(b)	NBFCs registered with RBI	1	7,000	7,000	0.03
(c)	Investor Education and Protection Fund Authority	1	82,365	82,365	0.38
(d)	Trust	2	5,856	5,856	0.03
(e)	Foreign National	2	2,270	2,270	0.01
(f)	Hindu Undivided Family	288	287,951	287,951	1.32
(g)	Non Resident Indians (Non Repat)	299	154,493	152,557	0.71
(h)	Non Resident Indians (Repat)	351	134,729	134,729	0.62
(i)	Clearing Member	34	12,435	12,435	0.06
(j)	Bodies Corporate	380	858,155	855,624	3.92
	Sub-Total (B)(2)	16717	7490297	7145890	34.23
	Total Public Shareholding (B) = (B)(1)+(B)(2)	16766	9839623	9493916	44.97
(C)	Non-Promoter-Non Public Shareholding				
(a)	GWRL Managerial Staff Welfare Trust	1	946500	0	4.33
	Total Non-Promoter-Non Public Shareholding (C)	1	946500	0	4.33
	TOTAL (A)+(B)+(C)	16782	21882060	20589853	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 the Shares of the Company for compulsory delivery in dematerialization form only, by all investors from 8th May, 2000. As of 31st March, 2020, 95.80% shares have already been dematerialized.

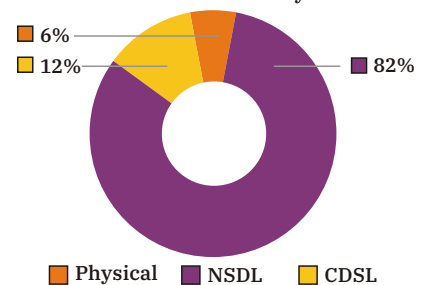
The Shares of the Company are actively traded on BSE Limited & National Stock Exchange of India Limited and have good liquidity.

xii. Email Addresses:

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

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

% of Shares in D-mat & Physical Form




xiii. Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity

There were no GDRs / ADRs / Warrants / any other convertible instruments outstanding as on 31st March, 2020.

xiv. Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to commodity price risk and foreign currency exchange risk in the course of its business. The Company did not engage in commodity price risk hedging activities. The Company's foreign currency exchange exposures are monitored on a daily basis under the expert guidance of consultants. A formal foreign exchange policy had been adopted by the Board thereby providing the treasury with a broad operating framework with stress on keeping risks low as far as possible and within a specified limit. The Board also review foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement, if material in its quarterly meet.

xv. Plant Locations

Plot No. 11, Block D-1,
M.I.D.C., Chinchwad, Pune - 411 019, Maharashtra.
Tel. No.: (020) 2799 0000

Plot No. C-1, C-13, C-14, B-226, B-227 & D-1,
M.I.D.C., Wai - 412 803, Dist. Satara, Maharashtra
Tel. No.: (02167) 308301 / 02

xvi. 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 Technical Fibres Limited
Plot No. 11, Block D-1, M.I.D.C.,
Chinchwad, Pune - 411 019, Maharashtra
Tel. No.: (020) 2799 0177
Email: secretarial@garwarerfibres.com

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. No.: (020) 2616 1629 / 0084 Fax No.: (020) 2616 3503
Email: pune@linkintime.co.in

xvii. Credit Rating obtained by the Company along with any revisions thereto during the Financial Year 2019-20

The ICRA Limited has assigned the rating as per below for facilities availed by the Company, as under:

Facilities	Rating	Current rated Amount	Remark
On Long Term Scale	[ICRA] AA (pronounced ICRA double A)	₹ 280.39 Crores	Reaffirmed
On Short Term Scale	[ICRA]A1+ (pronounced ICRA A one plus)		Reaffirmed
Commercial Paper	[ICRA]A1+ (pronounced ICRA A one plus)	₹ 15.00 Crores	Reaffirmed

xviii. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
II. NON-MANDATORY REQUIREMENTS

Disclose to the extent to which the discretionary requirements as specified in Part E of Schedule II of the SEBI (LODR) Regulations, 2015 have been adopted.

- The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of Chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.
- Shareholder Rights: Quarterly Financial Statements are published in leading newspapers and uploaded on Company's website: <http://www.garwarefibres.com>.
- Modified opinion(s) in Audit Report: The Auditors have raised no qualification on the Financial Statements.
- Separate posts of Chairperson and CEO: Presently, Mr. V. R. Garware is the Chairman & Managing Director of the Company.
- Reporting of Internal Auditor: The Company has appointed Internal Auditor (employee) for conducting the Internal Audit. Internal Auditors has direct access to the Audit Committee.

III. 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 Financial Year 2019-20.



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DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER REGULATION 34(3) READ WITH CLAUSE D OF SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with the provision of Regulation 34(3), read with Clause D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Financial Year 2019-2020 on compliance with Code of Conduct of the Company as applicable to them respectively.

Pune,
01st June, 2020

V. R. Garware
Chairman & Managing Director
DIN 00092201

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **GARWARE TECHNICAL FIBRES LIMITED**

We, Mehta Chokshi & Shah LLP, Chartered Accountants, the Statutory Auditors of **GARWARE TECHNICAL FIBRES LIMITED (Formerly: GARWARE-WALL ROPES LIMITED)** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and other Assurance and Related Service Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended 31st March, 2020.

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

For Mehta Chokshi & Shah LLP
Chartered Accountants
(FRN: 106201W/W100598)

Mumbai,
30th June, 2020

Abhay R. Mehta
(Partner)
M. No. 046088



ANNEXURE TO DIRECTORS' REPORT 2019-20: BUSINESS RESPONSIBILITY REPORT

Garware Technical Fibres Ltd. (Formerly Garware-Wall Ropes Ltd.) ("GTFL") is one of India's leading players in the technical textiles sector. Established in 1976, the Company today is a multi-divisional, multi-geographical technical textiles company and is known for providing world class innovative solutions in high performance aquaculture cage nets, fishing nets, sports nets, safety nets, agricultural nets, coated fabrics, polymer ropes and geosynthetics. A thrust on international business over the years has seen Garware Technical Fibres global footprint growing steadily. We have customers in over 75 countries. Our mission drives our thinking and is the source of great ideas – be it in R&D, new processes, new ways of doing things in plants and markets, or strategy creation. But, there is no point in having a great idea on the drawing board if it is not put in ACTION. The point is the combination of our innovation, improvements and hunter mind-set is matched by an action oriented CULTURE and TEAM.

Mission & Values

Mission

- Provide innovative, application-focused solutions to enhance value of our customers globally.

Values

- Continuously improve our products & services to become preferred partner of our customers.
- Own the process of delivering results with entrepreneurial spirit & joy of working in an empowering environment.
- Enhance stakeholder value through profitable growth in sales & earnings.
- Enhance our family bond with the employees & business partners through fair & equitable dealings as well as constant communication.

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2020, pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, based on the National Guidelines on Responsible Business conduct (NGBRC) by Ministry of Corporate Affairs.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identification Number (CIN) of the Company	L25209MH1976PLC018939			
Name of the Company	Garware Technical Fibres Limited (Formerly Garware-Wall Ropes Ltd.)			
Registered Address	Plot No. 11, Block D-1, M.I.D.C, Chinchwad, Pune – 411019, Maharashtra, India			
Website	https://www.garwarefibres.com/			
E-mail Id	secretarial@garwarefibres.com			
Financial Year reported	2019-20			
Sector(s) that the Company is engaged in (industrial activity code-wise)	Main Activity group code	Description of Main Activity group	Class	Description of Business Activity
	C	Manufacturing	1394	Manufacture of cordage, rope, twine and netting
			2030	Manufacture of man-made fibres
			3290	Other manufacturing n.e.c.
	G	Trade	4690	Wholesale trade
(Based upon NIC-2008 codes.)				
List three key products / services that the Company manufactures / provides (as in balance sheet)	1. Netting, 2. Twines, Ropes and Yarns 3. Coated products			
Total number of locations where business activity is undertaken by the Company	28			
Number of International Locations (Provide details of major 5)	We have four representative offices and two subsidiaries Overseas Subsidiaries : 1. Garware Technical Fibres Chile SpA – Republic of Chile 2. Garware Technical Fibres USA Inc. – WA, USA			
Number of National Locations	22			
Markets served by the Company - Local / State / National / International	National and International			



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SECTION B: FINANCIAL DETAILS OF THE COMPANY (On Standalone Basis)

1. Paid up Capital (INR) –	₹ 21,88,20,600
2. Total Turnover (INR) -	₹ 1,01,385.25 lakhs
3. Total profit after taxes (INR) -	₹ 17,800.01 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits of last three years (%)	0.89% Total amount spent for the Financial Year 2019-20 – ₹ 121.80 lakhs.

List of activities on which expenditure in 4 above has been incurred:

The Company has formulated CSR policy in line with the regulatory requirements. We have identified below key themes for our CSR initiatives* and CSR expenditure is incurred on activities relating to them.

- Promoting Education.
- Enhancing Livelihood.
- Promoting health care, medical help/assistance to the needy.

* Please refer Annexure to Directors' report for CSR Activities to know about the initiatives in detail.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

Yes, GTFL has three (03) subsidiary companies:

i. Garware Technical Fibres USA Inc.

Garware Technical Fibres USA Inc., is a Wholly Owned Subsidiary (WOS) of the Company. Garware Technical Fibres USA Inc. has been incorporated on 20th February 2020 in the state of Washington, United State of America. The business of this WOS is in line with main business activities of the Company.

ii. Garware Technical Fibres Chile SpA

Garware Technical Fibres Chile SpA, is a Wholly Owned Subsidiary (WOS) of the Company. Pursuant to the Certificate of Constitution dated 12th February, 2020, issued by the Real Estate Conservator of Republic of Chile, Garware Technical Fibres Chile SpA, has been registered in Republic of Chile. This WOS is yet to start its commercial operations.

iii. Garware Environmental Services Pvt. Ltd.

CIN: U74900PN2007PTC130686

Garware Environmental Services Private Limited, is a wholly owned subsidiary of the Company. This Subsidiary Company is yet to start its commercial operations.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

No, Garware Environmental Services Private Limited is yet to start its commercial operation. Garware Technical Fibres Chile SpA and Garware Technical Fibres USA Inc., were incorporated outside India in the Financial Year 2019-20 and they comply with the requirement of BR initiative as per requirements of their respective countries rules and regulation as applicable to them.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR?

1. DIN Number	00040387
2. Name	Dr. S. S. Rajpathak
3. Designation	Non-Independent-Non-Executive Director

1.1. Details of the BR head

1. Name	Mr. Ravendra Mishra
2. Designation	Head – Human Capital
3. Telephone Number	020 – 2799 0000
4. Email Id	rmishra@garwarefibres.com


2.Principle-wise (as per NVGs) BR Policy/policies

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for?	Y	Y	Y	Y*	N	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	-	Y	-	Y	Y
3.	Do the policies conform to any national / international standards? If yes, specify?	The Policies are in line with Reserve Bank of India, Ministry of Corporate Affairs (MCA) guidelines and other regulations / guidelines as applicable.								
		Y	Y	Y	Y	-	Y	-	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?	Below policies pertaining to the NVG principles have been approved by the Board members of the Company and signed by respective functional head of that area. 1. Code of Conduct (For Directors, Managers and Staff) 2. Vigil Mechanism/Whistle Blower Policy 3. Code of Conduct to Regulate, Monitor and Report Trading By Designated Persons and immediate relatives of Designated Persons 4. Policy on Prohibition of Sexual Harassment of Women 5. Mission and Vision statements 6. Quality Policy 7. EHS Policy 8. Human Resource Policy Manual 9. Corporate Social Responsibility (CSR) Policy								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policies?	GTFL doesn't have a specific committee to oversee the implementation of the policies developed. However, all the departments including its employees at GTFL adhere to our policy guidelines for effective implementation.								
		Y	Y	Y	Y	-	Y	-	Y	Y
6.	Indicate the link for the policy to be viewed online?	Wherever mandated by applicable Rules/Regulations, GTFL has posted the respective policies on its website as per detailed below. The remaining Policies are circulated to respective Stakeholders for ensuring adherence. 1. https://www.garwarefibres.com/investors/code-of-conduct-for-directors/ 2. https://www.garwarefibres.com/investors/code-of-conduct-for-managers/ 3. https://www.garwarefibres.com/investors/vigil-mechanism/ 4. https://www.garwarefibres.com/investors/csr-policy/ 5. https://www.garwarefibres.com/investors/code-for-fair-disclosure-of-unpublished-price-sensitive-information/ 6. https://garwarefibres.com/investors/ems-policy/ 7. https://www.garwarefibres.com/remuneration-policy/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	All the policies adopted by GTFL has been shared with all the internal stakeholders, however, policies related to Quality and EHS, Mission and Vision statements are being shared with both internal and external stakeholders.								
		Y	Y	Y	Y	-	Y	-	Y	Y
8.	Does the Company have in-house structure to implement the policy / policies?	Each and every employee at GTFL is required adhere to the policies adopted and Departmental Heads are mandated to ensure for effective adherence to all policies by all employees working in their respective departments.								
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	GTFL has vendor feedback mechanism and customer feedback mechanism to address the key concerns of those particular stakeholder groups. GTFL has stringent policy to address the employees' grievances/complaints. GTFL also has grievance redressal mechanism for shareholder grievances (Scores Platform, BSE & NSE Platform). Stakeholder Relationship Committee and Board also ensures that grievance of shareholder, if any, is addressed by Secretarial Department / R&T Agent within appropriate time.								

* GTFL has CSR policy and HR policy to engage internal and external stakeholders. GTFL plans to enhance the policies pertaining to Principle 4 to engage other key stakeholder groups.



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No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	GTFL is having internal structure auditing / evaluating the working of this Policy with the help of outside consultants / auditors. GTFL is working on developing and improving its policies evaluation and implementation of policies were internally evaluated. However, there were no audits conducted by any external agency in GTFL operations and supply chain during the reporting period.								

Notes:

If answer to S. No. 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at stage where it find itself in a position to formulate and implement the policies on specified Principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within next 12 months					Y				
6.	Any other reason (please specify)							#		

GTFL does not liaise with the regulatory body in terms of policy advocacy. The relevant liaison happens through Industry associations.

3. Governance related to Business Responsibility

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

GTFL assesses the business responsibility performance in various stakeholder interactions. GTFL engages with all its internal and external stakeholders viz. employees, communities, business associates and customers through various forums. There is no defined frequency, however, the BR performance is periodically assessed by the Management as per the requirement.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report of the Company. The Company proposes to publish BR as an Annexure to Director Report annually in order to meet its statutory obligation. Business Responsibility Report shall also be available on website of the Company viz. www.garwarefibres.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/NGOs / Others?

GTFL's policies on whistle blower, vigil mechanism, and code of conduct are applicable to all internal stakeholders of the Company for reporting their genuine concerns which would cover malpractice, unethical behaviour, fraud or suspected fraud, manipulation, misappropriation of monies, violation. GTFL has insider trading policy, which extends and applicable to internal stakeholders as well as external stakeholders like consultants, auditors, etc.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

We have received one complaint on scores portal for shareholder grievances related to non-receipt of duplicate share certificate pertaining to SEBI. The complaint has been resolved and there are no pending complaints as on close of the year 2019-20.



Principle 2: Sustainable products and services

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Through our R&D efforts, we have developed innovative products to our fish farming customers who can use them to move away from use of chemical antifouling coating, which is harmful to environment.

We have also provided support to our fish farming customers, through our R&D efforts, and have developed and supplied 'Seal Pro' nettings which have helped them in reduction of culling of Sea Lions. Please find attached link which shares BBC report on reduction in Seal culling through use of our 'Seal Pro' nettings at Scottish Sea Farms, Scotland.

We have invested in various initiatives focused on clean technology, energy efficiency, renewable energy, etc.

Combined Effluent Treatment Plant (ETP & STP) has been installed to treat the industrial and domestic effluent which is scientifically operated and maintained 24x7 to achieve the desired norms as per consent received from Maharashtra Pollution Control Board.

To optimize the energy efficiency, Variable frequency drives (VFD's) & Energy efficient motors (IE-3 motors) to machines, LED lights within factory premises are the various initiatives undertaken to minimize energy consumption. We have also initiated energy audit through competent agency.

2. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yet, GTFL does not have a specific policy/SOP on sustainable sourcing, however, GTFL is planning to enhance its procurement policy in its product life cycle including procurement of raw material/service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

GTFL engages with small units in the nearby premises of Wai plant under "Wai bachat Gat"; help them in supporting their livelihood for our operations. We also engage various small-scale industries near our plants for procurement of goods and services.

4. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)

Yes, we recycle more than 70% of the product / process waste of PE and PP polymers generated in our operations.

Principle 3: Well-being of employees

The company considers its employees as its most important resource. The Company undertakes various initiatives towards employee engagement, training & development, awards & recognition, welfare etc. periodically.

1. Total number of employees.

1,198 (Including apprentice and probationer)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

462*

(*excluding the persons engaged by independent establishment, to whom certain jobs are outsourced)

3. Please indicate the Number of permanent women employees.

21

4. Please indicate the number of permanent employees with disabilities.

GTFL is a fair employer and does not discriminate amongst its employees on basis of disabilities. Therefore, it does not track this information.

5. Do you have an employee association that is recognized by management

GTFL has recognized employee unions. This encourages the employees to participate in open and constructive dialogue with the management, on all aspects of the mutual relationship

6. What percentage of your permanent employees is members of this recognized employee association?

Around 98 % of the total permanent employees are part of recognized employee union under the collective bargaining agreements with trade unions.



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7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees – 98%

(b) Permanent Women Employees – 100%

(c) Casual/Temporary/Contractual Employees – 100%

(d) Employees with Disabilities – NA

Health and safety of employees is of paramount importance to GTFL. To create safe workplace, GTFL emphasizes on health and safety related training programs. At GTFL, all the permanent employees including women are regularly trained on training programme pertaining to health and safety.

During FY 2019-20, GTFL imparted 9,211 man-hours of training to its total workforce.

Principle 4: Respect and responsiveness to all stakeholders

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, we have mapped our internal and external stakeholders and engage with them.

GTFL recognizes employees, local communities surrounding our operations, business associates (marginalized fisherman, network of suppliers, agents, dealers and suppliers of goods and services), international customers and shareholders/investors as its key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, GTFL identifies communities around our manufacturing facilities (with a focus on women and children from these communities), fishermen and small farmers in our supply chain as disadvantaged, vulnerable & marginalized stakeholders.

Additionally, we have mechanisms to continuously engage with all our stakeholders (internal and external). This helps us in identifying their needs and priorities and allows us to cater to these needs better. We are committed towards proactively contributing towards development of surrounding communities, who may be disadvantaged, vulnerable or marginalized and take various initiatives including through our CSR activities.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

GTFL has undertaken multiple initiative to address the interests of identified vulnerable/marginalized groups. Some of these initiatives are:

Undertaking Livelihood enhancement projects in the field of protected cultivation

Support by way of Medical Equipment and Health care facilities

Support Schools by providing infrastructure and E-learning facilities

Principle 5: Respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

GTFL supports and respects the protection of human rights, labour standards and environmental protection measures. The Company does not hire child labour, forced labour or involuntary labour.

GTFL has robust monitoring system ensuring no incidents/cases of child labour, forced/involuntary labour employment in the organization. In addition, all the employees involved in GTFL operations and its value chain including women have been made aware / provided training on human rights issues.

However, at GTFL, there is no specific policy pertaining to human rights. GTFL plans to develop and implement human rights policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no complaints received by GTFL specific to human rights violation, from any of its stakeholders.



Principle 6: Protecting the environment

Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others

GTFL's policy relating to EMS is applicable to the internal and external stakeholders' viz. suppliers

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

- We have undertaken study of our Green House Gases (GHG) accounting and life cycle assessment study of our products to identify focus areas to reduce our environmental footprint.
- We have planted about 12,500 trees in our factory premises and surrounding forest areas, nearby villages, schools, and MIDC areas, which include avenue plantation to enhance air quality and efforts to reduce the environmental impacts.
- We monitor ambient air quality in our premises internally and through third party NABL certified laboratory on regular basis.
- We have installed air pollution control equipment like wet Scrubber, dust collectors, bag filter and cyclomax for coal fired boiler, etc. in our plants.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, GTFL has identified various environmental risks and mitigation measures which has been detailed in Annexure 1.

4. Does the company have any project related to Clean Development Mechanism? If yes, whether any environmental compliance report is filed?

No, GTFL has not done project on clean development mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes, GTFL has undertaken several initiatives which are detailed in Annexure 1.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, emissions and waste generated in GTFL's operations were under the permissible limits given by the central and Maharashtra state pollution control board.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There are no show cause/legal notices pending during the reporting period.

Principle 7: Responsible and transparent policy advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

GTFL is associated with major associations as below:

- Indian Technical Textiles Association (ITTA)
- Plastics Export Promotion Council (PLEXCOUNCIL)
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Confederation of Indian Industry (CII)
- The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA)
- Sports Goods Export Promotion Council
- Indian Fishnet Manufacturers Association (IFMA)
- International Geosynthetics Society (IGS)
- International Erosion Control Association (IECA)
- The Coir Board

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

GTFL is appropriately using its membership of various industry-associations as one of the important platform to flag our industry related issues to the Government of India as well as to the state government. Below are some of the interactions with various institutions-



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- GTFL's representative is driving export initiatives for 'Cordage & Fishing Nets' from India, as 'Panel Chairman' of Plexconcil.
- GTFL's representative is an elected committee member of Indian Fishnet Manufacturer Association, assisting all MSME in this sector in India.
- GTFL takes an active participation in succeeding the initiatives through PMMSY (Pradhan Mantri Matsya Samdpada Yojana) in India, through ICAR's institutes and fisheries Ministry.
- GTFL's representative is an elected Member of ITTA (Indian Technical Textile Association) and an active participant in taking various initiatives in increasing in usage of Technical Textile in India, to match the global bench marking.
- GTFL is working with NCPAH for increasing farmer's income by developing different Plasti-culture products for 'Protected Agriculture', as per farmer's requirement.

Through these associations, we take up the matters related to factory Operations, Taxation clarifications, logistics challenges, issues regarding International Business, Regulatory and policy aspects of the various stakeholder Ministries. It is an ongoing process of two way communication between our organisation and related Associations. Many a times, Government authorities take feedback/data/inputs formulation of the policies.

Principle 8: Inclusive growth and equitable development

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

GTFL has undertaken multiple initiative to address the interests of identified vulnerable/marginalized groups. These initiatives are:

- Undertaking Livelihood enhancement projects in the field of protected cultivation
- Support by way of Medical Equipment and Health care facility
- Support schools and students by providing infrastructure, E-learning facilities and other support

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Projects are undertaken through in-house-team and also in association with various NGO's as well as in partnership with government structures at various levels.

3. Have you done any impact assessment of your initiative?

GTFL carries out evaluation of various CSR initiatives, however, there were no social impact assessments undertaken by the external agencies during the reporting period.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

During the reporting period the Company has spent total amount of ₹ 121.80 lakhs for various community development projects under its CSR initiative. Detailed information pertaining to investment in community development and relevant projects undertaken are detailed in CSR annexure to the Directors' Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We have developed our CSR policy in line with the regulatory requirements. We have identified below key themes covered under our CSR initiatives adopted and appreciated by the community.

- Undertaking Livelihood enhancement projects in the field of protected cultivation
- Support by way of Medical Equipment and Health care facilities
- Support Schools by providing infrastructure and E-learning facilities

Principle 9: Provide value to consumer responsibly

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

During the reporting period, there are no judicial pending cases of customer complaints pertaining to goods and services of the Company.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks

We display product information beyond the mandated local laws. Information on goods and services of our business are regularly updated on the website of the Company: <https://www.garwarefibres.com/netting-suppliers/> and other forums like stakeholder meets, annual reports, etc. as per the legal metrology regulations (Weights and Measures Act).



3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?

There are no pending cases of stakeholder complaints pertaining to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, consumer satisfaction surveys are being conducted periodically to assess their satisfaction levels throughout the business operations.

ANNEXURE 1: ENVIRONMENTAL RISKS IDENTIFIED AND MITIGATION MEASURES TO MINIMIZE ENVIRONMENTAL RISKS

S.No.	Environmental Risk	Initiatives / Organisational Objectives
1	Air Pollution	- Tree plantation program organised every year on world environment day & forest day to minimise air pollution. Until date, 12,500 trees planted at all the Company's Plants and surrounding forest areas, villages, MIDC area, schools, etc. - Fume Extraction System installed to PVC Coating machine as Air Pollution control equipment to minimise air pollution. - Dust collector installed on Erosion Control Blanket machine to minimise air pollution. - Bag filter and cyclone separator installed for boiler to arrest Suspended Particulate Matter and minimise air pollution.
2	Land / Ground Water Pollution	- Spill containment trays installed to prevent spills resulting in ground water pollution, land pollution. - Proper Collection and disposal of Bio Medical waste as per Bio Medical Waste Management Rules 2016 to prevent Land Pollution. - Prevention of Land Pollution at Chemical & Oil Yard, Scrapyard by installation of Dyke wall and collection sump. - Prevention of Land Pollution at Chemical Storage area, by installation of Dyke wall and collection sump. - Prevention of Land pollution at tarring area by installation of dyke wall and collection sump. - Refurbishment of Sewage collection tanks at ETP to prevent ground water and land pollution. - Installation of Stand by Clarifier at ETP. - Installation of stand by Emergency sludge collection tank to prevent ground water and Land Pollution.
3	Depletion of Natural resources	- LED lights, VFD's installed at all the Company's Plants as energy conservation initiative. - Push type water taps installed at all the Company's Plants as water conservation initiative. - Reduction in water consumption by 5% to minimise natural resources depletion. - Reduction in electricity consumption by 2% as an energy conservation initiative. - Preservation of bio diversity and Minimisation of air pollution in surrounding area adjacent to factory premises. - Reuse/recycling of ETP treated water in process. - Replacement of underground damaged MIDC water pipelines to eliminate underground water leakages and natural resources depletion. - Replacement / repair of steam traps to eliminate steam leakages to minimise natural resources depletion. - Installation of stay put actuator taps at canteen, urinals, toilets to minimise domestic fresh water consumption.
4	Noise pollution	Installation to reduce noise level from pneumatic conveyer from 95 dB to below 90 dB at extrusion department.
5	Threat to bio diversity	Protection of birds against water scarcity threat in summer season under bird conservation program.



Management Discussion and Analysis

► Overview of Company

Your Company, Garware Technical Fibres Limited, an ISO 14001:2015 certified organization, was established in 1976 and is a leading manufacturer of technical textiles. A global player, your Company provides innovative solutions in the field of fisheries, aquaculture, shipping, sports, agriculture, coated fabrics, and geo-synthetics. Your Company's products are manufactured in state-of-art facilities at Wai and Pune (both in Maharashtra, India) and are marketed in more than 75 countries worldwide.

► Business Environment in FY 2019-20

FY 2019-20 started on a fluid note with the commencement of general elections in India. On the weather front, there was an extended monsoon and several cyclones. These developments coupled with the continuing liquidity crisis and the COVID-19 pandemic towards the end of the financial year led to depressed domestic customer-demand, and had an adverse effect on your Company's performance.

In our international markets, your Company continued to record strong growth in the aquaculture and sports segments and improved its market share. Towards the end of the financial year, your Company had a robust order book. However, deliveries could not be made due to the complete lockdown imposed in the country following the lightning spread of COVID-19.

With its strong focus on innovation, your Company filed eight patents during the year and received four patents. Increased demand for your Company's differentiated products boded well, and there was an expansion of margins in select businesses.

► Opportunities and Threats

FY 2020-21 is expected to be a year of volatility. The continuing challenges of the COVID-19 pandemic, resultant liquidity crises and volatility in consumption are likely to affect the overall demand. However, since the major part of your Company's business caters to food-related industries, the downside in demand is expected to be relatively low.

The continued focus on innovation and increasing customer acceptance of your Company's value propositions are likely to lead to an increase in market share in the core segments of business. In addition, our approach of providing a basket of solutions rather than standalone products is likely to increase the share of wallet. These factors augur well for your Company's performance despite the anticipated challenges.

► Company's Consolidated Financial Performance in FY 2019-20

Your Company registered total consolidated revenue of ₹ 985.27 crores for the year ended 31st March 2020, a decrease of 5.16% over the previous year's consolidated revenue of ₹ 1,038.90 crores. Consolidated profit before tax in the year under review was ₹ 178.86 crores, a decrease of 1.77% over the previous year. Profitability was aided by an enhanced product mix and improvement in productivity. Growth in value-added, differentiated products aided growth in margins.

► Key Standalone and Consolidated Financial Indicators

- The operating profit ratio of the Company - Standalone: 15.6%, Consolidated: 15.4%



- The current ratio of the Company - Standalone: 1.33, Consolidated: 1.26
- The earning per share - Standalone: ₹ 81.35, Consolidated: ₹ 64.22
- The return on capital employed (ROCE) - Standalone: 25.8%, Consolidated: 21.5%
- Debt-Equity Ratio - Standalone: 0.13 (previous year 0.17), Consolidated: 0.18 (previous year 0.17)*
- Return on average net worth - Standalone: 25% (previous year 21.2%), Consolidated: 20.2% (previous year 21.2%)**

► Risks and Concerns

The anticipated continuity of the COVID-19 pandemic is expected to reduce the ability of your Company's customers to invest in fresh capex and may therefore impact the demand for your Company's products. Further, impacts on the manufacturing processes from the continuing pandemic are varied and difficult to predict. Repeated lockdowns and migration of labour is placing pressure on your Company's factories as well as on those of its suppliers. As international sales constitute 58.37% of your Company's revenue, uncertainty in global markets and foreign-exchange volatility would be a matter of concern. The Company's strategy is to push for profitable growth in all geographies and product segments to limit the impact of any uncertainty.

► Internal Control Systems

Your Company implemented suitable controls to ensure that its operational, compliance, and reporting objectives are achieved. The Company uses an established ERP system called SAP to record day-to-day transactions seamlessly with the underlying books of accounts. The Company has adequate policies and procedures in place for its current size as well as growing future needs. These policies and procedures play a

pivotal role in the deployment of internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness. As far as possible, emphasis is placed on automation of controls within processes to minimise deviations and exceptions. Investment in IT enablement on an ongoing basis is one of the key means used to achieve automation. The Company has also invested in an IT tool to track crucial compliances. Proactive steps are being taken to ensure compliance with several upcoming regulations.

► Human Resources Management

Your Company's people are the foundation for continued profitable growth. A wide-ranging programme of upskilling through training was conducted across the entire employee base. A development centre for high potential employees was implemented to create the next level of leaders. The emphasis on enhancing employee-engagement levels continued with your Company certified by The Great Places to Work Institute as one of India's 'Best Companies to Work for' in the mid-size category for the third year in a row.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing your 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.

* Due to good cash releases from operations during the year under review, your Company was able to repay borrowings and achieve a better Debt-Equity Ratio compared to the previous year.

** Compared to FY 2018-19, the return on average net worth in FY 2019-20 on Standalone basis was higher by 3.8%, mainly due to 41.7% growth in profit after tax (PAT) against 20% growth in the average net worth. Further, Compared to FY 2018-19, the return on average net worth in FY 2019-20 on Consolidated basis was reduced by 1%, mainly due to 12% growth in profit after tax (PAT) against 7% growth in the average net worth.



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INDEPENDENT AUDITORS' REPORT

To,

The Members,

GARWARE TECHNICAL FIBRES LIMITED (Formerly: GARWARE-WALL ROPES LIMITED)

1. Opinion

We have audited the accompanying Standalone Financial Statements of **GARWARE TECHNICAL FIBRES LIMITED (Formerly: GARWARE-WALL ROPES LIMITED)** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Inventory Existence: The inventory's carrying value in the Balance Sheet as at 31st March, 2020 is ₹ 18,692.26 lakhs. The inventory of the Company is held across various locations including its Plants, Sales Depots, Warehouses and Contract Manufacturers' locations. We focussed on this matter because of the: • significance of the inventory balance to the profit and statement of financial position • physical verification by the management was not observed physically by us subsequent to the year-end due to the restrictions imposed on account of COVID-19.	We have performed the following procedures with respect to the inventory: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. On account of COVID-19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory: • Obtained the records of physical verification procedures conducted by the management prior to lockdown and performed roll forward procedures. • In case of the stock held at third party locations, obtained direct confirmation of the inventory held by the respective third parties. There were no significant exceptions noted from these procedures. We tested a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold. We did not identify any exceptions.



4. Information other than the Financial Statements and Auditor's Report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position- Refer Note No. 42 to the Standalone Financial Statement.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2020.
 - h. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Mehta Chokshi & Shah LLP**
Chartered Accountants
(FRN: 106201W/W100598)

ABHAY R. MEHTA
Partner

M. No.: 046088

UDIN: 20046088AAAAZ1467

Place: Mumbai
Date: 30th June, 2020


ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 7 (1) of our report of even date]

1) Clause (i)

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and investment properties.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all items of property plant and equipment are verified by the management according to phased programme designed to cover all the items over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2) Clause (ii)

In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on the aforesaid verification.

3) Clause (iii)

According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.

4) Clause (iv)

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable

5) Clause (v)

In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

6) Clause (vi)

We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act with respect to the Company's products, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7) Clause (vii)

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Profession tax, Income Tax, Duty of customs, Employees' State Insurance, Goods and Service tax, Cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Income Tax, Duty of customs, Employees' State Insurance, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable;
- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Goods and Service tax and Value added tax as at 31st March, 2020, which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount relates	Amount (₹ in lakhs) not deposited
Sales Tax Laws	State and Central Sales Tax	Deputy Commissioner of Sales Tax (Appeals) - Delhi	1999-2000	0.78
			2000-01	3.43
			2001-02	1.65
			2002-03	1.29
		Deputy Commissioner of Commercial Tax (Appeals) - Chennai	2006-07	2.00
Total				9.15



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8) Clause (viii)

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any outstanding dues to financial institutions and Government.

9) Clause (ix)

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company

10) Clause (x)

Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) Clause (xi)

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12) Clause (xii)

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable and hence not commented upon.

13) Clause (xiii)

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS.

14) Clause (xiv)

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

15) Clause (xv)

According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable and hence not commented upon.

16) Clause (xvi)

In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **Mehta Chokshi & Shah LLP**
Chartered Accountants
(FRN: 106201W/W100598)

ABHAY R. MEHTA

Partner

M. No.: 046088

UDIN: 20046088AAAAAZ1467

Place: Mumbai

Date: 30th June, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

Report on the internal financial controls with reference to the Aforesaid Standalone Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013.

(Referred to in paragraph 7(2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Garware Technical Fibres Limited (hereinafter referred to as "the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone



Financial Statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Mehta Chokshi & Shah LLP**
Chartered Accountants
(FRN: 106201W/W100598)

ABHAY R. MEHTA
Partner

Place: Mumbai
Date: 30th June, 2020

M. No.: 046088
UDIN: 20046088AAAAAZ1467



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STANDALONE BALANCE SHEET AS AT 31st MARCH, 2020

		(₹ in lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
A ASSETS	Note No.		
(1) Non-current assets			
(a) Property, Plant and Equipment	3	23,959.33	22,056.86
(b) Intangible Assets	4	490.25	612.03
(c) Financial Assets			
(i) Investments in Subsidiary and Associate	5	4,755.04	55.50
(ii) Other Investments	6	27,823.84	28,798.65
(iii) Trade Receivables	7	260.59	547.82
(iv) Loans	8	627.52	558.01
(v) Other Financial Assets	9	407.44	394.18
(d) Other non-current Assets	10	720.38	755.81
Total Non-Current Assets		59,044.39	53,778.86
(2) Current Assets			
(a) Inventories	11	18,692.26	16,820.89
(b) Financial Assets			
(i) Investments	12	9,672.23	4,247.02
(ii) Trade Receivables	13	21,482.03	24,289.71
(iii) Cash and Cash Equivalents	14	2,513.02	758.85
(iv) Bank Balances other than (iii) above	14	142.27	355.92
(v) Loans	15	591.35	590.69
(vi) Other Financial Assets	16	22.38	1,109.68
(c) Current Tax Assets	17	321.55	-
(d) Other Current Assets	17	7,888.25	5,741.67
Total Current Assets		61,325.34	53,914.43
TOTAL - ASSETS		120,369.73	107,693.29
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	18	2,188.21	2,188.21
(b) Other Equity	19	75,104.84	62,761.78
Total Equity		77,293.05	64,949.99
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	20	122.75	91.62
(ii) Other Financial Liabilities	21	4.90	4.40
(b) Provisions	22	827.55	485.13
(c) Deferred Tax Liabilities (net)	23	3,249.27	3,880.56
Total Non-current liabilities		4,204.47	4,461.71
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	10,037.70	10,797.27
(ii) Trade Payables	25	19,971.17	19,473.61
(iii) Other Current Financial Liabilities	26	1,959.08	1,653.30
(b) Other Current Liabilities	27	6,344.27	5,481.35
(c) Provisions	28	559.99	355.91
(d) Current Tax Liabilities (net)	29	-	520.15
Total Current Liabilities		38,872.21	38,281.59
TOTAL - EQUITY AND LIABILITIES		120,369.73	107,693.29

C NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS 1-52

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
Chartered Accountants,
F.R.NO.: 106201W/W100598

(ABHAY MEHTA)
Partner
M. No. 046088

Mumbai,
30th June, 2020

MUKESH SURANA
Chief Financial Officer

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

Pune,
30th June, 2020

V. R. GARWARE
Chairman & Managing Director
DIN. 00092201

R. M. TELANG
Director
DIN. 00092103

S. S. RAJPATHAK
Director
DIN: 00040387

M. V. GARWARE
Director
DIN. 06948274

S. P. KULKARNI
Director
DIN. 00006914


STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

			(₹ in lakhs)
	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1 INCOME			
Revenue from Operations	30	94,471.98	101,782.19
Other Income	31	6,913.27	2,097.65
Total Income		101,385.25	103,879.84
2 EXPENSES			
Cost of Materials Consumed	32	25,058.14	29,245.17
Purchases of stock-in-trade		3,513.59	3,913.71
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(1,360.33)	(167.16)
Employee Benefits Expenses	34	13,618.26	12,995.14
Finance Cost	35	1,120.59	1,372.29
Depreciation and Amortisation Expenses	3,4	1,926.22	1,724.04
Other expenses	36		
i) Processing and Testing Charges		8,715.59	8,235.91
ii) Others		27,173.00	28,360.70
Total Expenses		79,765.06	85,679.80
Profit Before Tax		21,620.19	18,200.04
Tax Expenses	37		
1. Current Tax		4,447.04	5,366.29
2. Deferred Tax		(626.86)	397.92
3. Adjustment for Short Provision of Earlier Years		-	(125.42)
TOTAL TAX EXPENSE		3,820.18	5,638.79
Profit for the year		17,800.01	12,561.25
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Investment in Equity Instruments		(252.43)	64.86
Remeasurement of Defined Benefit Obligation		(296.64)	(87.79)
(ii) Income tax related to items that will not be reclassified to profit or loss		(41.67)	(1.23)
Total Other Comprehensive Income for the year		(590.74)	(24.16)
Total Comprehensive Income for the year		17,209.27	12,537.09
EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10 each)			
Basic (₹) and Diluted (₹)	41	81.35	57.40

3 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS 1-52

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
 Chartered Accountants,
 F.R.NO.: 106201W/W100598

MUKESH SURANA
 Chief Financial Officer

V. R. GARWARE
 Chairman & Managing Director
 DIN. 00092201

M. V. GARWARE
 Director
 DIN. 06948274

(ABHAY MEHTA)
 Partner
 M. No. 046088

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

R. M. TELANG
 Director
 DIN. 00092103

S. P. KULKARNI
 Director
 DIN. 00006914

 Mumbai,
 30th June, 2020

 Pune,
 30th June, 2020

S. S. RAJPATHAK
 Director
 DIN: 00040387



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STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020	As at 31st March, 2019
(a) Equity share capital		
Equity Shares of ₹ 10/- each issued, subscribed & fully paid		
No of Shares	21,882,060	21,882,060
₹ in Lakhs	2,188.21	2,188.21

(b) Other Equity

For the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income			Other Equity
	Capital Reserve	Capital Redemption Reserve	Share Premium	General Reserve	Retained earnings	Revaluation Reserve	Net gain / (loss) on fair value of defined benefit plans	Equity instruments through other comprehensive income	
Balance as at 1st April, 2018	24.75	182.63	7,700.11	3,869.84	39,172.00	2.77	18.50	440.31	51,410.91
Profit for the year	-	-	-	-	12,561.25	(1.04)	-	-	12,560.21
Other comprehensive income	-	-	-	-	-	-	(87.79)	63.63	(24.16)
Total Comprehensive income for the year	-	-	-	-	12,561.25	(1.04)	(87.79)	63.63	12,536.05
Dividends paid	-	-	-	-	(984.71)	-	-	-	(984.71)
Dividends distribution tax paid	-	-	-	-	(200.47)	-	-	-	(200.47)
Balance as at 31st March, 2019	24.75	182.63	7,700.11	3,869.84	50,548.07	1.73	(69.29)	503.94	62,761.78
Balance as at 1st April, 2019	24.75	182.63	7,700.11	3,869.84	50,548.07	1.73	(69.29)	503.94	62,761.78
Profit for the year	-	-	-	-	17,800.01	(1.04)	-	-	17,798.97
Foreign currency translation credit	-	-	-	-	177.16	-	-	-	177.16
Other comprehensive income	-	-	-	-	-	-	(296.64)	(294.10)	(590.74)
Total Comprehensive income for the year	-	-	-	-	17,977.17	(1.04)	(296.64)	(294.10)	17,385.39
Dividends paid	-	-	-	-	(4,814.05)	-	-	-	(4,814.05)
Dividends distribution tax paid	-	-	-	-	(228.28)	-	-	-	(228.28)
Balance as at 31st March, 2020	24.75	182.63	7,700.11	3,869.84	63,482.91	0.69	(365.93)	209.84	75,104.84

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
Chartered Accountants,
F.R.NO.: 106201W/W100598

MUKESH SURANA
Chief Financial Officer

V. R. GARWARE
Chairman & Managing Director
DIN. 00092201

M. V. GARWARE
Director
DIN. 06948274

(ABHAY MEHTA)
Partner
M. No. 046088

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

R. M. TELANG
Director
DIN. 00092103

S. P. KULKARNI
Director
DIN. 00006914

Mumbai,
30th June, 2020

Pune,
30th June, 2020

S. S. RAJPATHAK
Director
DIN: 00040387


STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lakhs)

I. CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit Before Tax	21,620.19	18,200.04
Adjustments for reconcile Profit Before Tax To Net Cash Flows:		
Depreciation and Amortisation Expenses	1,926.22	1,724.04
Unrealised Exchange Difference	(631.05)	363.81
Finance Cost	1,120.59	1,372.29
Interest and Dividend Income Received	(3,736.81)	(58.28)
Fair Value Gain at Financial Instruments at FVTPL	(2,986.56)	(1,076.99)
Gain on sale/redemption of Investments	(189.90)	(962.38)
(Profit) / Loss on sale of Fixed Assets	29.64	(2.34)
Bad Debts	82.70	93.83
Provision for Doubtful Debts	35.00	71.12
Operating Profit before Working Capital Changes	17,270.02	19,725.14
Working Capital Adjustments		
(Increase) / Decrease in Trade & Other Receivable and Other Assets	2,143.96	(1,321.00)
(Increase) / Decrease in Inventories	(1,871.37)	(402.91)
Increase / (Decrease) in Trade and Other Payables	2,165.16	357.87
Cash generated from Operations	19,707.77	18,359.09
Direct Taxes paid	(5,271.54)	(5,035.35)
Net cash provided by Operating Activities	14,436.23	13,323.74

II. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment and Intangible Assets	(3,809.00)	(2,275.04)
Sale of Property, Plant & Equipment	72.46	7.10
(Increase)/ Decrease of Investments	(4,699.54)	-
(Increase)/ Decrease of Other Investments	(4,236.75)	(7,612.17)
Interest and Dividend Income Received	6,913.27	2,097.65
Net cash provided by / (used in) Investing Activities	(5,759.56)	(7,782.46)

III. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Short-term / Long-term Borrowings	(759.57)	(3,041.56)
Finance Cost	(1,120.59)	(1,372.29)
Dividend paid including Dividend Distribution Tax	(5,042.34)	(1,185.18)
Net cash from Financing Activities	(6,922.50)	(5,599.03)
Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)	1,754.17	(57.75)
Cash & Cash Equivalents at the beginning of the year	758.85	816.60
Cash & Cash Equivalents at year end	2,513.02	758.85

Reconciliation of cash flow in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2018	13,838.82
Cash movements	(3,041.56)
As at 31st March, 2019	10,797.27
Cash movements	(759.57)
As at 31st March, 2020	10,037.70

IV. NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS 1-52

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
 Chartered Accountants,
 F.R.NO.: 106201W/W100598

MUKESH SURANA
 Chief Financial Officer

V. R. GARWARE
 Chairman & Managing Director
 DIN. 00092201

M. V. GARWARE
 Director
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(ABHAY MEHTA)
 Partner
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 Mumbai,
 30th June, 2020

 Pune,
 30th June, 2020

S. S. RAJPATHAK
 Director
 DIN: 00040387



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

1 COMPANY INFORMATION

Garware Technical Fibres Limited (formerly known as Garware-Wall Ropes Limited) (the “Company”) is incorporated under the Provision of Companies Act, 1956 (as amended by Companies Act 2013) and domiciled in India. Company is listed with BSE & NSE. The Company has its the Registered Office and principal place of business at Plot No.11, Block D-1,,MIDC, Pune - 411019, Maharashtra. The Company is engaged in manufacturing and selling various products such as Ropes, Twine, Yarn, Fishnet, Other Nets and Technical Textiles. The Company is providing solution to the infrastructure industries which include coastal protection, land filling etc. The company caters to both domestic and international markets.

The Company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on June 30, 2020 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

2 Significant Accounting Policies Accounting Judgements, Estimates and Assumptions:

(A) Significant Accounting Policies:

2.1 Basis of preparation of Financial Statements:

The Financial Statements of the company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

The Financial Statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.2 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

All other assets are classified as non-current.

A liability is considered as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents.

2.3 Property, Plant and Equipment:

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

2.4 Depreciation:

Depreciation on property, plant and equipment is provided on different class of assets on the following basis:

Type of Asset	Method	Useful Life
Freehold Buildings	Written down value	60 years
Factory Buildings	Written down value	30 years
Plant and Machinery	Straight-Line	25 years
Electrical Installations	Straight-Line	10 years
Furniture & Fixtures	Straight-Line	10 years
Office Equipments	Straight-Line	3 / 5 years
Vehicles	Straight-Line	8 years
Helicopter	Straight-Line	20 years

Depreciation on additions to Property, Plant and Equipment is provided on pro-rata basis from the date of acquisition or installation, and in case of new project from the date of commencement of commercial production.

Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

Cost of Leasehold Land and Improvement is written off over the period of Lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Capital Work in Progress and Capital Advances:

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

2.6 Intangible Assets and Amortisation thereof:
2.6.1 Internally generated Intangible Assets (Research and Development):

- Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- 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.

2.6.2 Other Intangible Assets:

An intangible asset is recognised if:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6.3 Amortisation of Intangible Assets:

Amortization 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. Amortization is recognised in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

Intangible Assets with finite useful lives are amortised on a straight line basis over the following period:

Type of asset	Useful Life
Technical Know How	10 Years
Product Development	10 Years
Computer Software	10 Years
Patent	5 Years

2.7 Impairment of Property Plant & Equipment and Intangible Assets:

Carrying amount of tangible and intangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or 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. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Inventories:

Inventories are stated at lower of cost or net realisable value. The costs of various categories of inventories are arrived at as follows:

- Stores, spares, fuel & packing materials and raw materials - 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 costs 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 THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

2.9 Revenue Recognition:

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied except Revenue from Project Contracts where in revenue is recognised over the time from the financial year in which the Contract is commenced for execution. The period over which revenue is recognised is based on Company's right to payment for performance completed. In determining whether the Company has right to payment, the Company considers whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than Company's failure to perform as per the terms of the contract.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

Interest Income:

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.

Dividend Income:

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.10 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets:

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at Amortised Cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)

Financial Assets at Amortised Cost:

A financial asset is measured at the Amortised Cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised Cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

Financial Assets at FVTPL:

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;
 - a. The Company has transferred substantially all the risks and rewards of the asset, or
 - b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets:

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

ii) Financial Liabilities:

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

(iv) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

2.11 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 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 and are determined using the Projected Unit Credit Method. 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. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit or Loss.

2.12 Borrowing Costs:

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds, that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

2.13 Leases:

The Company has adopted Ind AS 116 effective from 1st April, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31st March, 2020. As per the modified retrospective approach, the Company is not required to restate comparative information, instead, the cumulative effect of initially applying this standard can be recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a defined period of time in



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

As a lessee, The Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option;

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2.14 Foreign Currency Transactions:

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.15 Taxes on Income:

Current Income Taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT):

MAT paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Company.

2.16 Provisions and Contingent Liabilities:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes.

2.17 Government Grants and Subsidy:

Grants and Subsidies from the government are recognised when there is a reasonable assurance that

- (i) the Company will comply with the conditions attached to them, and
- (ii) the grant / subsidy will be received.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

2.18 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

2.19 Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

2.20 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.21 Commitments:

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- (a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- (b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.22 Segment Reporting:

(A) Operating Segments:

- i) Synthetic Cordage
- ii) Fibre and Industrial Products and Projects

Identification of Segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the Management. The Management monitor the operating result of its business units separately for the purpose of making decision about resource allocation and performance assessment. For management purposes, operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. The company's financing and Income Taxes are not allocated to operating segments.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

Segments Revenue and Results:

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated income / costs. Interest income and expense are not allocated to respective segments.

Segments Assets and Liabilities:

Segment Assets / Liabilities include all operating assets / liabilities used by the operating segments. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer:

Inter segment revenues are recognised at sale price. The same is based on market price and business risks. Profit or loss on Inter Segment transfer are eliminated at the Company level.

(B) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognised in the period in which the results are known / materialize.

2.23 Estimates Assumptions and Judgements:

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

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

a) Estimation of Current Tax Expense and Deferred Tax:

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits / losses and / or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

b) Recognition of Deferred Tax Assets / Liabilities:

The recognition of deferred tax assets / liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

c) Estimation of Provisions & Contingent Liabilities:

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision

d) Estimated useful life of Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

e) Estimation of Provision for Inventory:

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

f) Estimation of Defined Benefit Obligation:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

g) The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

h) Estimated fair value of Financial Instruments:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3 PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

Particulars	Leasehold Land	Buildings	Plant and Machinery	R&D Equipments	Electrical Installations	Furniture and Fixtures	Office Equipments	Vehicles	Helicopter	Total
Gross Block (at cost or deemed cost)										
As at 1st April 2018	512.01	3,505.90	14,930.80	2,761.79	483.76	269.60	378.04	850.65	112.78	23,805.33
Additions	-	444.95	667.03	658.71	156.34	38.74	156.43	61.85	-	2,184.04
Disposals	-	-	(0.14)	(0.41)	-	-	-	(45.77)	-	(46.32)
As at 31st March 2019	512.01	3,950.85	15,597.69	3,420.09	640.10	308.34	534.48	866.73	112.78	25,943.06
Additions	-	336.90	2,942.28	105.80	149.92	46.54	120.56	56.28	-	3,758.28
Disposals	-	-	(778.89)	-	(0.10)	(0.14)	(91.96)	(15.93)	-	(887.03)
As at 31st March 2020	512.01	4,287.74	17,761.08	3,525.88	789.92	354.74	563.08	907.08	112.78	28,814.31
Depreciation and Impairment										
At at 1st April 2018	8.82	475.06	1,286.50	181.28	102.90	60.39	164.23	164.62	(31.14)	2,412.66
Charge for the year	5.68	263.50	768.76	139.96	52.23	33.29	90.37	131.21	31.14	1,516.14
Disposals	-	-	(0.02)	(0.01)	-	-	-	(42.57)	-	(42.60)
As at 31st March 2019	14.50	738.56	2,055.24	321.23	155.13	93.68	254.60	253.26	-	3,886.20
Charge for the year	5.68	276.64	935.40	209.96	57.46	34.96	103.07	124.67	6.91	1,754.75
Disposals	-	-	(691.04)	-	(0.10)	(0.14)	(88.04)	(6.65)	-	(785.97)
As at 31st March 2020	20.18	1,015.20	2,299.60	531.20	212.49	128.49	269.63	371.29	6.91	4,854.98
Net Block										
As at 31st March 2020	491.84	3,272.55	15,461.47	2,994.69	577.43	226.25	293.45	535.79	105.87	23,959.33
As at 31st March 2019	497.51	3,212.29	13,542.45	3,098.86	484.97	214.66	279.87	613.47	112.78	22,056.86

Notes:

1. All the leases are 95 years whereas all the items of PPE are expected to be depreciated within that period of time and hence in current lot of PPE, no provision for restoration cost is required.
2. During the year ₹ 1.04 lakhs (previous year ₹ 1.04 lakhs) has been withdrawn from Revaluation Reserve on account of depreciation on revalued portion.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
4 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Technical Knowhow	Product Development	Computer Software	Patent	Total
Gross Block (at cost or deemed cost)					
As at 1st April 2018	—	445.28	637.71	—	1,082.99
Additions	—	—	67.63	23.36	90.99
Disposals	—	—	—	—	—
As at 31st March 2019	—	445.28	705.34	23.36	1,173.98
Additions	3.42	—	21.83	25.48	50.73
Disposals	—	—	—	—	—
As at 31st March 2020	3.42	445.29	727.17	48.84	1,224.71
Amortisation and Impairment At at 1st April 2018	—	197.37	155.64	—	353.01
Charge for the year	—	89.56	117.52	1.86	208.94
Disposals	—	—	—	—	—
As at 31st March 2019	—	286.93	273.16	1.86	561.95
Charge for the year	—	46.34	119.80	6.38	172.52
Disposals	—	—	—	—	—
As at 31st March 2020	—	333.27	392.96	8.24	734.46
Net Block					
As at 31st March 2020	3.42	112.02	334.21	40.60	490.25
As at 31st March 2019	—	158.35	432.18	21.50	612.03

5 FINANCIAL ASSETS

(₹ in lakhs)

INVESTMENTS IN SUBSIDIARY AND ASSOCIATE
a) In Subsidiary Company at cost:

Shares in Garware Environmental Services Pvt. Limited of ₹ 10/- each

Share Garware Technical Fibres USA Inc

b) In Associate Company at cost :

Shares in Garware Meditech Pvt. Limited of ₹ 10/- each

Total investment in Subsidiary & Associate

As at 31st March, 2020		As at 31st March, 2019	
No. of Shares/units	Amount	No. of Shares/units	Amount
1,000,000	55.00	1,000,000	55.00
100	4,699.54	—	—
5,000	0.50	5,000	0.50
	<u>4,755.04</u>		<u>55.50</u>



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

6 OTHER INVESTMENTS

A. INVESTMENTS at FVTOCI

In Equity instruments:

Quoted

Shares in Garware Marine Industries Limited of ₹ 10/- each

Shares in Garware Polyester Limited of ₹ 10/- each

Sub-total

Unquoted

Shares in Intermedia Interactive Solutions

Pvt. Limited of ₹ 10/- each

Shares of Gujarat Filament Corporation Limited of ₹ 10/- each

Sub-total

Total Equity Investment

B. INVESTMENTS at FVTPL

a. Non Convertible Debentures

Aditya Birla Finance Limited

Bajaj Housing Finance Limited

HDB Financial Services Limited

ICICI HOME FINANCE LTD NCD - 730 DA

Sub-total (a)

b. Other Debt Instruments

7 Year National Savings Certificates

(deposited with Sales Tax Authorities)

Sardar Sarovar Narmada Nigam Limited FDR

Sub-total (b)

c. Investments in Mutual Funds

(i) DEBT MUTUAL FUND

IDFC Banking & PSU Debt Fund-Regular Plan (Growth)

IDFC Banking & PSU Debt Fund-Direct Plan (Growth)

HDFC FRIF Short Term Plan (Growth)

ICICI Prudential Flexible Income Plan (Growth)

Sundaram Corporate Bond Fund CBDG (Dir Growth)

(ii) DEBT MUTUAL FUND (FMP)

HDFC Bank FMP 1100D

IDFC FMP SERIES - 154 (1098 DAYS (Growth)

DSPBR FMP 204-37M-Reg(G) [4023100/2

UTI Fix Term Inc Fund Ser-XXVII-IX 1160Day (Growth)

HDFC Bank FMP 1143 DAYS R

HDFC Bank FMP 1143 DAYS D

HDFC FMP 1381D Direct Plan (Growth)

SBI Debt Fund Ser C-12 1122 DAYS R

SBI Debt Fund Ser C-12 1122 DAYS D

SBI Debt Fund Ser C-18 R Plan 1100 DAYS (Growth)

SBI FMP Ser 9 R Plan 1178 DAYS (Regular Growth)

SBI FMP Ser 9 R Plan 1178 DAYS (Dir Growth)

SBI FMP Ser 11 Plan 1178 DAYS (Reg Growth)

SBI FMP Ser 11 Plan 1178 DAYS (Dir Growth)

DSPBR FMP SERIES 220 Growth

Aditya Birla Sun Life Fixed Term Plan Series PE(1159)

As at 31st March, 2020		As at 31st March, 2019	
No. of Shares/units	Amount	No. of Shares/units	Amount
50,000	1.11	50,000	1.45
146,350	242.06	146,350	318.60
	<u>243.17</u>		<u>320.05</u>
890,680	73.26	890,680	294.90
50	0.01	50	0.01
	<u>73.27</u>		<u>294.91</u>
	<u>316.44</u>		<u>614.96</u>
200	2,278.43	200	2,087.17
-	-	200	2,036.16
-	-	178	2,032.97
100	533.57	-	-
	<u>2,812.00</u>		<u>6,156.30</u>
	0.16		0.16
	17.50		17.50
	<u>17.66</u>		<u>17.66</u>
3,051,236	541.38	-	-
3,021,641	542.81	-	-
		4,481,829	1,456.73
		153,450	550.47
3,705,900	1,089.25	-	-
5,000,000	546.77	-	-
5,001,010	587.64	5,001,010	538.23
		5,000,000	575.52
		2,000,000	218.78
2,500,000	295.23	5,000,000	540.31
2,500,000	293.77	-	-
20,000,000	2,367.56	20,000,000	2,148.20
2,500,000	287.10	5,000,000	537.59
2,500,000	289.20	-	-
5,000,965	585.40	5,000,965	538.49
5,000,000	538.74	-	-
5,000,000	539.77	-	-
5,000,000	535.19	-	-
5,000,000	536.16	-	-
10,000,000	1,186.26	10,000,000	1,087.72
10,000,000	1,179.59	15,000,000	1,627.22


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares/units	Amount	No. of Shares/units	Amount
Aditya Birla Sun Life Fixed Term Plan Series PE(1159)	5,000,000	592.04	-	-
Aditya Birla Sun Life Fixed Term Plan Series RC(1295)	20,000,000	2,323.76	20,000,000	2,127.72
Kotak FMP Series-219-1240Days	10,000,000	1,190.91	10,000,000	1,089.63
Kotak FMP Series 230 (Growth)	5,001,038	589.38	5,001,038	540.11
Kotak FMP Series 233 (Growth)	5,001,010	585.40	5,001,010	537.42
Kotak FMP Series 261 (Growth)	10,000,000	1,124.72	10,000,000	1,023.94
ICICI Series 82-1199Days	10,008,937	1,189.20	10,008,937	1,091.05
ICICI FMP - Plan Series 85 - 1127 Days Q	15,000,000	1,645.60	15,000,000	1,500.68
SBI Debt Fund Series C-10 1150 DAYS (R Growth)			10,008,824	1,083.00
L&T FMP Series XVIII - D plan 1155D (Growth)	5,000,000	559.91	5,000,000	510.14
L&T FMP Series XVIII - R plan (Growth)	5,000,000	560.85	5,000,000	510.04
ICICI Prudential FMP Series 82-Plan 1199Days	10,000,000	1,187.84	10,000,000	1,090.90
ICICI Prudential FMP - Series 83 - 1108 Days	10,000,000	1,186.31	10,000,000	1,085.84
Sub-total (c)		24,677.75		22,009.73
Total Investments measured at FVTPL		27,507.41		28,183.69
7 TRADE RECEIVABLE				
Non-Current				
Unsecured, considered good (measured at amortised cost)				
Trade Receivable (Includes retention money)		260.59		547.82
Total		260.59		547.82
8 LOANS - NON CURRENT				
Unsecured, considered good				
At Amortised Cost				
(i) Security Deposits		310.67		289.99
(ii) Other Loans		316.85		268.02
Total		627.52		558.01
Other Loans includes :				
Loan to employees		277.96		235.02
9 OTHER NON-CURRENT FINANCIAL ASSETS				
Other Deposit Current Assets (measured at amortised cost)		221.68		216.68
Recoverable from related party				
Bank Deposits with maturity of more than 12 months		185.76		177.50
(Above bank deposits are pledged as margin money)				
Total		407.44		394.18
10 OTHER NON-CURRENT ASSETS				
Taxes Receivable (other than Income Tax)		616.63		616.63
Capital Advances		28.03		45.67
Other Non-Current Assets*		75.72		93.51
Total		720.38		755.81
Other Non-Current Assets includes;				
*Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL		21.20		40.70



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020	As at 31st March, 2019
11 INVENTORIES - CURRENT ASSET		
Raw Materials	5,447.43	5,257.84
Work-in-Progress	4,653.48	3,410.20
Finished Goods (Including Goods-in-Transit)	6,023.81	5,849.90
Traded Goods	542.87	599.73
Stores, Spares, Fuel and Packing Materials	2,024.67	1,703.22
Total	18,692.26	16,820.89

Note: For details of inventories pledged refer Note 24 and refer Note 2.8 for basis of valuation.

	As at 31st March, 2020	As at 31st March, 2019
12 INVESTMENTS - CURRENT		
INVESTMENTS at FVTPL		
(a) NON CONVERTIBLE DEBENTURES		
Citicorp Finance India Limited	1,000.00 1,069.04	3,500.00 3,615.86
Bajaj Housing Finance Limited	200.00 2,212.65	- -
HDB Financial Services Limited	178.00 2,207.12	- -
Sub-total (a)	5,488.81	3,615.86
(b) INVESTMENTS IN MUTUAL FUNDS		
(i) DEBT MUTUAL FUND		
HDFC FRIF Short Term Plan (Growth)	4,481,828.64 1,573.69	- -
ICICI Prudential Flexible Income Plan (Growth)	153,450.00 594.39	- -
(ii) DEBT MUTUAL FUND (FMP)		
HDFC Bank FMP 1100D		5,000,000 631.16
DSPBR FMP 204-37M-Reg(G) [4023100/2]	5,000,000.00 617.74	- -
UTI Fix Term Inc Fund Ser-XXVII-IX 1160Day (Growth)	2,000,000.00 220.87	- -
SBI Debt Fund Series C-10 1150 DAYS (R Growth)	10,008,824.00 1,176.73	- -
Sub-total (b)	4,183.42	631.16
Total Current Investments	9,672.23	4,247.02

13 TRADE RECEIVABLES		
Measured at Amortised Cost		
Unsecured, Considered Good	21,482.03	24,289.71
Unsecured, Considered Doubtful	162.98	127.23
	21,645.01	24,416.94
Less: Allowance for Doubtful Debts	(162.98)	(127.23)
Total	21,482.03	24,289.71

Before accepting any new customer, the company has appropriate levels of control procedures which ensures the potential customer's credit quality and the same are periodically reviewed by the management.

Movement in allowance for doubtful debts

Balance at the beginning of the year	127.23	112.36
Allowance for doubtful debts during the year	67.20	71.02
Reversal of allowance for doubtful debts during the year	(31.45)	(56.15)
Balance at the end of the year	162.98	127.23

14 (A) CASH AND BANK BALANCES		
Cash on hand	16.46	5.56
Balances with banks		
a) In Current Accounts	496.56	753.29
b) Term Deposits with maturity less than three months	2,000.00	-
Total (A)	2,513.02	758.85
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	119.45	56.09
Pledged Term Deposit with maturity above three months and less than twelve months	22.82	299.83
Total (B)	142.27	355.92
Total (A+B)	2,655.29	1,114.77


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
15 LOANS				
Measured at amortised cost				
Unsecured, considered good				
Staff Loan		382.18		386.55
Deposit		209.17		204.14
Total		<u>591.35</u>		<u>590.69</u>
16 OTHER FINANCIAL ASSET				
Measured at Amortised Cost				
Unsecured, considered good				
Other Financial Assets		0.53		1,088.28
Interest Accrued On Deposit Others		21.85		21.39
Total		<u>22.38</u>		<u>1,109.68</u>
17 (A) OTHER CURRENT TAX ASSET (NET)		321.55		-
Advance Tax and Tax Deducted at Source (net of provision)				
Total (A)		<u>321.55</u>		<u>-</u>
(B) OTHER CURRENT ASSET				
Balance with Government authorities		6,492.31		4,967.48
Trade Advances		878.98		544.43
Prepayments		341.04		154.15
Advance to Employees		97.19		75.61
Others		78.73		-
Total (B)		<u>7,888.25</u>		<u>5,741.67</u>
Total (A+B)		<u>8,209.80</u>		<u>5,741.67</u>
18 EQUITY SHARE CAPITAL				
Authorised Share Capital				
i) Equity Shares of ₹ 10/- each	50,000,000	5,000.00	50,000,000	5,000.00
ii) Unclassified Shares of ₹ 10/- each	10,000,000	1,000.00	10,000,000	1,000.00
		<u>6,000.00</u>		<u>6,000.00</u>
Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	21,882,060	2,188.21	21,882,060	2,188.21
		<u>2,188.21</u>		<u>2,188.21</u>
a) Reconciliation of Number of Shares				
Equity Shares				
Opening Balance	21,882,060	2,188	21,882,060	2,188
Changes during the year				
Closing Balance	<u>21,882,060</u>	<u>2,188</u>	<u>21,882,060</u>	<u>2,188</u>
b) Rights, Preferences and restrictions attached to Equity Shares:				
The Company has only one class of equity shares having a par value of ₹ 10 per Share. Each shareholder of equity shares is entitled for one vote per share. The interim dividend declared by the Board of Directors at its meeting held on 14th March, 2020 is being recommended as the final dividend for the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the Shareholders of equity shares are eligible to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any.				
c) Details of Shareholders holding more than 5% Shares in the Company				
Equity Shares				
Mr. V. R. Garware*		3,568,295		3,568,295
		16.31%		16.31%
Garware Capital Markets Limited		3,563,570		3,562,567
		16.29%		16.28%



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The above Shareholding represents the legal ownership of shares

* Out of 35,68,295 (16.31%) Equity Shares, 21,18,893 (9.68%) Equity Shares are registered in the name of Mr. V. R. Garware as partner of Partnership Firms. Beneficial interest in the said share is held by the Partnership Firms.

d) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March, 2019): Nil

	As at 31st March, 2020	As at 31st March, 2019
(₹ in lakhs)		
19 OTHER EQUITY		
RETAINED EARNINGS	63,326.82	50,982.73
OTHER RESERVES		
a) Capital Reserve	24.75	24.75
b) Capital Redemption Reserve	182.63	182.63
c) Share Premium		
Share Premium Account	7,597.37	7,597.37
Share Premium Related To Forfeited Shares	102.74	102.74
d) Revaluation Reserve	0.69	1.73
e) General Reserve	3,869.84	3,869.84
Total	11,778.02	11,779.06
Grand Total	75,104.84	62,761.78
NON-CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
20 NON-CURRENT TRADE PAYABLE		
Measured at Amortised Cost	122.75	91.62
Retention money payable	122.75	91.62
21 NON-CURRENT FINANCIAL LIABILITY		
Measured at Amortised Cost	4.90	4.40
Security Deposit from Contractor	4.90	4.40
22 NON CURRENT PROVISIONS		
Provision for Employee Benefits *	827.55	485.13
Total	827.55	485.13
* Provision for employee benefits includes provision for Leave encashment, Super annuation and Gratuity (refer Note No. 38)		
23 DEFERRED TAX (ASSET) / LIABILITIES		
Deferred Tax relates to the following		
Depreciation and Amortisation	2,800.83	3,914.79
Employee Benefit Obligation	(84.64)	(205.63)
Provision for Doubtful Debts	(41.02)	(6.36)
Financial Asset / Liabilities measured at FVTPL	525.74	174.75
Financial Asset / Liabilities measured at FVOCI	83.60	88.03
Financial Asset / Liabilities measured at Amortised Cost	(35.24)	(85.02)
Others	-	-
Deferred Tax Liability (Net)	3,249.26	3,880.56


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lakhs)

FINANCIAL LIABILITIES**24 BORROWINGW-CURRENTS****Secured (at amortised cost)****- From banks**

Working Capital Facilities

Total**As at 31st March, 2020****As at 31st March, 2019****10,037.70****10,797.27****10,037.70****10,797.27**

Note:

Loans availed from Bank of India Consortium are secured by a first charge, pari passu, 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. Secured loan including post shipment credit carries an interest rate ranging from 5.5% to 6.5% p.a. for repayments on various dates ranging up to 180 days.

25 TRADE PAYABLE-CURRENT

Measured at Amortised Cost

Outstanding dues of Micro Enterprises & Small Enterprises

Outstanding dues of creditors other than Micro Enterprises & Small Enterprises

Total**45.48****45.02****19,925.69****19,428.60****19,971.17****19,473.62**

Note:

Trade payable are not interest bearing and are normally settled as terms of agreement. Refer Note 46 for discussion on company's credit risk management policies and procedures.

Details of dues to Micro and Small Enterprises are defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The principle amount due the supplier under MSMED Act, 2006 at the year end.

Interest Accrued and due to supplier under MSMED Act, 2006 on the above amount, unpaid at the year end.

Payment made to supplier (other than interest) beyond the appointed date during the year.

Interest paid to supplier under MSMED Act, 2006 (Section 16) during the year.

Interest due and payable to supplier under MSMED Act, 2006 for payments already made.

Interest Accrued and not paid to supplier under MSMED Act, 2006 up to the year end.

45.48**45.50****1.09****1.41****-****224.45****-****-****-****1.39****-****1.39**

The above information has been disclosed in respect of parties which have been identified on the basis of the information available.

26 OTHER CURRENT FINANCIAL LIABILITIES

Payable to Employees

Unpaid Dividend (refer note below)

Security deposit from Customer

Other Payables

Total**1,419.88****1,353.03****119.45****56.09****137.52****138.02****282.23****106.15****1,959.08****1,653.30**

Note: In respect of unclaimed dividend, the actual amount is transferred to investor protection fund on the determined due date.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
	As at 31st March, 2020	As at 31st March, 2019
27 OTHER CURRENT LIABILITY		
Unearned revenue	4,142.44	4,025.78
Advance received from Customers	2,092.32	1,346.26
Statutory dues and other liabilities	109.51	109.31
Total	<u>6,344.27</u>	<u>5,481.35</u>
28 CURRENT PROVISIONS		
Provision for Employee Benefits*	559.99	355.91
Total	<u>559.99</u>	<u>355.91</u>
* Provision for employee benefits includes provision for Leave Encashment, Super Annuation and Gratuity (refer Note No. 38)		
29 CURRENT TAX LIABILITY (NET)		
Provision for Taxation (net of Advance Tax and Tax Deducted at Source)	-	520.15
Total	<u>-</u>	<u>520.15</u>
		(₹ in lakhs)
30 REVENUE	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products and Services		
Manufactured Goods	85,313.07	91,791.09
Traded Goods	4,385.08	6,203.40
Contracts for Supply & Installation	3,513.39	3,373.21
Other operating Revenue		
Sale of Scrap	585.14	280.11
Sale of Raw Material	485.38	
Miscellaneous Receipts	189.92	134.38
Total	<u>1,260.44</u>	<u>414.49</u>
Disaggregation of revenue		
Revenue based on Geography		
Domestic	39,331.65	42,941.08
Export	55,140.33	58,841.11
Revenue from operations	<u>94,471.98</u>	<u>101,782.19</u>
Revenue based on Business Segment		
Synthetic Cordage	78,420.65	85,514.62
Fibre and Industrial Products & Projects	16,051.32	16,267.57
Total Revenue from operation	<u>94,471.97</u>	<u>101,782.19</u>
Reconciliation of Revenue from operations with contract price		
Contract Price	95,437.84	103,282.67
Less:- Discounts and Incentives	(965.86)	(1,500.48)
Total Revenue from operation	<u>94,471.98</u>	<u>101,782.19</u>
31 OTHER INCOME		
Interest income from financial asset carried at amortise cost		
Bank deposits	21.11	41.06
From other financial assets	12.22	10.81
Dividend income from equity investments designated at FVTOCI*	3,703.48	4.07
Fair Value Gain at financial instruments at FVTPL	2,986.56	1,076.99
Gain on sale/redemption of investments	189.90	962.38
Profit on sale of Fixed Asset	-	2.34
Total	<u>6,913.27</u>	<u>2,097.65</u>

* Includes dividend received from subsidiary company GTF USA Inc. ₹ 3703.47 lakhs.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
32 COST OF MATERIAL CONSUMED		
Opening Stock at the beginning of the year	5,257.84	5,296.81
Add : Purchases	25,247.73	29,206.20
Less : Closing Stock at the end of the year	<u>(5,447.43)</u>	<u>(5,257.84)</u>
Total	<u><u>25,058.14</u></u>	<u><u>29,245.17</u></u>
33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock at the beginning of the year		
Work-in-Progress	3,410.20	3,330.57
Finished Goods	5,849.90	5,896.26
Traded Goods	<u>599.73</u>	<u>465.84</u>
	<u><u>9,859.83</u></u>	<u><u>9,692.67</u></u>
(b) Closing Stock at the end of the year		
Work-in-Progress	4,653.48	3,410.20
Finished Goods	6,023.81	5,849.90
Traded Goods	<u>542.87</u>	<u>599.73</u>
	<u><u>11,220.16</u></u>	<u><u>9,859.83</u></u>
Net Total (Increase) / Decrease	<u><u>(1,360.33)</u></u>	<u><u>(167.16)</u></u>
34 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	12,136.22	11,615.74
Contribution to Provident and other Funds (Note No. 38)	720.26	551.06
Staff Welfare	761.78	828.34
Total	<u><u>13,618.26</u></u>	<u><u>12,995.14</u></u>
35 FINANCE COST		
Interest expenses on borrowings *	871.26	1,005.52
Bank charges	249.33	366.77
Total	<u><u>1,120.59</u></u>	<u><u>1,372.29</u></u>
* Interest expenses includes ₹ 393.07 lakhs (Previous year ₹ 419.05 lakhs) on account of interest on borrowings from related parties.		
36 OTHER EXPENSES		
Stores and Spares consumed	7,644.05	6,993.11
Packing materials consumed	1,700.10	1,540.00
Power, Fuel and Water Charges	3,647.81	3,515.95
Processing and Testing Charges	8,715.59	8,235.91
Installation Contract related expenses	1,593.24	2,204.84
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	565.24	668.62
Rent	432.10	451.76
Rates, Taxes and Octroi	115.10	112.18
Insurance	218.53	236.43
Transport and Forwarding Charges	5,068.57	5,285.02



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Repairs and Maintenance		
Buildings	55.41	74.20
Plant and Machinery	1,990.58	1,984.77
Others	433.32	429.17
Travelling Expenses	1,177.16	1,168.47
Discount and Commission on sales	730.83	1,162.01
Bad Debts	82.70	93.83
Provision for Doubtful Debts	35.00	71.12
Legal and Professional Charges	1,501.61	1,650.57
Auditors' Remuneration		
Audit Fees	18.05	12.50
Fees for other Services	14.00	12.80
Out of pocket expenses	2.08	2.16
Establishment and other miscellaneous expenses *	1,772.43	1,604.15
Exchange (Gain) / Loss (net)	(1,664.35)	(921.36)
Directors' Fees	9.80	8.40
(Profit) / Loss on Fixed Assets Discarded	29.64	-
Total	35,888.59	36,596.61
Detail of CSR Expenditure;		
Amount required to spent during the year	273.51	228.35
Amount spent during the year	121.80	59.62
Research and development cost		

The company has incurred expenses on research and development at research and development facilities (Chinchwad and Wai Plant) approved and recognised by the Ministry of Science and Technology, Government of India (DSIR).

Revenue expenditure charged to Statement of Profit and Loss	1,155.79	962.51
Capital expenditure	105.80	658.71

37 Income taxes

The major components of income tax expenses for the year ended 31st March, 2020 & 31st March, 2019.

Statement of Profit and Loss:

Current Income Tax Charges		
Current Income Tax	4,447.04	5,366.29
Adjustment of Tax for previous year	-	(125.42)
Deferred Tax		
Relating to origination and reversal of temporary differences	(626.86)	397.92
Income tax expenses reported in the Statement of Profit and Loss	3,820.18	5,638.79

Other Comprehensive Income:

Remeasurement of Investment in Equity Instruments	(252.43)	64.86
Net gain or loss on remeasurements of defined benefit plans	(296.64)	(87.79)
Income tax related to items that will not be reclassified to profit or loss	(41.67)	(1.23)


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2020 & 31st March, 2019.

(₹ in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Accounting profit before tax (before exceptional items)	21,620.19	18,200.04
At India's statutory income tax rate of 25.168% (For the year ended 31st March 2019 : 34.944%)	5,441.37	6,359.82
Dividend income	–	(126.85)
Fair value gain of FVTOCI investment Dividend income	(799.45)	(409.88)
Weighted deduction on research and development capital and revenue expenses	–	(511.25)
Dividend income on foreign subsidiary	(291.13)	–
Difference in book and IT depreciation	19.59	(28.07)
Others	21.51	54.83
Tax @11.536% on Capital gain income	55.15	27.69
Income Tax expenses reported in the Statement of Profit and Loss (A)	4,447.04	5,366.29
Tax Expenses recognised in Statement of Profit and Loss		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(1,113.96)	243.89
Incremental Deferred Tax Liability / (Asset) on account of Financial Assets and Other items	487.10	154.03
Deferred Tax Provision (B)	(626.86)	397.92
Adjustment recognised in the current year in relation to the prior years (C)	–	(125.42)
Total Expenses recognised in Statement of Profit and Loss (A+B+C)	3,820.18	5,638.79

During the year, the Company has paid dividends to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authorities on behalf of the shareholders. Hence DDT paid is charged to equity.

The income tax department had conducted a search operation at the Company premises in the month of November, 2019. The Company has not received any communication on the outcome thereof.

38 Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in bond yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

I Changes in the net benefit obligation and fair value of plan assets are as follows:

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2018	1,855.36	(1,733.82)	121.55
Current service cost	113.28	–	113.28
Interest expense/(income)	143.42	(134.02)	9.40
Total amount recognised in Profit or Loss	256.70	(134.02)	122.67
Experience adjustments	86.70	–	86.70
Actuarial loss from change in financial assumptions	(4.73)	–	(4.73)
Return on plan assets (income)	–	5.82	5.82
Total amount recognised in Other Comprehensive Income	81.97	5.82	87.79
Employer contributions	–	(107.00)	(107.00)
Benefits paid	(154.72)	154.72	–
31st March, 2019	2,039.31	(1,814.31)	225.00



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current service cost	120.48	–	120.48
Interest expense/(income)	158.25	(140.79)	17.46
Total amount recognised in Profit or Loss	278.73	(140.79)	137.94
Experience adjustments	52.93	–	52.93
Actuarial loss from change in financial assumptions	159.04	–	159.04
Return on plan assets (income)	–	84.66	84.66
Total amount recognised in Other Comprehensive Income	211.97	84.66	296.64
Employer contributions	–	(129.04)	(129.04)
Benefits paid	(112.24)	112.24	–
31st March, 2020	2,417.77	(1,887.23)	530.53

II The net liability disclosed above relates to funded plans are as follows :

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019	31st March, 2018
Present value of funded obligation	2,417.77	2,039.31	1,855.36
Fair value of plan assets	(1,887.23)	(1,814.31)	(1,733.82)
Surplus of Defined Benefit Liability	530.53	225.00	121.55

III Significant estimates

The principal actuarial assumptions were as follows :

Particulars	31st March, 2020	31st March, 2019	31st March, 2018
Discount rate	6.87%	7.76%	7.73%
Salary growth rate	5.00%	5.00%	5.00%
Normal retirement age	58/60 years	58/60 years	58/60 years
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Employee turnover	2%	2%	2%

IV Sensitivity analysis

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

Assumption	Impact on defined benefit obligation	
	31st March, 2020	31st March, 2019
Discount rate		
1.00% increase	Decrease by 177.44	Decrease by 147.31
1.00% decrease	Increase by 202.93	Increase by 168.57
Future salary increase		
1.00% increase	Increase by 204.71	Increase by 171.57
1.00% decrease	Decrease by 182.01	Decrease by 152.28
Attrition Rate		
1.00% increase	Increase by 25.94	Increase by 34.58
1.00% decrease	Decrease by 28.80	Decrease by 38.37


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous periods.

The following are the expected cash flows to the defined benefit plan in future years: (₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Within next 12 months	319.94	277.29
Between 1-10 years	1514.20	1328.35
11 years & above	2820.96	2723.25

V The major categories of plan assets are as follows:

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Investments with Insurer (LIC of India)	0.01%	0.01%
HDFC Standard Life Insurance	99.99%	99.99%

39 Segment Reporting

- 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 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.
- Segment Accounting Policies are the same as those used in the preparation of the Financial Statements. The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.
- 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.
- 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

Year 2019-2020

 (₹ in lakhs)
 Year 2018-2019

Particulars	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total
i) Segment Revenue	78,791.29	17,494.57	-	96,285.86	86,031.16	17,340.73	-	103,371.89
Inter-segment revenue	(370.63)	(1,443.25)	-	(1,813.88)	(516.54)	(1,073.16)	-	(1,589.70)
Sales/Income From operations	78,420.65	16,051.32	-	94,471.97	85,514.62	16,267.57	-	101,782.19
ii) Depreciation and amortization	1,593.91	229.86	102.45	1,926.22	1,362.77	212.61	148.66	1,724.04
iii) Segment Result	16,119.28	2,389.90	-	18,509.18	18,176.14	2,750.53	-	20,926.67
Less -								
i) Interest				(1,120.59)				(1,372.29)
ii) Other Unallocable expenditure net of unallocable (income)				4,231.59				(1,354.34)
Total profit before tax				21,620.19				18,200.04
iv) Segment Assets	56,211.39	10,533.53	53,320.10	120,065.02	56,076.35	9,253.49	42,363.45	107,693.29
v) Segment Liabilities	23,029.74	4,543.02	15,503.93	43,076.69	23,752.52	3,627.40	15,363.38	42,743.30



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Reconciliation of Profit

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Segment Profit	18,509.18	20,926.67
Other Income	6,913.27	2,097.65
Finance Cost	(1,120.59)	(1,372.29)
Other Corporate Costs	(2,681.68)	(3,451.99)
Profit Before Tax and discontinued operations	21,620.18	18,200.04

Reconciliation of Assets

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Segment operating assets	66,744.92	65,329.83
Investments	42,251.11	33,101.17
Cash and bank balances	2,655.29	1,114.77
Balances with government authorities	6,492.31	4,967.48
Other unallocable assets	2,226.10	3,180.04
Total assets	120,369.73	107,693.29

Reconciliation of liabilities

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Segment operating liabilities	27,572.76	27,379.93
Borrowings	10,037.70	10,797.27
Income tax liabilities (Net)	3,249.27	4,400.71
Other unallocable liabilities	2,216.96	165.40
Total liabilities	43,076.69	42,743.30

ii) Information about geographic segment

Revenue from external customers

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
India	39,331.65	42,941.08
Outside India	55,140.33	58,841.11
Total	94,471.98	1,01,782.19

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 project. Intersegment 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. As the Company has integrated manufacturing facilities, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to the geographical segment.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
40 TRANSACTIONS WITH RELATED PARTIES
(I) List of Related Parties & Relationship :
A. Subsidiary / Joint Venture Company

1. Garware Environmental Services Pvt. Ltd.
2. Garware Technical Fibres USA Inc.
3. Garware Technical Fibres Chile SpA

B. Associate Company

1. Garware Meditech Pvt. Ltd.

C. Executive Directors - Key Managerial Personnel

1. Mr. V. R. Garware

D. Non Executive Directors

1. Mrs. M. V. Garware
2. Mr. R. M. Telang - Independent Director
3. Mr. S. P. Kulkarni - Independent Director
4. Mr. Ashish Goel - Independent Director
5. Dr. S. S. Rajpathak
6. Ms. Mallika Sagar - Independent Director

E. Enterprises over which control is exercised by the individual listed at 'C' above

1. Manmit Investment & Trading Company Pvt. Ltd.
2. Garware Capital Markets Ltd.
3. Gurukrupa Comtrade Pvt. Ltd.
4. Sanand Investments & Trading Company Pvt. Ltd.
5. Moonshine Investments & Trading Company Pvt. Ltd.
6. Starshine Comtrade Pvt. Ltd.
7. Sukumar Holdings & Trading Company Pvt. Ltd.
8. VMIR Investment Ltd.
9. VRG Investments Ltd.
10. Garware Infrastructure Pvt. Ltd.
11. Ramesh Trading Company
12. Sunita Trading Company
13. VG Trading Company
14. VRG Trading Company
15. Garware Research Institute
16. Vimlabai Garware Research Institute Pvt. Ltd.
17. Consolidated Agricultural & Dairy Farming Co. Pvt. Ltd.

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

(₹ in lakhs)

Sr. No.	Particulars		Subsidiaries Companies	Associate Companies	Enterprises Owned or significantly Influenced by Key Management Personnel or their Relatives	Executive Directors - Key Management Personnel	Non-Executive Directors	Total
	Transactions with Related Parties							
1	Deposit Received	2019-20	-	-	5,877.00	-	-	5,877.00
		2018-19	-	-	2,314.00	2,476.00	-	4,790.00
2	Deposit Refund	2019-20	-	-	5,877.00	-	-	5,877.00
		2018-19	-	-	2,314.00	2,476.00	-	4,790.00
3	Interest paid on Deposits	2019-20	-	-	393.07	-	-	393.07
		2018-19	-	-	224.80	194.25	-	419.05
4	Director Remuneration *	2019-20	-	-	-	205.45	-	205.45
		2018-19	-	-	-	873.37	-	873.37
5	Directors Sitting Fees	2019-20	-	-	-	-	9.80	9.80
		2018-19	-	-	-	-	8.40	8.40
6	Dividend paid	2019-20	-	-	1,656.03	785.02	0.80	2,441.85
		2018-19	-	-	338.66	160.48	0.01	499.15
7	Dividend Received	2019-20	3,703.48	-	-	-	-	3,703.48
		2018-19	-	-	-	-	-	-
8	Sale of Goods/Services	2019-20	437.04	-	-	-	-	437.04
		2018-19	-	-	-	-	-	-
9	Transfer of Business Undertaking	2019-20	4,699.54	-	-	-	-	4,699.54
		2018-19	-	-	-	-	-	-
10	Corporate Guarantee - Contingent liability	2019-20	3,713.62	-	-	-	-	3,713.62
		2018-19	-	-	-	-	-	-
	Balance due from related parties							
11	Advance from subsidiary	31st March, 2020	1,958.15	-	-	-	-	1,958.15
		31st March, 2019	-	-	-	645.00	-	645.00
12	Investment in Equity Shares	31st March, 2020	4,699.54	-	-	-	-	4,699.54
		31st March, 2019	-	-	-	-	-	-

Note: For Investment in related parties as at 31st March, 2020 refer Note No. 5.

The above figures do not include provision for leave encashment and gratuity fund, as separate figures are not available for the Executive Director - Key Management Personnel.

* Includes commission paid / payable to Executive Director-Key Management Personnel ₹ Nil lakhs (Previous year ₹ 645 lakhs)



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
41 EARNINGS PER SHARE (EPS)	31st March, 2020	31st March, 2019
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders of the Company	17,800.01	12,561.25
Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs)	218.82	218.82
Basic And Diluted Earning Per Share (₹)	81.35	57.40
42 CONTINGENT LIABILITIES :		
Claims against the Company not acknowledged as debts:		
In respect of matters under dispute		
-Sales Tax	9.15	9.15
-Income Tax	—	114.00
-Corporate Guarantee (for wholly owned subsidiary Garware Technical Fibres USA inc)	3,215.98	—
-Octroi	21.64	21.64
43 Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹ 677.01 lakhs (As at 31st March, 2019 ₹ 808.59 lakhs).		
44 INTEREST IN FIRM/ JOINT VENTURE :		
The Company has entered into a partnership agreement (Sopan D Patil & GWRL J.V.) in which the company holds 40% share in profit / loss to execute Geo Synthetics Work - Contract value worth ₹ 577.31 lakhs. During the year ended 31.03.2020, the said partnership has incurred a loss of ₹(0.51) lakhs (As at 31st March, 2019 ₹ Nil lakhs).		
Current assets	0.78	16.72
Non-current assets	15.40	18.96
Current liabilities	—	—
Non-current liabilities	(21.04)	(40.54)
Reserve & Surplus	4.86	4.86
Revenue	4.48	—
Cost of material consumed	(4.24)	—
Employee benefit expenses	—	—
Other expenses	(0.75)	—
Profit / (loss) before tax	(0.51)	—
Income-tax expenses	—	—
Profit / (loss) after tax	(0.51)	—

45 DISCLOSURES ON FINANCIAL INSTRUMENTS

a. Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2020.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	-	-	4,755.04	4,755.04
Other Investments-Non Current	316.44	27,507.41	-	27,823.84
Trade Receivables-Non Current	-	-	260.59	260.59
Loans-Non Current	-	-	627.52	627.52
Other Financial Assets-Non Current	-	-	407.44	407.44
Other Investments-Current	-	9,672.23	-	9,672.23
Trade Receivables-Current	-	-	21,482.03	21,482.03
Loans-Current	-	-	591.35	591.35
Other Financial Assets-Current	-	-	22.38	22.38
Total	316.44	37,179.63	28,146.35	65,642.42
Financial Liabilities				
Trade Payable-Non Current	-	-	122.75	122.75
Other Financial Liabilities-Non Current	-	-	4.90	4.90
Borrowings-Current	-	-	10,037.70	10,037.70
Trade Payable-Current	-	-	19,971.17	19,971.17
Other Financial Liabilities-Current	-	-	1,959.08	1,959.08
Total	-	-	32,095.60	32,095.60


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2019.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	-	-	55.50	55.50
Other Investments-Non Current	614.96	28,183.69	-	28,798.65
Trade Receivables-Non Current	-	-	547.82	547.82
Loans-Non Current	-	-	558.01	558.01
Other Financial Assets-Non Current	-	-	394.18	394.18
Other Investments-Current	-	4,247.02	-	4,247.02
Trade Receivables-Current	-	-	24,289.71	24,289.71
Loans-Current	-	-	590.69	590.69
Other Financial Assets-Current	-	-	1,109.68	1,109.68
Total	614.96	32,430.71	27,545.58	60,591.25
Financial Liabilities				
Trade Payable-Non Current	-	-	91.62	91.62
Other Financial Liabilities-Non Current	-	-	4.40	4.40
Borrowings-Current	-	-	10,797.27	10,797.27
Trade Payable-Current	-	-	19,473.61	19,473.61
Other Financial Liabilities-Current	-	-	1,653.30	1,653.30
Total	-	-	32,020.20	32,020.20

b. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required:

As at 31st March, 2020

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	243.17	-	-	243.17
Unquoted equity instruments	-	-	73.27	73.27
FVTPL financial investments				
Other Debt Instrument	17.66	34,349.98	-	34,367.64
Unquoted debt instruments		2,812.00		2,812.00
Unquoted equity instruments	-	-	-	-



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

As at 31st March, 2019

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets	Significant observable input	Significant unobservable input	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	320.05	–	–	320.05
Unquoted equity instruments	–	–	294.91	294.91
FVTPL financial investments				–
Foreign Currency Forward Contract	–	–	–	–
Other Debt Instrument	17.66	26,256.74	–	26,274.40
Unquoted debt instruments		6,156.30		6,156.30
Unquoted equity instruments	–	–	–	–

c. Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments.

- The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

d Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Management Group ('TMG') manages these risks.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and other price risks such as equity price risk and commodity price risk. Financial instruments affected by market risks mainly include borrowings, deposits and investments.

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and other income/expenses in foreign currency, primarily with respect to USD.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD and derivative to hedge the exposure, are as follows:


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
Particulars of unhedged foreign currency exposure and Derivatives (Outstanding) as at Balance Sheet date:

(₹ in lakhs)

Particulars	Currency	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable	USD	14,069.41	13,902.39
Trade Payable	USD	(296.89)	(1,981.11)
Net		13,772.51	11,921.28
Forward Contracts to Sell (Hedge of Receivables)	USD	(10,824.09)	(10,801.69)
Net Exposure		2,948.43	1,119.59

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant.

(₹ in lakhs)

	Currency	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Impact on profit before tax			
INR/USD - Increase by 1%	USD	275.10	264.43
INR/USD - Decrease by 1%	USD	(275.10)	(264.43)

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations and investments in debt instruments including debt mutual fund.

Interest rate sensitivity

The below table demonstrate the sensitivity of the company's profit before tax to a reasonable possible change in interest rate with all other variables being constant.

(₹ in lakhs)

Particulars		Change in interest rate	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expense	Increase	100 basis point	(86.94)	(106.63)
	Decrease	100 basis point	86.94	106.63
Interest income/Fair Value gain	Increase	100 basis point	351.03	269.37
	Decrease	100 basis point	(351.03)	(269.37)

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivable

Customer credit risk is managed by SCM team subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of bank deposits and cash credit facilities. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ in lakhs)

Particulars	Year	Total	More than 1 year	Less than 1 year
Financial Liabilities				
Trade Payables	31st March, 2020	20,093.92	122.75	19,971.17
	31st March, 2019	19,565.24	91.62	19,473.61
Borrowings	31st March, 2020	10,037.70	-	10,037.70
	31st March, 2019	10,797.27	-	10,797.27
Other Financial Liabilities	31st March, 2020	1,963.98	4.90	1,959.08
	31st March, 2019	1,657.70	4.40	1,653.30

Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Company believes that there is no such excessive risk concentration.

46 Capital Management

The Company's objective when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholders expectations. The policy of the company is to borrow through banks supported by committed borrowing facility to meet anticipated funding requirements.

The capital structure is governed by policies approved by the Board of Directors.

The following table summarises the capital of the Company.

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Short Term Debt (including current maturities of long term loan)	10,037.70	10,797.27
Long Term Debt	-	-
Trade Payables	19,971.17	19,473.61
Less: Cash and cash equivalents	(2,655.29)	(1,114.77)
Net Debt	27,353.58	29,156.12
Equity	77,293.05	64,949.99
Capital and net debt	104,646.63	94,106.10
Net Debt to Capital Ratio (Debt/Equity plus debt)	0.26	0.31


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- 47** The Company has adopted Ind AS 116 "Leases" effective 1st April, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the year.
- 48** COVID - 19 Pandemic and resulting lockdown measures by the Government of India has impacted economic activities worldwide and as a result, impacted operations and financial results of the Company. The Company has considered all available information, while preparing the Financial Statements for the year ended March 31, 2020.
- 49** During the year, the Company incorporated a subsidiary named as Garware Technical Fibres USA Inc. ("GTF USA Inc.") in the State of Washington, United State of America. The Company contributed, assigned and transferred, all of its rights, title and interest in and to the Business / Undertaking along with all its assets and liabilities in its USA Branch on a going concern basis to GTF USA Inc. The Consideration for the same was discharged by GTF USA Inc. by issuance of 100% shares of its common stock to the Company.
- 50** During the year, the Company incorporated a wholly owned subsidiary in Chile named as Garware Technical Fibres Chile SpA ("the GTF Chile SpA") in the Republic of Chile. The Company has not yet infused any share capital into the GTF Chile SpA and the GTF Chile SpA is yet to commence its operations. In view of this, the accounts for the F.Y.2019-20 are not drawn for the GTF Chile SpA.
- 51** The Company has elected to exercise the option permitted u/s. 115BAA of the Income Tax Act. Accordingly, Current and Deferred tax expenses for the year ended March 31, 2020 reflect changes as per the rate prescribed in the said section.
- 52** The figures of previous year have been regrouped / rearranged, wherever necessary to conform to current year's presentation.

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
 Chartered Accountants,
 F.R.NO.: 106201W/W100598

MUKESH SURANA
 Chief Financial Officer

V. R. GARWARE
 Chairman & Managing Director
 DIN. 00092201

M. V. GARWARE
 Director
 DIN. 06948274

(ABHAY MEHTA)
 Partner
 M. No. 046088

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

R. M. TELANG
 Director
 DIN. 00092103

S. P. KULKARNI
 Director
 DIN. 00006914

Mumbai,
 30th June, 2020

Pune,
 30th June, 2020

S. S. RAJPATHAK
 Director
 DIN: 00040387

**CONSOLIDATED
FINANCIAL
STATEMENTS**



INDEPENDENT AUDITORS' REPORT

To,

The Members of,

GARWARE TECHNICAL FIBRES LIMITED (Formerly: GARWARE-WALL ROPES LIMITED)

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying Consolidated Financial Statements of **GARWARE TECHNICAL FIBRES LIMITED (Formerly: Garware-Wall Ropes Limited)** (hereinafter referred to as 'the Group') and its Subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') and its Associate, which comprise the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate Financial Statements and on the other financial information of the subsidiaries and associate, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Group and its associate as at 31st March, 2020, of its Consolidated profit (consolidated financial performance including other comprehensive income), their Consolidated changes in equity and their Consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred in sub paragraph (a) of the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Inventory Existence: The inventory's carrying value in the Balance Sheet as at 31st March, 2020 is ₹ 19,136.06 lakhs. The inventory of the Group is held across various locations including its Plants, Sales Depots, Warehouses and Contract Manufacturers' locations. We focussed on this matter because of the: • Significance of the inventory balance to the profit and statement of financial position • Physical verification by the management was not observed physically by us subsequent to the year-end due to the restrictions imposed on account of COVID-19.	We have performed the following procedures with respect to the inventory: • Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods. On account of COVID – 19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory: • Obtained the records of physical verification procedures conducted by the management prior to lockdown and performed roll forward procedures. • In case of the stock held at third party locations, obtained direct confirmation of the inventory held by the respective third parties There were no significant exceptions noted from these procedures. We tested a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold. We did not identify any exceptions.



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4. Information other than the Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated state of affairs, consolidated profit and other comprehensive income, Consolidated changes in equity and Consolidated cash flow of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder. The respective Management and Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies included in the Group and its associate is responsible for assessing the ability of each company to continue as a going concern and using the going concern basis of accounting unless the respective Board of Directors and management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and its associate are also responsible for overseeing the financial reporting process of each company.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, We are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management and Board of Directors' use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of the



assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

We did not audit the Financial Statements of one Subsidiary included in the statement, whose Financial Statements reflects total assets of ₹ 148.55 lakh as at 31st March, 2020, total revenue of ₹ 8.96 lakh, Profit after tax ₹ 4.18 lakh and net cash flow amounting to ₹ 9.26 lakh for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statement also include Group's share of net loss (including other comprehensive income) of ₹ 0.10 lakh for the year ended 31st March, 2020, as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements have not been audited by us. These Financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

8. Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in



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Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associate company, none of the directors of the Group companies and its associate company is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associate and the operative effectiveness of such controls in terms of section 143(3)(i) of the Act, refer to our separate report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matters' paragraph :
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations as at 31st March, 2020 on the consolidation financial position of the group and associate - Refer Note No.42 to the Consolidated Financial Statements;
 - (ii) The Group and its associate have made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2020.
- h. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of such subsidiary company which was not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company or its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Mehta Chokshi & Shah LLP**
Chartered Accountants
(FRN: 106201W/W100598)

ABHAY R. MEHTA
Partner

Place: Mumbai
Date: 30th June, 2020

M. No.: 046088
UDIN: 20046088AAAAABA9437

ANNEXURE A - TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under section 143(3)(i) of the Companies Act, 2013

(Referred to in paragraph 8 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Garware Technical Fibres Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date. In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March, 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such



internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Mehta Chokshi & Shah LLP**
Chartered Accountants
(FRN: 106201W/W100598)

ABHAY R. MEHTA
Partner

Place: Mumbai
Date: 30th June, 2020

M. No.: 046088
UDIN: 20046088AAAAABA9437



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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

		(₹ in lakhs)	
		As at	As at
		31st March, 2020	31st March, 2019
A ASSETS			
(1) Non-Current Assets	Note No.		
(a) Property, Plant and Equipment	3	23,959.35	22,056.92
(b) Intangible Assets	4	490.25	612.03
(c) Financial Assets			
(i) Investments in Subsidiaries, Associates	5	-	-
(ii) Other Investments	6	27,927.40	28,798.65
(iii) Trade Receivable	7	260.59	547.82
(iv) Loans	8	627.52	558.01
(v) Other Financial Assets	9	440.97	425.79
(d) Other non-current Assets	10	720.38	755.81
Total Non-Current Assets		54,426.46	53,755.02
(2) Current Assets			
(a) Inventories	11	19,165.72	16,820.89
(b) Financial Assets			
(i) Investments	12	9,672.23	4,247.02
(ii) Trade Receivables	13	23,525.30	24,289.71
(iii) Cash and Cash Equivalents	14	3,223.07	759.97
(iv) Bank Balances other than (iii) above	14	142.28	465.91
(v) Loans	15	591.36	590.69
(vi) Other Financial Assets	16	22.38	1,109.68
(c) Other Current Tax Assets	17	323.66	-
(d) Other Current Assets	17	7,961.27	5,741.67
Total Current Assets		64,627.27	54,025.54
TOTAL - ASSETS		119,053.73	107,780.56
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	18	2,188.21	2,188.21
(b) Other Equity	19	71,724.64	62,848.11
Total Equity		73,912.85	65,036.32
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payable	20	122.75	91.62
(ii) Other Financial Liabilities	21	4.90	4.40
(b) Provisions	22	827.55	485.13
(c) Deferred Tax Liabilities (Net)	23	3,249.27	3,880.56
Total Non-Current Liabilities		4,204.47	4,461.71
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	13,253.68	10,797.27
(ii) Trade Payables	25	18,462.50	19,473.62
(iii) Other Current Financial Liabilities	26	2,070.59	1,655.54
(b) Other Current Liabilities	27	6,572.39	5,481.35
(c) Provisions	28	559.99	355.91
(d) Current Tax Liabilities (Net)	29	17.26	518.84
Total Current Liabilities		40,936.41	38,282.53
TOTAL - EQUITY AND LIABILITIES		119,053.73	107,780.56

C NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-52

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
Chartered Accountants,
F.R.NO.: 106201W/W100598

MUKESH SURANA
Chief Financial Officer

V. R. GARWARE
Chairman & Managing Director
DIN. 00092201

M. V. GARWARE
Director
DIN. 06948274

(ABHAY MEHTA)
Partner
M. No. 046088

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

R. M. TELANG
Director
DIN. 00092103

S. P. KULKARNI
Director
DIN. 00006914

Mumbai,
30th June, 2020

Pune,
30th June, 2020

S. S. RAJPATHAK
Director
DIN: 00040387


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

	Note No.	For the year ended 31st March, 2020	(₹ in lakhs) For the year ended 31st March, 2019
1 INCOME			
Revenue from Operations	30	95,308.67	101,782.19
Other Income	31	3,218.76	2,107.93
Total Income		98,527.43	103,890.12
2 EXPENSES			
Cost of Materials Consumed	32	26,256.98	29,245.17
Purchases of stock-in-trade		3,513.60	3,913.71
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(1,833.78)	(167.16)
Employee Benefits Expenses	34	13,636.29	12,995.14
Finance Cost	35	1,157.01	1,372.29
Depreciation and Amortisation Expenses	3,4	1,926.22	1,724.04
Other expenses	36		
i) Stores and Spares Consumed		8,715.59	8,235.91
i) Processing and Testing Charges		27,269.23	28,361.58
ii) Others		80,641.13	85,680.68
Total Expenses		17,886.30	18,209.44
Profit Before Tax			
Tax Expenses	37		
1. Current Tax		4,460.04	5,368.99
2. Deferred Tax		(626.86)	397.92
3. Adjustment for Short Provision of Earlier Years		-	(125.42)
TOTAL TAX EXPENSE		3,833.18	5,641.49
Profit After Tax		14,053.12	12,567.95
Share of (profit)/loss from Investment in Associate & Join Venture		(0.10)	(0.10)
Profit for the year		14,053.02	12,567.85
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Investment in Equity Instruments		(252.43)	64.86
Remeasurement of Defined Benefit Obligation		(296.64)	(87.79)
(ii) Income tax related to items that will not be reclassified to profit or loss		(41.67)	(1.23)
Total Other Comprehensive Income for the year		(590.74)	(24.16)
Total Comprehensive Income for the year		13,462.28	12,543.69
EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10 each)			
Basic (₹) and Diluted (₹)	41	64.22	57.43
Profit for the year			
Attributable to:			
Equity holder of parent		14,053.12	12,567.95
Non-controlling interest		(0.10)	(0.10)
Other Comprehensive income for the year			
Attributable to:			
Equity holder of parent		(590.74)	(24.16)
Non-controlling interest		-	-
Total comprehensive income for the year			
Attributable to:			
Equity holder of parent		13,462.38	12,543.79
Non-controlling interest		(0.10)	(0.10)

3 NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-52

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
 Chartered Accountants,
 F.R.NO.: 106201W/W100598

MUKESH SURANA
 Chief Financial Officer

V. R. GARWARE
 Chairman & Managing Director
 DIN. 00092201

M. V. GARWARE
 Director
 DIN. 06948274

(ABHAY MEHTA)
 Partner
 M. No. 046088

SUNIL AGARWAL
 Company Secretary
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S. P. KULKARNI
 Director
 DIN. 00006914

 Mumbai,
 30th June, 2020

 Pune,
 30th June, 2020

S. S. RAJPATHAK
 Director
 DIN: 00040387



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020	(₹ in lakhs) As at 31st March, 2019
(a) Equity share capital		
Equity Shares of ₹ 10/- each issued, subscribed & fully paid		
No of Shares	21,882,060	21,882,060
₹ in Lakhs	2,188.21	2,188.21

(b) Other Equity

For the year ended 31st March, 2020

(₹ in lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income			
	Capital Reserve	Capital Redemption Reserve	Share Premium	General Reserve	Retained earnings	Revaluation Reserve	Net gain / (loss) on fair value of defined benefit plans	Equity instruments through other comprehensive income	Other Equity
Balance as at 1st April, 2018	72.23	182.63	7,700.11	3,869.84	39,204.14	2.77	18.50	440.31	51,490.53
Profit for the year	-	-	-	-	12,567.95	(1.04)	-	-	12,566.91
Other comprehensive income	-	-	-	-	-	-	(87.79)	63.64	(24.15)
Total Comprehensive income for the year	-	-	-	-	12,567.95	(1.04)	(87.79)	63.64	12,542.76
Dividends paid	-	-	-	-	(984.71)	-	-	-	(984.71)
Dividends distribution tax paid	-	-	-	-	(200.47)	-	-	-	(200.47)
Balance as at 31st March, 2019	72.23	182.63	7,700.11	3,869.84	50,586.91	1.73	(69.29)	503.95	62,848.11
Balance as at 1st April, 2019	72.23	182.63	7,700.11	3,869.84	50,586.91	1.73	(69.29)	503.95	62,848.11
Profit for the year	-	-	-	-	14,053.02	(1.04)	-	-	14,051.98
Foreign currency translation credit	-	-	-	-	330.13	-	-	-	330.13
Capital reserve GTF USA Inc	127.50	-	-	-	-	-	-	-	127.50
Other comprehensive income	-	-	-	-	-	-	(296.64)	(294.10)	(590.74)
Total Comprehensive income for the year	127.50	-	-	-	14,383.15	(1.04)	(296.64)	(294.10)	13,918.86
Dividends paid	-	-	-	-	(4,814.05)	-	-	-	(4,814.05)
Dividends distribution tax paid	-	-	-	-	(228.28)	-	-	-	(228.28)
Balance as at 31st March, 2020	199.73	182.63	7,700.11	3,869.84	59,927.73	0.69	(365.93)	209.85	71,724.64

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
Chartered Accountants,
F.R.NO.: 106201W/W100598

MUKESH SURANA
Chief Financial Officer

V. R. GARWARE
Chairman & Managing Director
DIN. 00092201

M. V. GARWARE
Director
DIN. 06948274

(ABHAY MEHTA)
Partner
M. No. 046088

SUNIL AGARWAL
Company Secretary
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R. M. TELANG
Director
DIN. 00092103

S. P. KULKARNI
Director
DIN. 00006914

Mumbai,
30th June, 2020

Pune,
30th June, 2020

S. S. RAJPATHAK
Director
DIN: 00040387


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in lakhs)

I. CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit Before Tax	17,886.30	18,209.43
Adjustments for reconcile Profit Before Tax to Net Cash Flows:		
Depreciation and Amortisation Expenses	1,926.22	1,724.04
Unrealised Exchange Difference	(631.05)	363.81
Finance Cost	1,157.01	1,372.29
Interest and Dividend Income Received	(38.74)	(68.56)
Fair Value Gain at Financial Instruments at FVTPL	(2,990.13)	(1,076.99)
Gain on sale/redemption of investments	(189.90)	(962.38)
(Profit) / Loss on sale of Fixed Assets	29.64	(2.34)
Bad Debts	82.71	93.83
Provision for Doubtful Debts	35.00	71.12
Operating Profit before Working Capital Changes	17,267.06	19,724.25
Working Capital Adjustments		
(Increase) / Decrease in Trade & Other Receivable and Other Assets	23.67	(1,352.58)
(Increase) / Decrease in inventories	(2,344.83)	(402.92)
Increase / (Decrease) in Trade and Other Payables	1,279.76	357.39
Cash generated from Operations	16,225.66	18,326.12
Direct Taxes paid	(5,271.54)	(5,035.35)
Net cash provided by Operating Activities	10,954.12	13,290.77
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets	(3,808.97)	(2,275.04)
Sale of Property, Plan & Equipment	72.47	71.10
(Increase)/ Decrease of Investments	-	-
(Increase)/ Decrease of Other Investments	(4,230.34)	(7,589.76)
Interest and Dividend Income Received	3,218.76	2,107.93
Net cash provided by / (used in) Investing Activities	(4,748.08)	(7,749.76)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short-term / Long-term Borrowings	2,456.41	(3,041.56)
Finance Cost	(1,157.01)	(1,372.29)
Dividend paid including Dividend Distribution Tax	(5,042.34)	(1,185.18)
Net cash from Financing Activities	(3,742.94)	(5,599.03)
Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)	2,463.10	(58.02)
Cash & Cash Equivalents at the beginning of the year	759.97	817.99
Cash & Cash Equivalents at year end	3,223.07	759.97

Reconciliation of cash flow in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2018	13,838.82
Cash movements	(3,041.55)
As at 31st March, 2019	10,797.27
Cash movements	2,456.41
As at 31st March, 2020	13,253.68

IV. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-52

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
 Chartered Accountants,
 F.R.NO.: 106201W/W100598

MUKESH SURANA
 Chief Financial Officer

V. R. GARWARE
 Chairman & Managing Director
 DIN. 00092201

M. V. GARWARE
 Director
 DIN. 06948274

(ABHAY MEHTA)
 Partner
 M. No. 046088

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

R. M. TELANG
 Director
 DIN. 00092103

S. P. KULKARNI
 Director
 DIN. 00006914

 Mumbai,
 30th June, 2020

 Pune,
 30th June, 2020

S. S. RAJPATHAK
 Director
 DIN: 00040387



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

1 COMPANY INFORMATION

Garware Technical Fibres Limited (formerly known as Garware-Wall Ropes Limited) ("the Holding Company") is incorporated under the Provision of Companies Act, 1956 (as amended by Companies Act 2013) and domiciled in India. The Holding Company is listed with BSE & NSE. The Holding Company has its the Registered Office and principal place of business at Plot No.11, Block D-1, MIDC, Pune - 411019, Maharashtra. The Holding Company and its subsidiaries (collectively referred to as "the Group") is engaged in manufacturing and selling various products such as Ropes, Twine, Yarn, Fishnet, Other Nets and Technical Textiles. The Group is providing solution to the infrastructure industries which include coastal protection, land filling etc. The Group caters to both domestic and international markets.

The Group's Consolidated Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on June 30, 2020 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the Annual General Meeting.

The Group's Consolidated Financial Statements are reported in Indian Rupees, which is also the Group's functional currency.

2 Significant Accounting Policies Accounting Judgements, Estimates and Assumptions:

(A) Significant Accounting Policies:

2.1 Basis of preparation of Consolidated Ind-AS Financial Statements (Ind-AS financial statements):

The Consolidated Financial Statements have been prepared in accordance with the relevant provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with the Companies (Indian Accounting Standards) Amendment Rules, 2017 and the Guidance Notes and other authoritative pronouncements issued by the Institute of Chartered Accountants of India (ICAI).

The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest."

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Basis of Consolidation:

The Consolidated Ind-AS Financial Statements comprise the Financial Statements of the Holding Company, its subsidiaries and the Associate as at the reporting date.

(i) Subsidiaries:

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control commences until the date control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) Associate:

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

2.2 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:

An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is considered as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating Cycle is the time between the acquisition of assets for business purposes and their realisation into cash and cash equivalents.

2.3 Property, Plant and Equipment:

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

2.4 Depreciation:

Depreciation on property, plant and equipment is provided on different class of assets on the following basis:

Type of Asset	Method	Useful Life
Freehold Buildings	Written down value	60 years
Factory Buildings	Written down value	30 years
Plant and Machinery	Straight-Line	25 years
Electrical Installations	Straight-Line	10 years
Furniture & Fixtures	Straight-Line	10 years
Office Equipments	Straight-Line	3 / 5 years
Vehicles	Straight-Line	8 years
Helicopter	Straight-Line	20 years

Depreciation on additions to Property Plant and Equipment is provided on pro-rata basis from the date of acquisition or installation, and in case of new project from the date of commencement of commercial production.

Depreciation on Assets sold, discarded, demolished or scrapped, is provided upto the date on which the said Asset is sold, discarded, demolished or scrapped.

Cost of Leasehold Land and Improvement is written off over the period of Lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Capital Work in Progress and Capital Advances:

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

2.6 Intangible Assets and amortisation thereof:

2.6.1 Internally generated Intangible Assets (Research and Development):

- i) Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:
 - a) The technical feasibility of completing the Intangible Asset so that it will be available for use or sale.
 - b) Its intention to complete the asset.
 - c) Its ability to use or sell the asset.
 - d) How the asset will generate future economic benefits.
 - e) The availability of adequate resources to complete the development and to use or sell the asset.
 - f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

2.6.2 Other Intangible Assets:

An Intangible Asset is recognised if:

- a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- b) the cost of the asset can be measured reliably.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6.3 Amortisation of Intangible Assets:

Amortization 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.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Group has elected to continue with the carrying value of all its Intangible Assets recognised as on 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Intangible Assets with finite useful lives are amortised on a straight line basis over the following period:

Type of asset	Useful Life
Technical Know How	10 Years
Product Development	10 Years
Computer Software	10 Years
Patent	5 Years

2.7 Impairment of Property Plant & Equipment and Intangible Assets

Carrying amount of Tangible and Intangible assets are reviewed at each Balance Sheet date. These are treated as impaired when the carrying cost thereof exceeds its recoverable value. Recoverable value is higher of the asset's net selling price or 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. Net selling price is the amount receivable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8 Inventories

Inventories are stated at lower of cost or net realisable value. The costs of various categories of inventories are arrived at as follows:

- Stores, spares, fuel & packing materials and raw materials - 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 costs 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.

2.9 Revenue Recognition

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those products or services.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied except Revenue from Project Contracts where in revenue is recognised over the time from the financial year in which the Contract is commenced for execution. The period over which revenue is recognised is based on Group's right to payment for performance completed. In determining whether the Group has right to payment, the Group considers whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than Group's failure to perform as per the terms of the contract.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract liabilities.

Interest Income:

For all financial instruments measured at amortised cost, interest income is measured using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash flows through the contracted or expected life of the financial instrument, as appropriate, to the net carrying amount of the financial asset.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Dividend Income:

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.10 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets:

Initial Recognition and Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- Investments measured at fair value through Profit & Loss (FVTPL)

Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the Group may transfer the cumulative gain or loss within equity.

Financial Assets at FVTPL:

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;
 - a. The Group has transferred substantially all the risks and rewards of the asset, or
 - b. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Trade Receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the Group does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Group uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

For recognition of impairment loss on other financial assets and risk exposures, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

ii) Financial Liabilities:

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

(iv) Equity Instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

2.11 Employee Benefits

i) Defined Contribution Plan:

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

ii) Defined Benefit Plan:

The Group'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 and are determined using the Projected Unit Credit Method. Compensated absences which are not expected to occur within twelve months



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

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. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit or Loss.

2.12 Borrowing Costs

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds, that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

2.13 Leases:

The Group has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended 31st March, 2020. As per the modified retrospective approach, the Group is not required to restate comparative information, instead, the cumulative effect of initially applying this standard can be recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and
- (iii) the Group has the right to direct the use of the asset.

As a lessee, The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option;

The lease liability is measured at amortised cost using the effective interest method. The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

2.14 Foreign Currency Transactions:

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.15 Taxes on Income:

Current Income Taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT):

MAT paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the specified years. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Group.

2.16 Provisions and Contingent Liabilities:

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.

When the Group expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

2.17 Government Grants and Subsidy

Grants and Subsidies from the government are recognised when there is a reasonable assurance that

- (i) the Company will comply with the conditions attached to them, and
- (ii) the grant / subsidy will be received.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

2.18 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events including a bonus issue, bonus element in right issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Cash and Cash Equivalent:

Cash and cash equivalent for the purpose of Cash Flow Statement comprise cash at bank and in hand and short term highly liquid investments which are subject to insignificant risk of changes in value.

2.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

2.21 Commitments

Commitments are future liabilities for contractual expenditure. The commitments are classified and disclosed as follows:

- a) The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.22 Segment Reporting

(A) Operating Segments

- i) Synthetic Cordage
- ii) Fibre and Industrial Products and Projects

Identification of Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Management.

The Management monitor the operating result of its business units separately for the purpose of making decision about resource allocation and performance assessment. For management purposes, operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. The Group's financing and Income Taxes are not allocated to operating segments.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

Segments Revenue and Results

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated income/costs. Interest income and expense are not allocated to respective segments.

Segments Assets and Liabilities

Segment Assets / Liabilities include all operating assets / liabilities used by the operating segments. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment Transfer

Inter segment revenues are recognised at sale price. The same is based on market price and business risks. Profit or loss on Inter Segment transfer are eliminated at the Group level.

(B) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognised in the period in which the results are known / materialize.

2.23 Estimates Assumptions and Judgements:

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

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Estimation of Current Tax Expense and Deferred Tax:

The calculation of the Group's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits / losses and / or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Recognition of Deferred Tax Assets / Liabilities:

The recognition of deferred tax assets / liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

c) Estimation of Provisions & Contingent Liabilities:

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision

d) Estimated useful life of Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected residual value at the end of its life. The useful lives, usage pattern and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

e) Estimation of Provision for Inventory:

The Group writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

f) Estimation of Defined Benefit Obligation:

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

g) The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

h) Estimated fair value of Financial Instruments:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

3 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Plant and Machinery	R&D Equipments	Electrical Installations	Furniture and Fixtures	Office Equipments	Vehicles	Helicopter	Total	Capital Work-in-progress
Gross Block (at cost or deemed cost)											
As at 1st April 2018	512.01	3,505.90	14,930.80	2,761.79	483.76	269.60	378.10	850.65	112.78	23,805.39	-
Additions	-	444.95	667.03	658.71	156.34	38.74	156.44	61.85	-	2,184.06	-
Disposals	-	-	(0.14)	(0.41)	-	-	-	(45.77)	-	(46.32)	-
As at 31st March 2019	512.01	3,950.85	15,597.69	3,420.09	640.10	308.34	534.54	866.73	112.78	25,943.13	-
Additions	-	336.90	2,942.28	105.80	149.93	46.50	120.56	56.28	-	3,758.24	-
Disposals	-	-	(778.89)	-	(0.10)	(0.14)	(91.96)	(15.93)	-	(887.03)	-
As at 31st March 2020	512.01	4,287.74	17,761.08	3,525.88	789.93	354.70	563.13	907.08	112.78	28,814.33	-
Depreciation and Impairment											
As at 1st April 2018	8.82	475.06	1,286.50	181.28	102.90	60.39	164.24	164.62	(31.14)	2,412.67	-
Charge for the year	5.68	263.50	768.76	139.96	52.23	33.29	90.37	131.21	31.14	1,516.14	-
Disposals	-	-	(0.02)	(0.01)	-	-	-	(42.57)	-	(42.60)	-
As at 31st March 2019	14.50	738.56	2,055.24	321.23	155.13	93.68	254.61	253.26	-	3,886.21	-
Charge for the year	5.68	276.64	935.40	209.96	57.46	34.97	103.07	124.67	6.91	1,754.75	-
Disposals	-	-	(691.04)	-	(0.10)	(0.14)	(88.04)	(6.65)	-	(785.97)	-
As at 31st March 2020	20.18	1,015.20	2,299.60	531.20	212.49	128.50	269.63	371.28	6.91	4,854.98	-
Net Block											
As at 31st March 2020	491.84	3,272.55	15,461.47	2,994.69	577.44	226.19	293.50	535.80	105.87	23,959.35	-
As at 31st March 2019	497.51	3,212.29	13,542.45	3,098.86	484.97	214.66	279.93	613.47	112.78	22,056.92	-

Notes:

1. All the leases are 95 years whereas all the items of PPE are expected to be depreciated within that period of time and hence in current lot of PPE, no provision for restoration cost is required.
2. During the year ₹ 1.04 lakhs (previous year ₹ 1.04 lakhs) has been withdrawn from Revaluation Reserve on account of depreciation on revalued portion.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
4 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Technical Knowhow	Product Development	Computer Software	Patent	Total
Gross Block (at cost or deemed cost)					
As at 1st April 2018	–	445.28	637.71	–	1,082.99
Additions	–	–	67.63	23.36	90.99
Disposals	–	–	–	–	–
As at 1st April 2019	–	445.28	705.34	23.36	1,173.98
Additions	3.42	–	21.83	25.48	50.73
Disposals	–	–	–	–	–
As at 31st March 2020	3.42	445.29	727.17	48.84	1,224.71
Amortisation and Impairment At at 1st April 2018	–	197.37	155.64	–	353.01
Charge for the year	–	89.56	117.52	1.86	208.94
Disposals	–	–	–	–	–
As at 1st April 2019	–	286.93	273.16	1.86	561.95
Charge for the year	–	46.34	119.80	6.38	172.51
Disposals	–	–	–	–	–
As at 31st March 2020	–	333.27	392.95	8.24	734.46
Net Block					
As at 31st March 2020	3.42	112.02	334.22	40.60	490.25
As at 31st March 2019	–	158.35	432.18	21.50	612.03

5 FINANCIAL ASSETS

(₹ in lakhs)

INVESTMENTS IN SUBSIDIARY AND ASSOCIATE
a) In Subsidiary Company at cost:

Shares in Garware Environmental Services Pvt. Limited of ₹ 10/- each

 Share Garware Technical Fibres USA Inc
 Shares in Garware Meditech Pvt. Limited of ₹ 10/- each

Total investment in Subsidiary & Associate

As at 31st March, 2020		As at 31st March, 2019	
No. of Shares/units	Amount	No. of Shares/units	Amount
1,000,000	–	1,000,000	–
100	–	–	–
5,000	–	5,000	–
	–		–
	–		–



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

6 OTHER INVESTMENTS

A. INVESTMENTS at FVTOCI

In Equity instruments:

Quoted

Shares in Garware Marine Industries Limited of ₹ 10/- each
Shares in Garware Polyester Limited of ₹ 10/- each

Unquoted

Shares in Intermedia Interactive Solutions Private Limited of ₹ 10/- each
Shares of Gujarat Filament Corporation Limited of ₹ 10/- each

Total Equity Investment

B. INVESTMENTS at FVTPL

a. NON CONVERTIBLE DEBENTURES

Aditya Birla Finance Limited
Bajaj Housing Finance Limited
HDB Financial Services Limited
ICICI HOME FINANCE LTD NCD - 730 DA
Sub-total (a)

b. Other Debt Instruments

7 Year National Savings Certificates.
(Deposited with Sales Tax Authorities)
Sardar Sarovar Narmada Nigam Limited FDR
Sub-total (b)

c. INVESTMENTS IN MUTUAL FUNDS

(i) DEBT MUTUAL FUND

IDFC Banking & PSU Debt Fund-Regular Plan (Growth)
IDFC Banking & PSU Debt Fund-Direct Plan (Growth)
HDFC FRIF Short Term Plan (Growth)
ICICI Prudential Flexible Income Plan (Growth)
Sundaram Corporate Bond Fund CBDG (Dir Growth)

(ii) DEBT MUTUAL FUND (FMP)

HDFC Bank FMP 1100D
IDFC FMP SERIES - 154 (1098 DAYS(Growth)
DSPBR FMP 204-37M-Reg(G) [4023100/2
UTI Fix Term Inc Fund Ser-XXVII-IX 1160Day (Growth)
HDFC Bank FMP 1143 DAYS R
HDFC Bank FMP 1143 DAYS D
HDFC FMP 1381D Direct Plan (Growth)
SBI Debt Fund Ser C-12 1122 DAYS R
SBI Debt Fund Ser C-12 1122 DAYS D
SBI Debt Fund Ser C-18 R Plan 1100 DAYS (Growth)
SBI FMP Ser 9 R Plan 1178 DAYS (Regular Growth)
SBI FMP Ser 9 R Plan 1178 DAYS (Dir Growth)
SBI FMP Ser 11 Plan 1178 DAYS (Reg Growth)
SBI FMP Ser 11 Plan 1178 DAYS (Dir Growth)
DSPBR FMP SERIES 220 Growth

(₹ in lakhs)

As at 31st March, 2020		As at 31st March, 2019	
No. of Shares/units	Amount	No. of Shares/units	Amount
50,000	1.11	50,000	1.45
146,350	242.06	146,350	318.60
	<u>243.17</u>		<u>320.05</u>
890,680	73.26	890,680	294.90
50	0.01	50	0.01
	<u>73.27</u>		<u>294.91</u>
	<u>316.44</u>		<u>614.96</u>
200.00	2,278.43	200.00	2,087.17
-	-	200.00	2,036.16
-	-	178.00	2,032.97
100.00	533.57	-	-
	<u>2,812.00</u>		<u>6,156.30</u>
	0.16		0.16
	<u>17.50</u>		<u>17.50</u>
	<u>17.66</u>		<u>17.66</u>
3,051,236.36	541.38	-	-
3,021,640.99	542.81	-	-
-	-	4,481,828.64	1,456.73
-	-	153,450.00	550.47
3,705,899.79	1,089.25	-	-
	-		
5,000,000.00	546.77	-	-
5,001,010.00	587.64	5,001,010.00	538.23
-	-	5,000,000.00	575.52
-	-	2,000,000.00	218.78
2,500,000.00	295.23	5,000,000.00	540.31
2,500,000.00	293.77	-	-
20,000,000.00	2,367.56	20,000,000.00	2,148.20
2,500,000.00	287.10	5,000,000.00	537.59
2,500,000.00	289.20	-	-
5,000,965.33	585.40	5,000,965.33	538.49
5,000,000.00	538.74	-	-
5,000,000.00	539.77	-	-
5,000,000.00	535.19	-	-
5,000,000.00	536.16	-	-
10,000,000.00	1,186.26	10,000,000.00	1,087.72


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)	
		As at 31st March, 2020	As at 31st March, 2019
	No. of Shares/units	Amount	No. of Shares/units
Aditya Birla Sun Life Fixed Term Plan Series PE(1159)	10,000,000.00	1,179.59	15,000,000.00
Aditya Birla Sun Life Fixed Term Plan Series PE(1159)	5,000,000.00	592.04	-
Aditya Birla Sun Life Fixed Term Plan Series RC(1295)	20,000,000.00	2,323.76	20,000,000.00
Kotak FMP Series-219-1240 Days	10,000,000.00	1,190.91	10,000,000.00
Kotak FMP Series 230 (Growth)	5,001,038.00	589.38	5,001,038.00
Kotak FMP Series 233 (Growth)	5,001,010.00	585.40	5,001,010.00
Kotak FMP Series 261 (Growth)	10,000,000.00	1,124.72	10,000,000.00
ICICI Series 82-1199 Days	10,008,937.00	1,189.20	10,008,937.00
ICICI FMP - Plan Series 85 - 1127 Days Q	15,000,000.00	1,645.60	15,000,000.00
SBI Debt Fund Series C-10 1150 Days ® Growth)	-	-	10,008,824.00
L&T FMP Series XVIII - D plan 1155D (Growth)	5,000,000.00	559.91	5,000,000.00
L&T FMP Series XVIII - R plan (Growth)	5,000,000.00	560.85	5,000,000.00
ICICI Prudential FMP Series 82-Plan 1199 Days	10,000,000.00	1,187.84	10,000,000.00
ICICI Prudential FMP - Series 83 - 1108 Days	10,000,000.00	1,186.31	10,000,000.00
SBI FMP-Reg Growth - Series 21 - 1109 Days	5,000,000.00	51.76	-
SBI FMP-Dir Growth - Series 21 - 1109 Days	5,000,000.00	51.82	-
Sub-total (c)		24,781.31	22,009.72
Total Investments measured at FVTPL		27,610.96	28,183.68

7 TRADE RECEIVABLE		
Non-Current		
Unsecured, considered good (measured at amortised cost)		
Trade Receivable (Includes retention money)	260.59	547.82
Total	260.59	547.82
8 LOANS - NON CURRENT		
Unsecured, considered good		
At Amortised Cost		
(i) Security Deposits	310.67	289.99
(ii) Other Loans	316.85	268.02
Total	627.52	558.01
Other Loans includes :		
Loan to employees	277.96	235.02
9 OTHER NON-CURRENT FINANCIAL ASSETS		
Other Deposit Current Assets (measured at amortised cost)	221.68	216.68
Recoverable from related party		
Bank Deposits with maturity of more than 12 months	219.29	209.11
(Above bank deposits are pledged as margin money)		
Total	440.97	425.79
10 OTHER NON-CURRENT ASSETS		
Taxes Receivable (other than Income Tax)	616.63	616.63
Capital Advances	28.03	45.67
Other Non-Current Assets*	75.72	93.51
Total	720.38	755.81
Other Non-Current Assets includes;		
*Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL	21.20	40.70



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

	As at 31st March, 2020	As at 31st March, 2019
11 INVENTORIES - CURRENT ASSET		
Raw Materials	5,447.43	5,257.84
Work-in-Progress	4,653.48	3,410.20
Finished Goods (Including Goods-in-Transit)	6,497.26	5,849.90
Traded Goods	542.87	599.73
Stores, Spares, Fuel and Packing Materials	2,024.67	1,703.22
Total	19,165.72	16,820.89

Note: For details of inventories pledged refer Note 24 and refer Note 2.8 for basis of valuation.

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares/units	Amount	No. of Shares/units	Amount
12 INVESTMENTS - CURRENT INVESTMENTS at FVTPL				
(a) NON CONVERTIBLE DEBENTURES				
Citicorp Finance India Limited	1,000.00	1,069.04	3,500.00	3,615.86
Bajaj Housing Finance Limited	200.00	2,212.65	-	-
HDB Financial Services Limited	178.00	2,207.12	-	-
Sub-total (a)		<u>5,488.81</u>		<u>3,615.86</u>
(b) INVESTMENTS IN MUTUAL FUNDS				
(i) DEBT MUTUAL FUND				
HDFC FRIF Short Term Plan (Growth)	4,481,828.64	1,573.69	-	-
ICICI Prudential Flexible Income Plan (Growth)	153,450.00	594.39	-	-
(ii) DEBT MUTUAL FUND (FMP)				
HDFC Bank FMP 1100D	-	-	5,000,000.00	631.16
DSPBR FMP 204-37M-Reg(G) [4023100/2]	5,000,000.00	617.74	-	-
UTI Fix Term Inc Fund Ser-XXVII-IX 1160 Day (Growth)	2,000,000.00	220.87	-	-
SBI Debt Fund Series C-10 1150 DAYS (R Growth)	10,008,824.00	1,176.73	-	-
Sub-total (b)		<u>4,183.42</u>		<u>631.16</u>
Total investment in Current Asset	-	<u>9,672.23</u>		<u>4,247.02</u>

13 TRADE RECEIVABLES		
Measured at amortised cost		
Unsecured, Considered Good	23,525.30	24,289.71
Unsecured, Considered Doubtful	162.98	127.23
	<u>23,688.28</u>	<u>24,416.94</u>
Less: Allowance for Doubtful Debts	(162.98)	(127.23)
Total	<u>23,525.30</u>	<u>24,289.71</u>

Before accepting any new customer, the company has appropriate levels of control procedures which ensures the potential customer's credit quality and the same are periodically reviewed by the management.

Movement in allowance for doubtful debts

Balance at the beginning of the year	127.23	112.36
Allowance for doubtful debts during the year	67.20	71.02
Reversal of allowance for doubtful debts during the year	(31.45)	(56.15)
Balance at the end of the year	<u>162.98</u>	<u>127.23</u>

14 (A) CASH AND BANK BALANCES

Cash on hand	16.67	6.68
Balances with banks		
a) In Current Accounts	1,206.41	753.29
b) Term Deposits with maturity less than 3 months	2,000.00	-
Total (A)	<u>3,223.07</u>	<u>759.97</u>

(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Unpaid dividend accounts	119.45	56.09
Bank deposits above 3 months	22.83	409.82
Total (B)	<u>142.28</u>	<u>465.91</u>
Total (A+B)	<u>3,365.35</u>	<u>1,225.87</u>


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)	
15 LOANS	As at 31st March, 2020	As at 31st March, 2019	
Measured at amortised cost			
Unsecured, considered good			
Staff Loan	382.18		386.55
Deposit	209.17		204.14
Total	591.36		590.69
16 OTHER FINANCIAL ASSET			
Measured at Amortised Cost			
Unsecured, considered good			
Other Financial Assets	0.53		1,088.28
Interest Accrued On Deposit Others	21.85		21.39
Total	22.38		1,109.68
17 (A) OTHER CURRENT TAX ASSET (NET)	323.66		-
Advance Tax and Tax Deducted at Source (net of provision)			
Total (A)	323.66		-
(B) OTHER CURRENT ASSET			
Balance with Government authorities	6,492.31		4,967.48
Trade Advances	952.02		544.43
Prepayments	341.04		154.15
Advance to Employees	97.18		75.61
Others	78.72		-
Total (B)	7,961.27		5,741.67
Total (A+B)	8,284.93		5,741.67
18 EQUITY SHARE CAPITAL	As at 31st March, 2020	As at 31st March, 2019	
Authorised Share Capital	No. of Shares Amount	No. of Shares	Amount
i) Equity Shares of ₹ 10/- each	50,000,000 5,000.00	50,000,000	5,000.00
ii) Unclassified Shares of ₹ 10/- each	10,000,000 1,000.00	10,000,000	1,000.00
	6,000.00		6,000.00
Issued, Subscribed and Fully Paid up			
Equity Shares of ₹ 10/- each	21,882,060 2,188.21	21,882,060	2,188.21
	2,188.21		2,188.21
a) Reconciliation of Number of Shares			
Equity Shares			
Opening Balance	21,882,060 2,188	21,882,060	2,188
Changes during the year			
Closing Balance	21,882,060 2,188	21,882,060	2,188
b) Rights, Preferences and restrictions attached to Equity Shares:			
The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each Shareholder of Equity Shares is entitled for one vote per share. The interim dividend declared by the Board of Directors at its meeting held on 14th March, 2020 is being recommended as the final dividend for the approval of the Shareholders at the ensiung Annual General Meeting. In the event of liquidation of the Company, the Shareholders of Equity Shares are eligible to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any.			
c) Details of Shareholders holding more than 5% Shares in the Company			(₹ in lakhs)
Equity Shares	As at 31st March, 2020	As at 31st March, 2019	
Mr. V. R. Garware*	3,568,295	3,568,295	
	16.31%	16.31%	
Garware Capital Markets Limited	3,563,570	3,562,567	
	16.29%	16.28%	



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The above Shareholding represents the legal ownership of shares

* Out of 35,68,295 (16.31%) Equity Shares, 21,18,893 (9.68%) Equity Shares are registered in the name of Mr. V. R. Garware as partner of Partnership Firms. Beneficial interest in the said share is held by the Partnership Firms.

d) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March, 2019): Nil

	As at 31st March, 2020	As at 31st March, 2019
(₹ in lakhs)		
19 OTHER EQUITY		
RETAINED EARNINGS	59,771.64	51,021.57
OTHER RESERVES		
a) Capital Reserve	199.73	72.23
b) Capital Redemption Reserve	182.63	182.63
c) Share Premium		
Share Premium Account	7,597.37	7,597.37
Share Premium Related To Forfeited Shares	102.74	102.74
d) Revaluation Reserve	0.69	1.73
e) General Reserve	3,869.84	3,869.84
Total	11,953.00	11,826.54
Grand Total	71,724.64	62,848.11
NON-CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
20 NON-CURRENT TRADE PAYABLE		
Measured at Amortised Cost		
Retention money payable	122.75	91.62
	<u>122.75</u>	<u>91.62</u>
21 NON-CURRENT FINANCIAL LIABILITY		
Measured at Amortised Cost		
Security Deposit from Contractor	4.90	4.40
	<u>4.90</u>	<u>4.40</u>
22 NON CURRENT PROVISIONS		
Provision for Employee Benefits *	827.55	485.13
Total	827.55	485.13
23 DEFERRED TAX (ASSET) / LIABILITIES		
Deferred Tax relates to the following		
Depreciation and Amortisation	2,800.83	3,914.79
Employee Benefit Obligation	(84.64)	(205.63)
Provision for Doubtful Debts	(41.02)	(6.36)
Financial Asset / Liabilities measured at FVTPL	525.74	174.75
Financial Asset / Liabilities measured at FVOCI	83.60	88.03
Financial Asset / Liabilities measured at Amortised Cost	(35.24)	(85.02)
Deferred Tax Liability (Net)	3,249.26	3,880.56

* Provision for employee benefits includes provision for Leave encashment, Super annuation and Gratuity (refer Note No. 38)


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lakhs)

	As at 31st March, 2020	As at 31st March, 2019
FINANCIAL LIABILITIES		
24 BORROWINGW-CURRENTS		
Secured (at amortised cost)		
- From banks		
Working Capital Facilities	13,253.68	10,797.27
Total	13,253.68	10,797.27

Note:

Loans availed from Bank of India Consortium are secured by a first charge, pari passu, 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. Secured loan including post shipment credit carries an interest rate ranging from 5.5% to 6.5 % p.a. for repayments on various dates ranging up to 180 days.

25 TRADE PAYABLE-CURRENT		
Measured at Amortised Cost		
Outstanding dues of Micro Enterprises & Small Enterprises	45.48	45.02
Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	18,417.02	19,428.60
Total	18,462.50	19,473.62

Note:

Trade payable are not interest bearing and are normally settled as terms of agreement. Refer Note 46 for discussion on company's credit risk management policies and procedures.

Details of dues to Micro and Small Enterprises are defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

The principle amount due the supplier under MSMED Act, 2006 at the year end.	45.48	45.50
Interest Accrued and due to supplier under MSMED Act, 2006 on the above amount, unpaid at the year end.	1.09	1.41
Payment made to supplier (other than interest) beyond the appointed date during the year.	-	224.45
Interest paid to supplier under MSMED Act, 2006 (Section 16) during the year.	-	-
Interest due and payable to supplier under MSMED Act, 2006 for payments already made.	-	1.39
Interest Accrued and not paid to supplier under MSMED Act, 2006 up to the year end.	-	1.39

The above information has been disclosed in respect of parties which have been identified on the basis of the information available.

26 OTHER CURRENT FINANCIAL LIABILITIES		
Interest accrued but not due on borrowing	2.67	-
Payable to Employees	1,526.72	1,353.03
Unpaid Dividend (refer note below)	119.45	56.09
Security deposit from Customer	137.52	138.02
Other Payables	284.22	108.40
Total	2,070.59	1,655.54

Note: In respect of unclaimed dividend, the actual amount is transferred to investor protection fund on the determined due date.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
	As at 31st March, 2020	As at 31st March, 2019
27 OTHER CURRENT LIABILITY		
Unearned revenue	4,142.44	4,025.78
Advance received from Customers	2,271.81	1,346.26
Statutory dues and other liabilities	158.14	109.31
Total	<u>6,572.39</u>	<u>5,481.35</u>
28 CURRENT PROVISIONS		
Provision for Employee Benefits*	559.99	355.91
Total	<u>559.99</u>	<u>355.91</u>
* Provision for employee benefits includes provision for Leave Encashment, Super Annuation and Gratuity (refer Note No. 38)		
29 CURRENT TAX LIABILITY (NET)		
Provision for Taxation (net of Advance Tax and Tax Deducted at Source)	17.26	518.84
Total	<u>17.26</u>	<u>518.84</u>
		(₹ in lakhs)
30 REVENUE	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Sale of Products and Services		
Manufactured Goods	86,124.50	91,791.09
Traded Goods	4,410.34	6,203.40
Contracts for Supply & Installation	3,513.39	3,373.21
Other operating Revenue		
Sale of Scrap	585.14	280.11
Sale of Raw Material	485.38	
Miscellaneous Receipts	189.92	134.38
Total	<u>1,260.44</u>	<u>414.49</u>
	<u>95,308.67</u>	<u>101,782.19</u>
Disaggregation of revenue		
Revenue based on Geography		
Domestic	39,334.33	42,941.08
Export	55,974.33	58,841.11
Revenue from operations	<u>95,308.67</u>	<u>101,782.19</u>
Revenue based on Business Segment		
Synthetic Cordage	79,257.35	85,514.62
Fibre and Industrial Products & Projects	16,051.32	16,267.57
Total Revenue from operation	<u>95,308.67</u>	<u>101,782.19</u>
Reconciliation of Revenue from operations with contract price		
Contract Price	96,274.53	103,280.67
Less:- Discounts and Incentives	(965.86)	(1,500.48)
Total Revenue from operation	<u>95,308.67</u>	<u>101,782.19</u>
31 OTHER INCOME		
Interest income from financial asset carried at amortise cost		
Bank deposits	26.51	51.34
From other financial assets	12.22	10.81
Dividend income from equity investments designated at FVTOCI*	0.01	4.07
Fair Value Gain at financial instruments at FVTPL	2,990.13	1,076.99
Gain on sale/redemption of investments	189.90	962.38
Profit on sale of Fixed Asset	-	2.34
Total	<u>3,218.76</u>	<u>2,107.93</u>

* Includes dividend received from subsidiary company GTF USA Inc. ₹ 3703.47 lakhs.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
32 COST OF MATERIAL CONSUMED		
Opening Stock at the beginning of the year	5,257.84	5,296.82
Add : Purchases	15,551.71	18,690.52
Less : Closing Stock at the end of the year	(5,447.43)	(5,257.84)
Total	26,256.98	29,245.17
33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock at the beginning of the year		
Work-in-Progress	3,410.20	3,330.57
Finished Goods	5,849.90	5,896.26
Traded Goods	599.73	465.84
	9,859.83	9,692.67
(b) Closing Stock at the end of the year		
Work-in-Progress	4,653.48	3,410.20
Finished Goods	6,497.26	5,849.90
Traded Goods	542.87	599.73
	11,693.62	9,859.83
Net Total	(1,833.78)	(167.16)
34 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	12,153.81	11,615.74
Contribution to Provident and other Funds (Note No. 38)	720.26	551.06
Staff Welfare	762.21	828.34
Total	13,636.29	12,995.14
35 FINANCE COST		
Interest expenses on borrowings *	873.73	1,005.52
Bank charges	283.28	366.77
Total	1,157.01	1,372.29
* Interest expenses includes ₹ 393.07 lakhs (Previous year ₹ 419.05 lakhs) on account of interest on borrowings from related parties.		
36 OTHER EXPENSES		
Stores and Spares consumed	7,644.05	6,993.11
Packing materials consumed	1,700.10	1,540.00
Power, Fuel and Water Charges	3,647.81	3,515.95
Processing and Testing Charges	8,715.59	8,235.91
Installation Contract related expenses	1,593.24	2,204.84
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	565.89	668.62
Rent	432.32	451.76
Rates, Taxes and Octroi	116.94	112.18
Insurance	220.09	236.43
Transport and Forwarding Charges	5,091.77	5,285.02



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

		(₹ in lakhs)
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Repairs and Maintenance		
Buildings	55.41	74.20
Plant and Machinery	1,990.58	1,984.77
Others	433.32	429.17
Travelling Expenses	1,183.14	1,168.47
Discount and Commission on Sales	754.17	1,162.01
Bad Debts	82.71	93.83
Provision for Doubtful Debts	35.00	71.12
Legal and Professional Charges	1,538.96	1,651.25
Auditors' Remuneration		
Audit Fees	18.25	12.70
Fees for other Services	14.00	12.80
Out of Pocket Expenses	2.08	2.16
Establishment and other miscellaneous expenses *	1,775.59	1,604.15
Exchange (Gain) / Loss (net)	(1,665.61)	(921.36)
Directors' Fees	9.80	8.40
(Profit) / Loss on Fixed Assets Discarded	29.64	—
Total	35,984.82	36,597.49
Detail of CSR Expenditure;		
Amount required to spent during the year	273.51	228.35
Amount spent during the year	121.80	59.62
Research and development cost		

The company has incurred expenses on research and development at research and development facilities (Chinchwad and Wai Plant) approved and recognised by the Ministry of Science and Technology, Government of India (DSIR).

Revenue expenditure charged to statement of profit and loss	1,155.79	962.51
Capital expenditure	105.80	658.71

37 Income taxes

The major components of income tax expenses for the year ended 31st March, 2020 & 31st March, 2019.

Statement of Profit and Loss:

Current Income Tax Charges		
Current Income Tax	4,460.04	5,368.99
Adjustment of tax for previous year	-	(125.42)
Deferred Tax		
Relating to origination and reversal of temporary differences	(626.86)	397.92
Income tax expenses reported in the Statement of Profit and Loss	3,833.18	5,641.49

Other Comprehensive Income:

Remeasurement of Investment in Equity Instruments	(252.43)	64.86
Net gain or loss on remeasurements of defined benefit plans	(296.64)	(87.79)
Income tax related to items that will not be reclassified to profit or loss	(41.67)	(1.23)
	590.74	24.16


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2020 & 31st March, 2019.

(₹ in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Accounting profit before tax (before exceptional items)	17,886.30	18,209.44
At India's statutory income tax rate of 25.168% (For the year ended 31st March 2019 : 34.944%)	4,501.62	6,363.11
Dividend income	–	(126.85)
Fair value gain of FVTOCI investment Dividend income	(799.45)	(409.88)
Weighted deduction on research and development capital and revenue expenses	–	(511.25)
Dividend income on foreign subsidiary		
Difference in book and IT depreciation	19.59	(28.07)
Others	683.13	77.64
Tax @11.536% on Capital gain income	55.15	4.29
Income Tax expenses reported in the Statement of Profit and Loss (A)	4,460.04	5,368.99
Tax Expenses recognised in Statement of Profit and Loss		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(1,113.96)	243.89
Incremental Deferred Tax Liability / (Asset) on account of Financial Assets and Other items	487.10	154.03
Deferred Tax Provision (B)	(626.86)	397.92
Adjustment recognised in the current year in relation to the prior years (C)	–	(125.42)
Total Expenses recognised in Statement of Profit and Loss (A+B+C)	3,833.18	5,641.49

During the year, the Company has paid dividends to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authorities on behalf of the shareholders. Hence DDT paid is charged to equity.

The income tax department had conducted a search operation at the Company premises in the month of November 2019. The Company has not received any communication on the outcome thereof.

38 Gratuity

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in bond yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

I Changes in the net benefit obligation and fair value of plan assets are as follows:

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1st April, 2018	1,855.36	(1,733.82)	121.55
Current service cost	113.28	–	113.28
Interest expense/(income)	143.42	(134.02)	9.40
Total amount recognised in Profit or Loss	256.70	(134.02)	122.67
Experience adjustments	86.70	–	86.70
Actuarial loss from change in financial assumptions	(4.73)	–	(4.73)
Return on plan assets (income)	–	5.82	5.82
Total amount recognised in Other Comprehensive Income	81.97	5.82	87.79
Employer contributions	–	(107.00)	(107.00)
Benefits paid	(154.72)	154.72	–
31st March, 2019	2,039.31	(1,814.31)	225.00



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current service cost	120.48	–	120.48
Interest expense/(income)	158.25	(140.79)	17.46
Total amount recognised in Profit or Loss	278.73	(140.79)	137.94
Experience adjustments	52.93	–	52.93
Actuarial loss from change in financial assumptions	159.04	–	159.04
Return on plan assets (income)	–	84.66	84.66
Total amount recognised in Other Comprehensive Income	211.97	84.66	296.64
Employer contributions	–	(129.04)	(129.04)
Benefits paid	(112.24)	112.24	–
31st March, 2020	2,417.77	(1,887.23)	530.53

II The net liability disclosed above relates to funded plans are as follows :

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019	31st March, 2018
Present value of funded obligation	2,417.77	2,039.31	1,855.36
Fair value of plan assets	(1,887.23)	(1,814.31)	(1,733.82)
Surplus of funded plan	530.53	225.00	121.55

III Significant estimates

The principal actuarial assumptions were as follows :

Particulars	31st March, 2020	31st March, 2019	31st March, 2018
Discount rate	6.87%	7.76%	7.73%
Salary growth rate	5.00%	5.00%	5.00%
Normal retirement age	58/60 years	58/60 years	58/60 years
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Employee turnover	2%	2%	2%

IV Sensitivity analysis

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

Assumption	Impact on defined benefit obligation	
	31st March, 2020	31st March, 2019
Discount rate		
1.00% increase	Decrease by 177.44	Decrease by 147.31
1.00% decrease	Increase by 202.93	Increase by 168.57
Future salary increase		
1.00% increase	Increase by 204.71	Increase by 171.57
1.00% decrease	Decrease by 182.01	Decrease by 152.28
Attrition Rate		
1.00% increase	Increase by 25.94	Increase by 34.58
1.00% decrease	Decrease by 28.80	Decrease by 38.37


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the Projected Unit Credit Method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous periods.

The following are the expected cash flows to the defined benefit plan in future years: (₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Within next 12 months	319.94	277.29
Between 1-10 years	1,514.20	1,328.35
11 years & above	2,820.96	2,723.25

V The major categories of plan assets are as follows:

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Investments with Insurer (LIC of India)	0.01%	0.01%
HDFC Standard Life Insurance	99.99%	99.99%

39 Segment Reporting

- 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 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.
- 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.
- 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.
- 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

Year 2019-2020

 (₹ in lakhs)
 Year 2018-2019

Particulars	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total
i) Segment Revenue	79,627.98	17,494.57	–	97,122.55	86,031.16	17,340.73	–	103,371.89
Inter-segment revenue	(370.63)	(1,443.25)	–	(1,813.88)	(516.54)	(1,073.16)	–	(1,589.70)
Sales/Income From operations	79,257.35	16,051.32	–	95,308.67	85,514.62	16,267.57	–	101,782.19
ii) Depreciation and amortization	1,593.91	229.86	102.45	1,926.22	1,362.77	212.61	148.66	1,724.04
iii) Segment Result	16,290.45	2,389.90	–	18,680.36	18,176.14	2,750.53	–	20,926.67
Less -								
i) Interest				(1,157.00)				(1,372.29)
ii) Other Unallocable expenditure net of unallocable (income)				362.94				(1,344.95)
Total profit before tax				17,886.29				18,209.44
iv) Segment Assets	58,688.71	10,533.06	49,670.54	118,892.30	56,076.35	9,253.49	42,450.72	107,780.56
v) Segment Liabilities	23,924.89	4,543.02	16,679.96	45,147.87	23,752.52	3,627.40	15,364.32	42,744.24



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Reconciliation of Profit

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Segment Profit	18,680.36	20,926.67
Other Income	3,218.76	2,107.93
Finance Cost	(1,157.01)	(1,372.29)
Other Corporate Costs	(2,855.82)	(3,452.87)
Profit Before Tax and discontinued operations	17,886.29	18,209.44

Reconciliation of Assets

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Segment operating assets	69,221.76	65,329.83
Investments	37,599.63	33,045.66
Cash and bank balances	3,365.35	1,225.87
Balances with government authorities	6,492.31	4,967.48
Other unallocable assets	2,228.23	3,211.71
Total assets	118,907.28	107,780.56

Reconciliation of liabilities

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
Segment operating liabilities	28,467.91	327,379.93
Borrowings	13,253.68	10,797.27
Income tax liabilities (Net)	3,266.53	4,399.40
Other unallocable liabilities	228.97	167.65
Total liabilities	45,217.09	42,744.24

ii) Information about geographic segment

Revenue from external customers

(₹ in lakhs)

Particulars	31st March, 2020	31st March, 2019
India	39,334.33	42,941.08
Outside India	55,974.33	58,841.11
Total	95,308.67	1,01,782.19

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 project. 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. As the Company has integrated manufacturing facilities, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to the Geographical Segment.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
40 TRANSACTIONS WITH RELATED PARTIES
(I) List of Related Parties & Relationship :
A. Subsidiary / Joint Venture Company

1. Garware Environmental Services Pvt. Ltd.
2. Garware Technical Fibres USA Inc.
3. Garware Technical Fibres Chile SpA

B. Associate Company

1. Garware Meditech Pvt. Ltd.

C. Executive Directors - Key Managerial Personnel

1. Mr. V. R. Garware

D. Non Executive Directors

1. Mrs. M. V. Garware
2. Mr. R. M. Telang - Independent Director
3. Mr. S. P. Kulkarni - Independent Director
4. Mr. Ashish Goel - Independent Director
5. Dr. S. S. Rajpathak
6. Ms. Mallika Sagar - Independent Director

E. Enterprises over which control is exercised by the individual listed at 'C' above

1. Manmit Investment & Trading Company Pvt. Ltd.
2. Garware Capital Markets Ltd.
3. Gurukrupa Comtrade Pvt. Ltd.
4. Sanand Investments & Trading Company Pvt. Ltd.
5. Moonshine Investments & Trading Company Pvt. Ltd.
6. Starshine Comtrade Pvt. Ltd.
7. Sukukar Holdings & Trading Company Pvt. Ltd.
8. VMIR Investment Ltd.
9. VRG Investments Ltd.
10. Garware Infrastructure Pvt. Ltd.
11. Ramesh Trading Company
12. Sunita Trading Company
13. VG Trading Company
14. VRG Trading Company
15. Garware Research Institute
16. Vimlabai Garware Research Institute Pvt. Ltd.
17. Consolidated Agricultural & Dairy Farming Co. Pvt. Ltd.

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

(₹ in lakhs)

Sr. No.	Particulars	Subsidiaries/ Joint Venture Companies	Associate Companies	Enterprises Owned or significantly Influenced by Key Management Personnel or Their Relatives	Executive Directors - Key Management Personnel	Non-Executive Directors	Total
Transactions with Related Parties							
1	Deposit Received						
	2019-20	—	—	5,877.00	—	—	5,877.00
	2018-19	—	—	2,314.00	2,476.00	—	4,790.00
2	Deposit Refund						
	2019-20	—	—	5,877.00	—	—	5,877.00
	2018-19	—	—	2,314.00	2,476.00	—	4,790.00
3	Interest paid on Deposits						
	2019-20	—	—	393.07	—	—	393.07
	2018-19	—	—	224.80	194.25	—	419.05
4	Director Remuneration*						
	2019-20	—	—	—	205.45	—	205.45
	2018-19	—	—	—	873.37	—	873.37
5	Directors Sitting Fees						
	2019-20	—	—	—	—	9.80	9.80
	2018-19	—	—	—	—	8.40	8.40
6	Dividend paid						
	2019-20	—	—	1,656.03	785.02	0.80	2,441.85
	2018-19	—	—	338.66	160.48	0.01	499.15
7	Sale of Goods/Services						
	2019-20	—	—	—	—	—	—
	2018-19	—	—	—	—	—	—
Outstanding Balances with related parties							
8	Director's Remuneration Payable						
	31st March, 2020	—	—	—	—	—	—
	31st March, 2019	—	—	—	645.00	—	645.00

Note : For Investment in related parties as at 31st March, 2020 refer Note No. 5.

The above figures do not include provision for leave encashment and gratuity fund, as separate figures are not available for the Executive Director - Key Management Personnel.

* Includes commission paid / payable to Executive Director-Key Management Personnel ₹ Nil lakhs (Previous year ₹ 645 lakhs)



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

41 EARNINGS PER SHARE (EPS)

BASIC AND DILUTED EPS

Net Profit attributable to Equity Shareholders of the Company
Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs)
Basic And Diluted Earning Per Share (₹)

	31st March, 2020	31st March, 2019
	14053.03	12567.85
	218.82	218.82
	64.22	57.43

42 CONTINGENT LIABILITIES :

Claims against the company not acknowledged as debts:

In respect of matters under dispute

-Sales Tax	9.15	9.15
-Income Tax	—	114.00
-Octroi	21.64	21.64

43 Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹ 677.01 lakhs (As at 31st March, 2019 ₹ 808.59 lakhs).

44 INTEREST IN FIRM / JOINT VENTURE :

The Company has entered into a partnership agreement (Sopan D. Patil & GWRL J.V.) in which the company holds 40% share in profit / loss to execute Geo-Synthetics Work - Contract value worth ₹ 577.31 lakhs. During the year ended 31.03.2020, the said partnership has incurred a loss of ₹ (0.50) lakhs (As at 31st March, 2019 ₹ Nil lakhs).

Current assets	0.78	16.72
Non-current assets	15.40	18.96
Current liabilities	—	—
Non-current liabilities	(21.04)	(40.54)
Reserve & Surplus	4.86	4.86
	—	—
Revenue	4.48	—
Cost of material consumed	(4.24)	—
Employee benefit expenses	—	—
Other expenses	(0.75)	—
Profit / (loss) before tax	(0.51)	—
Income-tax expenses	—	—
Profit / (loss) after tax	(0.51)	—

45 DISCLOSURES ON FINANCIAL INSTRUMENTS

a. Financial Instruments by category

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2020.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	—	—	—	—
Other Investments-Non Current	316.44	27,610.96	—	27,927.40
Trade Receivables-Non Current	—	—	260.59	260.59
Loans-Non Current	—	—	627.52	627.52
Other Financial Assets-Non Current	—	—	440.97	440.97
Other Investments-Current	—	9,672.23	—	9,672.23
Trade Receivables-Current	—	—	23,525.30	23,525.30
Loans-Current	—	—	591.36	591.36
Other Financial Assets-Current	—	—	22.38	22.38
Total	316.44	37,283.19	25,468.11	63,067.75
Financial Liabilities				
Trade Payable-Non Current	—	—	122.75	122.75
Other Financial Liabilities-Non Current	—	—	4.90	4.90
Borrowings-Current	—	—	13,253.68	13,253.68
Trade Payable-Current	—	—	18,462.50	18,462.50
Other Financial Liabilities-Current	—	—	2,070.59	2,070.59
Total	—	—	33,914.41	33,914.41


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2019.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	-	-	-	-
Other Investments-Non Current	614.96	28,183.68	-	28,798.65
Trade Receivables-Non Current	-	-	547.82	547.82
Loans-Non Current	-	-	558.01	558.01
Other Financial Assets-Non Current	-	-	425.79	425.79
Other Investments-Current	-	4,247.02	-	4,247.02
Trade Receivables-Current	-	-	24,289.71	24,289.71
Loans-Current	-	-	590.69	590.69
Other Financial Assets-Current	-	-	1,109.68	1,109.68
Total	614.96	32,430.70	27,521.69	60,567.35
Financial Liabilities				
Trade Payable-Non Current	-	-	91.62	91.62
Other Financial Liabilities-Non Current	-	-	4.40	4.40
Borrowings-Current	-	-	10,797.27	10,797.27
Trade Payable-Current	-	-	19,473.62	19,473.62
Other Financial Liabilities-Current	-	-	1,655.54	1,655.54
Total	-	-	32,022.45	32,022.45

b. Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where fair value disclosure is required:

As at 31st March, 2020

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	243.17	-	-	243.17
Unquoted equity instruments	-	-	73.27	73.27
FVTPL financial investments				
Other Debt Instrument	17.66	34,453.54	-	34,471.20
Unquoted debt instruments		2,812.00		2,812.00
Unquoted equity instruments	-	-	-	-



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

As at 31st March, 2019

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets	Significant observable input	Significant unobservable input	Total
	(Level 1)	(Level 2)	(Level 3)	
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	320.05	-	-	320.05
Unquoted equity instruments	-	-	294.91	294.91
FVTPL financial investments				-
Foreign Currency Forward Contract	-	-	-	-
Other Debt Instrument	17.66	26,256.74	-	26,274.40
Unquoted debt instruments		6,156.30		6,156.30
Unquoted equity instruments	-	-	-	-

c. Valuation technique to determine fair value

The following methods and assumptions were used to estimate the fair values of financial instruments.

- The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

d Financial risk management objectives

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Management Group ('TMG') manages these risks.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and other price risks such as equity price risk and commodity price risk. Financial instruments affected by market risks mainly include borrowings, deposits and investments.

Foreign currency risk management

Foreign exchange risk arises on future commercial transactions and on all recognised monetary assets and liabilities, which are denominated in a currency other than the functional currency of the Company. The Company's management has set policy wherein exposure is identified, benchmark is set and monitored closely, and accordingly suitable hedges are undertaken.

The Company's foreign currency exposure arises mainly from foreign exchange imports, exports and other income/expenses in foreign currency, primarily with respect to USD.

As at the end of the reporting period, the carrying amounts of the company's foreign currency denominated monetary assets and liabilities in respect of the primary foreign currency i.e. USD and derivative to hedge the exposure, are as follows:


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020
Particulars of unhedged foreign currency exposure and Derivatives (Outstanding) as at Balance Sheet date:

(₹ in lakhs)

Particulars	Currency	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable	USD	14,069.41	13,902.39
Trade Payable	USD	(296.89)	(1,981.11)
Net		13,772.51	11,921.28
Forward Contracts to Sell (Hedge of Receivables)	USD	(10,824.09)	(10,801.69)
Net Exposure		2,948.43	1,119.59

The Company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant.

(₹ in lakhs)

	Currency	As at 31st March, 2020	As at 31st March, 2019
Impact on profit before tax			
INR/USD - Increase by 1%	USD	275.10	264.43
INR/USD - Decrease by 1%	USD	(275.10)	(264.43)

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations and investments in debt instruments including debt mutual fund.

Interest rate sensitivity

The below table demonstrate the sensitivity of the company's profit before tax to a reasonable possible change in interest rate with all other variables being constant.

(₹ in lakhs)

Particulars		Change in interest rate	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest expense	Increase	100 basis point	(87.39)	(106.63)
	Decrease	100 basis point	87.39	106.63
Interest income/Fair Value gain	Increase	100 basis point	307.51	269.37
	Decrease	100 basis point	(307.51)	(269.37)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivable

Customer credit risk is managed by SCM team subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of bank deposits and cash credit facilities. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

(₹ in lakhs)

Particulars	Year	Total	More than 1 year	Less than 1 year
Financial Liabilities				
Trade Payables	31st March, 2020	18,585.25	122.75	18,462.50
	31st March, 2019	19,565.24	91.62	19,473.62
Borrowings	31st March, 2020	13,253.68	-	13,253.68
	31st March, 2019	10,797.27	-	10,797.27
Other Financial Liabilities	31st March, 2020	2,075.49	4.90	2,070.59
	31st March, 2019	1,659.94	4.40	1,655.54

Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Company believes that there is no such excessive risk concentration.

46 Capital Management

The Company's objective when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholders expectations. The policy of the company is to borrow through banks supported by committed borrowing facility to meet anticipated funding requirements.

The capital structure is governed by policies approved by the Board of Directors.

The following table summarises the capital of the Company.

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Short Term Debt (including current maturities of long term loan)	13,253.68	10,797.27
Long Term Debt	-	-
Trade Payables	18,462.50	19,473.62
Less: Cash and cash equivalents	(3,365.35)	(1,225.87)
Net Debt	28,350.82	29,045.01
Equity	73,912.85	65,036.32
Capital and net debt	102,263.67	94,081.33
Net Debt to Capital Ratio (Debt/Equity plus debt)	0.28	0.31


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

- 47** The Company has adopted Ind AS 116 "Leases" effective 1st April, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the year.
- 48** COVID - 19 Pandemic and resulting lockdown measures by the Government of India has impacted economic activities worldwide and as a result, impacted operations and financial results of the Company. The Company has considered all available information, while preparing the Financial Statements for the year ended March 31, 2020.
- 49** During the year, the Company incorporated a subsidiary named as Garware Technical Fibres USA Inc. ("GTF USA Inc.") in the State of Washington, United State of America. The Company contributed, assigned and transferred, all of its rights, title and interest in and to the Business / Undertaking along with all its assets and liabilities in its USA Branch on a going concern basis to GTF USA Inc. The Consideration for the same was discharged by GTF USA Inc. by issuance of 100% shares of its common stock to the Company.
- 50** During the year, the Company incorporated a wholly owned subsidiary in Chile named as Garware Technical Fibres Chile SpA ("the GTF Chile SpA") in the Republic of Chile. The Company has not yet infused any share capital into the GTF Chile SpA and the GTF Chile SpA is yet to commence its operations. In view of this, the accounts for the F.Y.2019-20 are not drawn for the GTF Chile SpA.
- 51** The Company has elected to exercise the option permitted u/s. 115BAA of the Income Tax Act. Accordingly, Current and Deferred tax expenses for the year ended March 31, 2020 reflect changes as per the rate prescribed in the said section.
- 52** The figures of previous year have been regrouped / rearranged, wherever necessary to conform to current year's presentation.

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
 Chartered Accountants,
 F.R.NO.: 106201W/W100598

MUKESH SURANA
 Chief Financial Officer

V. R. GARWARE
 Chairman & Managing Director
 DIN. 00092201

M. V. GARWARE
 Director
 DIN. 06948274

(ABHAY MEHTA)
 Partner
 M. No. 046088

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

R. M. TELANG
 Director
 DIN. 00092103

S. P. KULKARNI
 Director
 DIN. 00006914

Mumbai,
 30th June, 2020

Pune,
 30th June, 2020

S. S. RAJPATHAK
 Director
 DIN: 00040387



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Form AOC-1:

Statement containing the salient features of the financial statement of Subsidiary / Joint Venture pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

Part - A : Subsidiary

(₹ in lakhs)

Sr.No.	Particulars			
1.	Name of the Subsidiary	Garware Environmental Services Pvt Ltd.	Garware Technical Fibres USA Inc.	Garware Technical Fibres Chile SpA
2.	Reporting period for the Subsidiary	1st April 2019 to 31st March, 2020	1st April 2019 to 31st March, 2020	1st April 2019 to 31st March, 2020
3.	Reporting currency as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	₹ in lakhs	US\$	Chilean Peso
4.	Exchange rate as on the last date of the relevant Financial Year in case of Foreign Subsidiaries	N.A.	75.67	NA
5.	Share Capital	100.00	4,699.54	–
6.	Reserves and Surplus	47.09	(3,378.78)	–
7.	Total Assets	149.64	5340.58	–
8.	Total Liabilities	149.64	5340.58	–
9.	Investments	103.56	–	–
10.	Turnover	8.96	1228.16	–
11.	Profit Before Tax	6.51	56.00	–
12.	Provision for Tax	1.24	11.76	–
13.	Profit After Tax	5.27	44.74	–
14.	Proposed Dividend	–	3703.47	–
15.	% of Shareholding	100%	100%	100%
Notes:				
1.	Names of Subsidiary which are yet to commence operations	Garware Environmental Services Pvt. Ltd.	–	Garware Technical Fibres Chile SpA
2.	Names of Subsidiaries which have been liquidated or sold during the year	–	–	–

Part - B : Associate Company

(₹ in lakhs)

Sr.No.	Particulars	
1.	Name of Associate Company	Garware Meditech Pvt. Ltd.
2.	Latest Audited Balance Sheet Date	31st March, 2020
3.	Shares of Associate held by the Company on the year end	
	No.	5,000
	Amount of Investment in Associates	₹ 0.50
	Extend of Holding %	50%
4.	Description of how there is significant influence	Chairman same in both company
5.	Reason why the Associate is not Consolidated	Consolidated
6.	Net worth attributable to Shareholding as per latest Balance Sheet	₹ (0.10)
7.	Loss for the year	
	i) Considered in Consolidation	₹ (0.10)
	ii) Not considered in Consolidation	–

As per our Report of even date

For MEHTA CHOKSHI & SHAH LLP
Chartered Accountants,
F.R.NO.: 106201W/W100598

MUKESH SURANA
Chief Financial Officer

V. R. GARWARE
Chairman & Managing Director
DIN. 00092201

M. V. GARWARE
Director
DIN. 06948274

(ABHAY MEHTA)
Partner
M. No. 046088

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

R. M. TELANG
Director
DIN. 00092103

S. P. KULKARNI
Director
DIN. 00006914

Mumbai,
30th June, 2020

Pune,
30th June, 2020

S. S. RAJPATHAK
Director
DIN: 00040387



Progress through the Years

(Standalone)

(₹ in lakhs)

Particulars	As per GAAP							As per IND AS*		
	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020
COMPANY OWNED										
1. FIXED ASSETS (NET)	15,574.99	16,985.21	15,449.16	16,012.58	17,260.92	19,916.68	20,333.66	22,122.65	22,668.90	24,449.57
2. INVESTMENTS	892.18	911.96	916.95	933.46	904.00	397.80	11,122.21	24,469.33	33,101.17	42,251.11
3. NET CURRENT ASSETS ^{\$}	20,405.98	22,977.38	23,160.21	19,694.59	19,049.52	23,955.47	24,726.28	24,318.13	23,857.76	23,879.34
TOTAL ASSETS (NET)	36,873.15	40,874.55	39,526.32	36,640.63	37,214.44	44,269.95	56,182.15	70,910.11	79,627.82	90,580.03
COMPANY OWED										
1. LOAN FUNDS	11,621.06	14,033.21	11,043.33	7,133.07	3,972.47	4,774.73	8,608.70	13,838.83	10,797.27	10,037.70
2. COMPANY'S NET WORTH -										
- EQUITY SHARE CAPITAL	2,370.84	2,370.84	2,370.84	^{\$\$} 2,197.23	^{\$\$\$} 2,188.21	2,188.21	2,188.21	2,188.21	2,188.21	2,188.21
- RESERVES AND SURPLUS ^μ	21,104.29	22,671.54	24,297.79	25,285.32	28,806.75	34,596.43	42,371.11	51,410.91	62,761.78	75,104.84
3. DEFERRED TAX LIABILITY	1,776.96	1,798.96	1,814.36	2,025.01	2,247.01	2,710.58	3,014.14	3,472.16	3,880.56	3,249.27
TOTAL CAPITAL EMPLOYED	36,873.15	40,874.55	39,526.32	36,640.63	37,214.44	44,269.95	56,182.15	70,910.11	79,627.82	90,580.02
INCOME	50,366.94	58,416.39	60,880.36	69,275.60	79,051.88	83,543.67	85,772.13	90,334.59	103,879.84	101,385.25
RAW MATERIAL AND STOCK CONSUMED	21,927.07	25,181.95	24,468.38	31,633.68	36,345.89	31,526.85	29,308.21	29,061.95	32,991.72	27,211.40
SALARIES AND WAGES	6,536.65	7,936.04	7,915.59	6,379.98	8,424.09	9,279.29	10,603.61	11,687.91	12,995.14	13,618.26
OPERATING AND OTHER EXPENSES	16,171.09	18,575.28	19,707.50	24,209.35	25,530.59	31,411.81	31,131.54	31,662.57	36,596.61	35,888.59
INTEREST	891.58	1,660.62	1,448.01	1,282.92	1,024.83	872.69	653.55	997.69	1,372.29	1,120.59
EXCISE DUTY	235.35	255.23	368.44	422.66	436.77	438.31	343.64	88.56	-	-
PROFIT BEFORE DEPRECIATION AND TAX	4,605.20	4,807.27	4,972.44	5,347.01	7,289.71	10,014.72	13,731.59	16,835.91	19,924.08	23,546.41
DEPRECIATION	1,483.98	1,601.92	1,632.44	1,439.33	1,238.55	1,310.49	1,416.35	1,534.76	1,724.04	1,926.22
PROFIT BEFORE TAX	3,121.22	3,205.35	3,340.00	3,907.68	6,051.16	8,704.23	12,315.23	15,301.15	18,200.04	21,620.19
TAX	677.95	804.78	872.62	1,241.49	1,745.67	2,516.60	3,885.38	4,789.39	5,638.79	3,820.18
PROFIT AFTER TAX	2,443.27	2,400.57	2,467.38	2,666.19	4,305.49	6,187.63	8,429.85	10,511.76	12,561.25	17,800.01
EARNING PER SHARE	10.31	10.13	10.41	12.13	19.68	28.28	38.52	48.04	57.40	81.35
DIVIDEND PAID PER EQUITY SHARE (₹)	2.50	2.50	2.50	2.70	3.00	3.30	5.00	4.50	5.00	**17.00
BOOK VALUE OF EQUITY SHARE (₹)	98.97	105.59	112.45	125.08	141.65	166.68	203.63	244.95	296.82	353.23
FOB VALUE OF EXPORTS	17,784.50	24,584.47	25,414.56	32,715.82	33,946.01	32,966.53	37,021.66	39,938.92	53,277.22	49,627.20

* The company had transitioned to Indian Accounting Standards (Ind AS) w.e.f 1st April, 2017. There fore the figures from FY 17 are as per Ind AS. Hence, not strictly comparable with earlier years figures presented under GAAP.

** The Board of Directors had declared an interim dividend at ₹ 17.00/- per share (170%) [which includes Special Dividend of ₹ 10.00 per share (100%)] at its meeting held on 14th March, 2020. The Board has not recommended any further dividend and recommended that the interim dividend as above be treated as the final dividend for the financial year ended 31st March, 2020.

μ 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 of ₹ 10.07 lakhs for 31.03.11, ₹ 9.02 lakhs for 31.03.12, ₹ 7.98 lakhs for 31.03.13, ₹ 6.93 lakhs for 31.03.14, ₹ 5.98 lakhs for 31.03.15, ₹ 4.85 lakhs for 31.03.16, ₹ 3.81 lakhs for 31.03.17, ₹ 2.77 lakhs for 31.03.18, ₹ 1.73 lakhs for 31.03.19 and ₹ 0.69 lakhs for 31.03.20, respectively.

\$ Includes both current and non-current assets and liabilities.

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

\$\$\$ 90,193 Equity Shares bought back by the Company during the period from 1st April, 2014 to 9th April 2014 under the Buyback Scheme.





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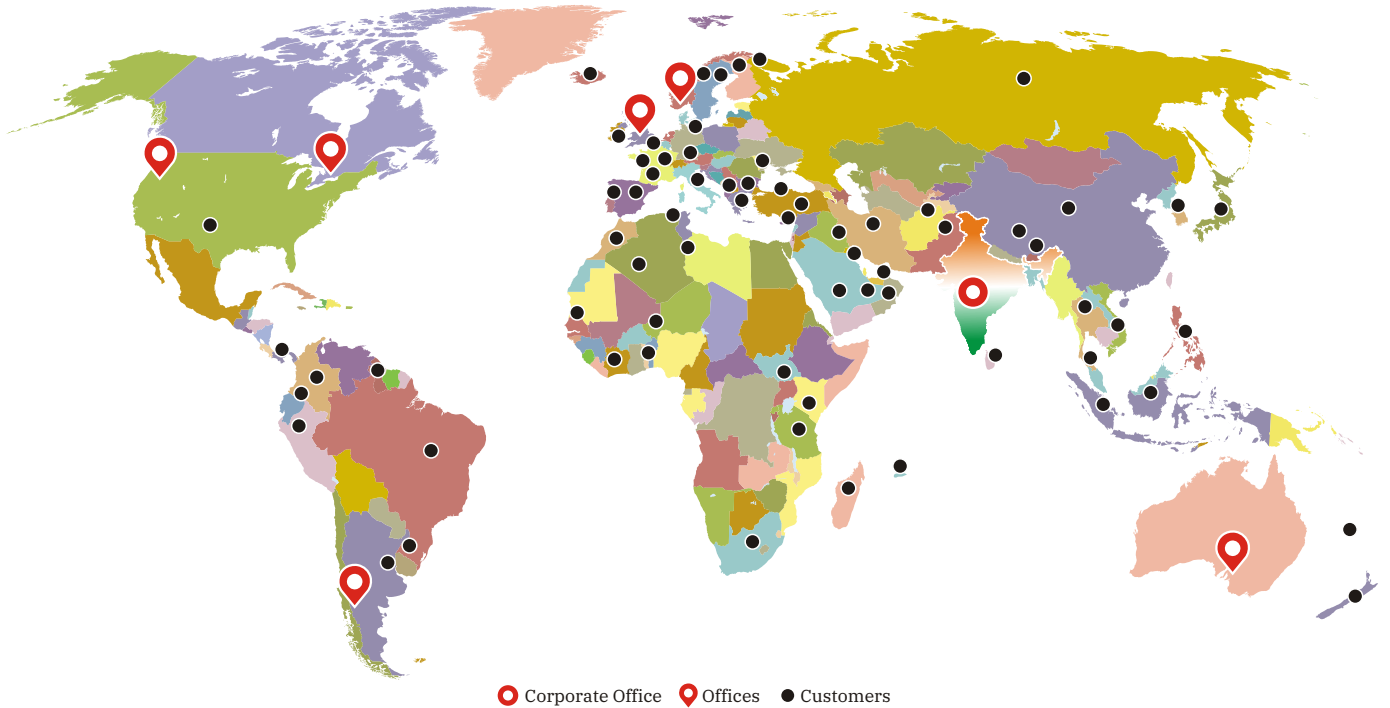
'The Economic Times Polymers Awards 2020'
was bestowed upon GTFL's innovation, X12 Lice Skirt,
in the open-marine application category.



Dr. Nikhil Gunari received the award on behalf of GTFL.

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(Formerly Garware-Wall Ropes Limited)

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

Tel : +91-20-2799 0000/0306 CIN : L25209MH1976PLC018939

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