



GARWARE
TECHNICAL FIBRES

Better Ideas in Action

Garware Technical Fibres 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: secretarial@garwarefibres.com;

Website: www.garwarefibres.com

NOTICE

Notice is hereby given that the FORTY-FOURTH (44th) ANNUAL GENERAL MEETING of the Company will be held on Thursday, 16th September, 2021 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, 2021, together with the Reports of the Board of Directors and Auditors thereon; and
 - the Audited Consolidated Financial Statements for the financial year ended 31st March, 2021 and the Report of the Auditors thereon.
- To declare Dividend on equity shares for the financial year ended 31st March, 2021.
- To appoint a Director in place of Dr. S. S. Rajpathak (DIN 00040387), who retires by rotation and, being eligible, offers himself 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, 2022, be and is hereby ratified and approved."

"RESOLVED FURTHER THAT the Board of Directors of the Company, 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 Mr. V. R. Garware (DIN 00092201) as Managing 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 Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Articles of Association of the Company and in compliance with the provisions of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on recommendation / approval of the Nomination & Remuneration Committee of the Board of Directors and the Board of Directors, the consent of the Members of the Company be and is hereby accorded for re-appointment of Mr. V. R. Garware (DIN 00092201), as a Managing Director of the Company for a period of five (5) years effective from 1st December, 2021, to be designated as Chairman & Managing Director ("CMD"), on the terms and conditions set out in the explanatory statement annexed hereto and forming part of this Notice."

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to revise, amend, alter and vary, from time to time, the terms and conditions of the said re-appointment including the scope and quantum of remuneration, perquisites, benefits and amenities payable during the tenure of appointment of Mr. V. R. Garware as long as the total remuneration payable for any financial year shall not exceed ten (10) percent of the net profit of the Company from that financial year."

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

By Order of the Board of Directors

Sunil Agarwal

Company Secretary

FCS No.: 6407

Pune,
27th May, 2021

NOTES:

- In view of the continuing outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated 13th January, 2021 read with General Circular Nos. 20/2020 dated 5th May, 2020, 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"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and read with the said MCA Circulars and Securities and Exchange Board of India Circulars dated 15th January, 2021 and 12th May, 2020 ("SEBI Circulars"), the Company has decided to convene its ensuing 44th Annual General Meeting 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.
- 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.
- 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 Circulars, 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, route map of venue of the AGM 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 / Members" provided in the Point No. 17.D 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 44th Annual General Meeting of the Company.
6. In compliance with the aforementioned MCA Circulars and SEBI Circulars, the Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 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 2020-21 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 National Securities Depository Ltd. ("NSDL") at www.evoting.nsdl.com. Members can attend and participate in the Annual General Meeting through VC / OAVM facility only.
7. The Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). 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 2012-2013 have been transferred by the Company to the IEPF.

The unpaid / unclaimed dividend for the financial year 2013-14 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 2013-14 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 2013-2014, on the website of the Company viz. <https://www.garwarefibres.com/statement-of-unclaimed-dividend/>.

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.

In compliance with the aforesaid Rules, the Company has transferred equity shares pertaining to financial year 2012-13 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 DPs 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 AGM 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. 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 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and MCA Circulars and SEBI Circulars, 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 National Securities Depository Limited ("NSDL") for participation in the AGM through VC / OAVM facility and for facilitating remote e-Voting as well as voting by electronic means during the proceedings of AGM through VC / OAVM ("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 of the Company holding shares either in physical form or electronic form as on the cut-off date of Thursday, 9th September, 2021, may cast their vote by e-Voting. The remote e-Voting period commences on Monday, 13th September, 2021 at 9:00 a.m. (IST) and ends on Wednesday, 15th September, 2021, 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.
- C. Instructions for Shareholders / Members for remote e-Voting:

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

1) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

II) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices 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. Password details for shareholders other than Individual shareholders 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 etc.
 - 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 and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

4. 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.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- D. 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 with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote. The said Resolution / Authorization shall be sent to the Scrutinizer by email through their registered email address to deulkarcs@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 Wednesday, 15th September, 2021 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.nsd.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.nsd.com or call on toll free no.: 1800-1020-990 and 1800-2244-30 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.
- E. 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:**
1. 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.
 2. 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.
 3. Alternatively Shareholder / Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- F. The Instructions for Shareholders / Members for e-Voting on the day 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. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. 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. 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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member 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.
 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 Thursday, 9th September, 2021 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 Friday, 10th September, 2021 and 5:00 p.m. (IST) on Monday, 13th September, 2021. 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.

18. Payment of Dividend

- i) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 10th September, 2021 to Thursday, 16th September, 2021, (both days inclusive), for the purpose of determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.
 - ii) The Dividend on Equity Shares, if declared at the Meeting, will be paid, subject to the provisions of the Companies Act, 2013, on or after Thursday, 16th September, 2021, in respect of shares held in physical form, to those Members whose names appear on the Register of Members as on Thursday, 16th September, 2021, and in respect of shares held in dematerialised form, to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") at the close of business hours on Thursday, 09th September, 2021.
 - iii) In terms of the provisions of the Income-tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 1, 2020, is taxable in the hands of the Members. The Company shall, therefore, be required to deduct TDS at the time of payment of dividend at the applicable tax rates. The rate of TDS would depend upon the category, residential status of the Member and subject to fulfillment of certain conditions as provided in the procedure given in email communications sent to the Members on 22nd July, 2021. The said email communication is available on the Company's Website: <https://www.garwarefibres.com/wp-content/uploads/2021/07/disclosureshareholderscommunicationdividendtaxseupload.pdf>. As it is important for the Company to receive the relevant information / document from Members to determine the rate of TDS, the Members are requested to furnish relevant information / documentation in the manner provided in the said email communication.
19. Disclosure pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by Institute of Company Secretaries of India with respect to Director seeking appointment / re-appointment / continuation of appointment at the Meeting is given in Annexure - 1, annexed to this Notice.
 20. 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., Thursday, 9th September, 2021.
 21. 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. Thursday, 9th September, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company at secretarial@garwarefibres.com.
 22. 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.
 23. Mr. Sridhar Mudaliar, Partner (CP. No. 2664) or failing him Mr. S. V. Deulkar, Partner (CP No. 965) of M/s. SVD & 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.
 24. 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.
 25. 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.
 26. 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.
 27. 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 and 5 of the accompanying Notice dated 27th May, 2021.

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, 2022. Accordingly, M/s. Joshi Apte & Associates, Cost Accountants have been appointed as the Cost Auditors of the Company for the financial year 2021-22 by the Board of Directors in its meeting held on 27th May, 2021, 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 current tenure of appointment of Mr. V. R. Garware (DIN 00092201), as a Managing Director of the Company will come to an end on 30th November, 2021.

As such, the Nomination & Remuneration Committee of the Board of Directors ("the Committee") at its meeting held on 27th May, 2021 considered the proposal of his re-appointment as Managing Director. The Committee considered the significant contributions made by Mr. V. R. Garware during his current tenure and noted that under his leadership, the Company has achieved commendable growth and significantly increased stakeholders value and recommended his re-appointment for a further period of five (5) years to the Board of Directors for its approval.

The Board of Directors at its meeting held on 27th May, 2021, after due consideration of the recommendation made by the Committee, has unanimously resolved to re-appoint Mr. V. R. Garware, as a Managing Director of the Company for a period of five (5) years from 1st December, 2021 to

30th November, 2026, to be designated as Chairman & Managing Director ("CMD"), as per the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), subject to the Members' approval on the following terms and conditions:

- I) The CMD shall exercise substantial powers of management of the Company subject to the superintendence, control and directions of the Board of Directors of the Company. He shall perform such other duties / functions as may, from time to time, be entrusted to him by the Board of Directors.
- II) The CMD shall be entitled to the following remuneration:

1. Salary: Basic Salary of ₹ 22,00,000/- (Rupees Twenty Two Lakhs only) per month.
2. Special Allowance: ₹ 9,00,000/- (Rupees Nine Lakhs only) per month.
3. Perquisites and Allowances:

a) 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, children education allowance, 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 as payment of allowances.

- b) 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.
- c) 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.
- d) 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 valued as per Income-Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be valued at actual cost.

4. 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 a particular financial year subject to the condition that total remuneration for any financial year shall not exceed ten (10) percent of the net profit of the Company from that financial year 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 future prospects of the Company during his tenure as CMD of the Company.

5. Upon recommendation by the Nomination and Remuneration Committee, the Board of Directors is at liberty to alter and vary the terms and conditions of the remuneration as above, during the period of re-appointment, as long as total remuneration does not exceed the limits as mentioned herein above.
6. 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.
7. For the purpose of computation of minimum remuneration, the following shall not be included:
- a) 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;
 - b) Gratuity at a rate not exceeding half a month's salary for each completed year of service; and
 - c) Encashment of leave at the end of the tenure.

8. The employment may be terminated by either party by giving to the other party one hundred and eighty (180) days' prior notice in writing; The terms of appointment and remuneration of the CMD as contained in the resolution read with the provisions of Article No. 121 of the Articles of Association of the Company, dealing with powers of the Managing Director and other Articles as may be applicable to Managing Director of the Company shall be deemed to constitute a written memorandum setting out the term of re-appointment of Mr. V. R. Garware, as a Managing Director.

Mr. V. R. Garware is not disqualified from being re-appointed as Managing Director or has not been debarred from being re-appointed as Managing Director of the company/ies by the Ministry of Corporate Affairs, Securities Exchange Board of India or any such statutory authority.

Second Proviso of Section 197(1) of the Companies Act, 2013, inter alia provides that except with the approval of the company in general meeting, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten (10) per cent of the net profits to all such directors and manager taken together.

Further, Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter alia, stipulates that the fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher.

Hence, the specific approval of members of the Company by way of Special Resolution in this Annual General Meeting is sought.

Ms. M. V. Garware, Director of the Company, being related to Mr. V. R. Garware and Mr. V. R. Garware, shall, in his individual capacity, be deemed to be concerned and interested in the resolution. Save as aforesaid, 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 set out at Item No. 5 of this Notice.

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.

Annexure - 1

Details of the Directors seeking re-appointment at the 44th Annual General Meeting of the Company
(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on
General Meetings issued by Institute of Company Secretaries of India)

Name of Director	Mr. Vayu Ramesh Garware	Dr. Shridhar Shrikrishna Rajpathak
Director Identification Number	00092201	00040387
Date of Birth and Age	01/12/1995 49 years	29/05/1951 70 years
Date of Appointment on the Board	01/12/1995	24/05/2017
Qualifications	Graduate Cum Laude in B Sc Economics (Specialization in Finance) from the Wharton Business School of the University of Pennsylvania, U.S.A.	B.Com (Hons), P.G.D.B.M. and M.B.S. (Marketing) degree from University of Pune. He has also been awarded Ph. D. on thesis subject – “A Treatise on Utilization of Fisheries Resources for Sustainable Growth”.
Experience and nature of Expertise in specific Functional Area	Mr. V. R. Garware initially served the Company as a director for one (1) year upto November, 1996 and thereafter, as a whole-time director from December, 1996 to November, 2011. Mr. V. R. Garware was elevated to the position of Managing Director of the Company, designated as Chairman & Managing Director, in the year 2011. In present term, Mr. V. R. Garware has been re-appointed as Managing Director designated as Chairman & Managing Director effective from 1st December, 2016, for a period of five (5) years. Mr. V. R. Garware being Chairman & Managing Director of the Company is in-charge of the overall management of the Company and reports to the Board of Directors of the Company.	During his professional carrier of more than 47 years, Dr. Rajpathak has been involved in various functional areas such as accounting and finance, costing, marketing, indirect taxation, export procedure, international laws on taxation, etc. Dr. Rajpathak was closely associated with Garware Technical Fibres Limited for 23 years. He was involved in overall strategic Management and looking after all commercial activities of the organization.
Name of other Companies in which Director holds Directorship as on 31st March, 2021	<ul style="list-style-type: none"> ● Garware Capital Markets Limited ● VMIR Investment Limited ● Moonshine Investments & Trading Company Private Limited ● Starshine Comtrade Private Limited ● Sukukar Holdings & Trading Company Private Limited ● Garware Research Institute ● Garware Infrastructure Private Limited ● Garware Meditech Private Limited ● VRG Investments Limited ● Manmit Investments & Trading Company Private Limited ● Gurukrupa Comtrade Private Limited ● Sanand Investments & Trading Company Private Limited ● Vimlabai Garware Research Institute Private Limited ● Consolidated Agricultural & Dairy Farming Company Private Limited ● Garware Environmental Services Private Limited ● Garware Technical Textile Private Limited ● Garware Technical Fibres USA Inc. ● Garware Technical Fibres Chile SpA 	<ul style="list-style-type: none"> ● Garware Environmental Services Private Limited ● Garware Technical Textile Private Limited
Name of the Committees of the other Companies in which the Director holds Membership as on 31st March, 2021	Mr. V. R. Garware does not hold membership of Committees of the Board of Directors of any of the above companies.	Dr. S. S. Rajpathak does not hold membership of Committees of the Board of Directors of any of the above companies.
Shareholding in the Company as on 31st March, 2021	33,52,219* equity shares (*Out of 33,52,219 equity shares, 11,06,643 equity shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of Partnership Firm, Ramesh Trading Company and 8,83,941 Equity Shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of Partnership Firm, Sunita Trading Company. Beneficial interest in the said shares is held by the respective Partnership firms).	300 equity shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. V. R. Garware is not related to any Director and Key Managerial Personnel except Ms. M. V. Garware.	Dr. S. S. Rajpathak is not related to any other Director and Key Managerial Personal of the Company.

Other details such as the number of Meetings of the Board attended during the financial year 2020-21 and remuneration drawn have been given in Corporate Governance Report, which forms part of the Annual Report.

Pune,
27th May, 2021

By Order of the Board of Directors
Sunil Agarwal
Company Secretary
FCS No.: 6407



UNSTOPPABLE
IN ADVERSITY

Innovation | Sustainability | Growth

44th Annual Report 2020-2021



GARWARE
TECHNICAL FIBRES

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**44th ANNUAL
GENERAL
MEETING**

DAY & DATE:
THURSDAY, 16TH SEPTEMBER, 2021

TIME:
10.30 AM (IST)



GARWARE

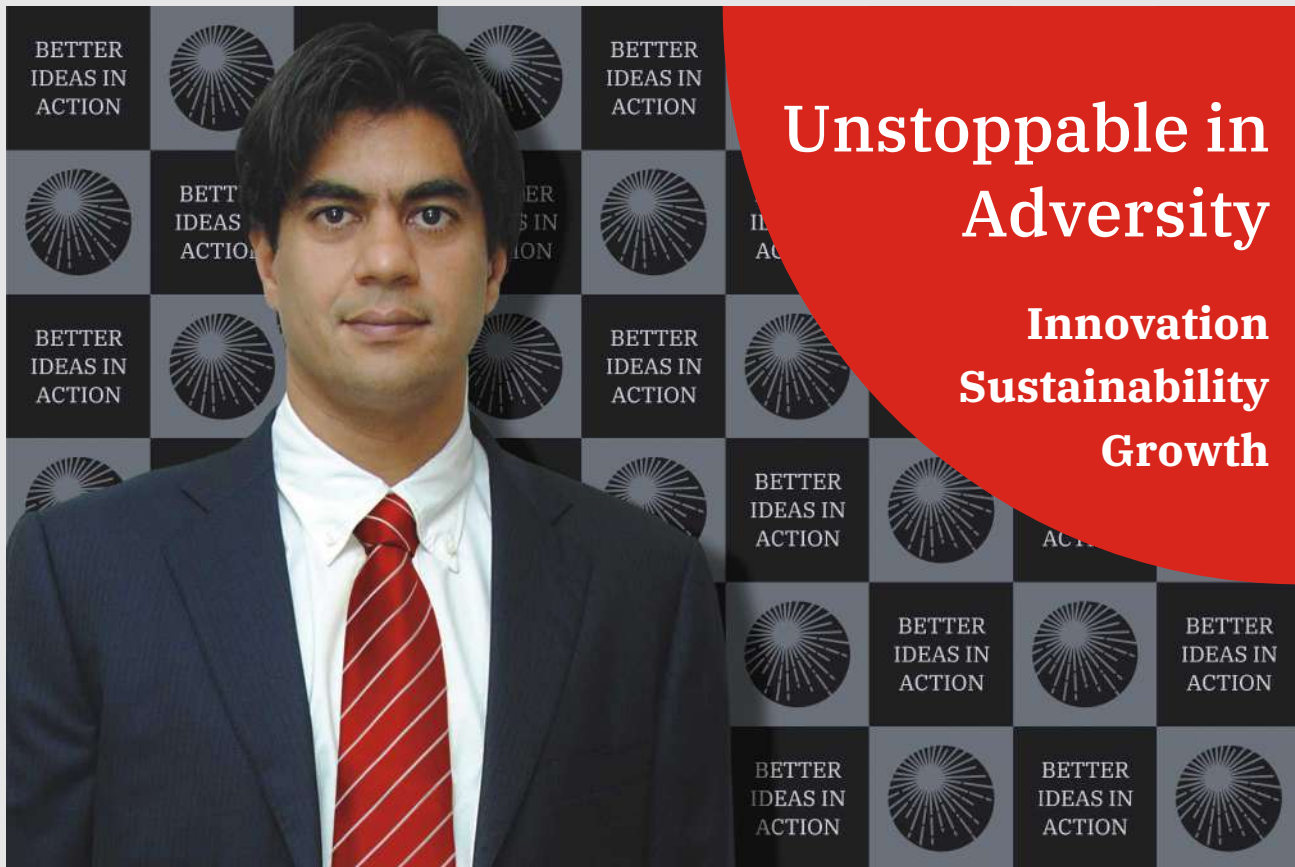
TECHNICAL FIBRES

Better Ideas In Action

In tune with its motto of putting 'Better Ideas in Action', Garware Technical Fibres Ltd. (GTFL) responded with ingenuity and alacrity to the multiple challenges posed to businesses globally in financial year 2020-21. Ensuring the health and well-being of its people, the Company ramped up operations after the lifting of lockdowns to ensure fulfillment of its commitments. Bottlenecks in supply chains were overcome through close coordination with stakeholders. Development of innovative, value-added solutions continued unabated. Despite uncertain and difficult conditions, the Company was unstoppable on its growth path.



From the Chairman's Desk



Dear Shareholders,

I am happy to present the annual report of your Company for the financial year (FY) 2020-21.

As we all know, FY 2020-21 was an extremely challenging one for humanity at large. On the one hand, we faced a ravaging pandemic taking a heavy toll on human lives, and exerting extreme pressure on health systems. On the other hand, there were collateral impacts of unavoidable lockdowns. In India, we had particularly prolonged nationwide-lockdowns, which started in the last week of March 2020, and were extended from time to time. As a result, normal manufacturing, supply and sales operations were severely impacted.

In this crisis, our first priority was our people. We quickly set up strict protocols and standard operating procedures for ensuring the safety of all team members. I am happy to inform you that the team responded splendidly, and followed the

protocols with determination. We also took steps to ensure the well-being of employees' families.

Quickly moving to a virtual mode of working, we kept in close touch with our customers across the globe, assuring them that we were determined to honour all our commitments. It is a fine testimony to your Company's credibility that not only did our customers cooperate with us, but we kept getting orders in the period of uncertainty.

Due to the disruption in manufacturing and supply channels, our sales and profitability in the first quarter of FY 2020-21 were negatively impacted, although we had a good export orders in hand which we were unable to put into production. In a phased manner, we resumed operations during the first quarter, and our team responded magnificently to do its best in the difficult period. Displaying grit, flexibility, and smart thinking, your Company successfully



overcame a multitude of challenges to fulfil existing orders and simultaneously expand market shares.

I am happy to report that despite the adverse circumstances, your Company could record an improvement over the previous year's performance.

Your Company achieved consolidated revenue of ₹ 1,069.24 crores for the year ended 31st March 2021, an increase of 8.52% over the previous year's consolidated revenue of ₹ 985.27 crores. Consolidated profit before tax (PBT) was ₹ 208.07 crores, an increase of 16.33% over the previous

I am happy to report that despite the adverse circumstances, your Company could record an improvement over the previous year's performance.

year. Performance in the last three quarters of the financial year was particularly impressive. The PBT in excess of ₹ 200 crores marked a milestone in the history of your Company.

Your Board of Directors has declared an equity dividend of 25.00% amounting to ₹ 2.50 per share.

The sustained profitability of your Company was achieved due to strong fundamentals coupled with resilience for dealing with the extraordinary situation. All our teams worked in tandem to ensure a healthy cash-flow from operations and overcome challenges of logistics. Due to our superior value propositions, we suffered no significant cancellation of orders. Rising to the challenge, our plants raised the bar for execution of orders. In the international market, new customers were secured in the aquaculture and sports segments. In the domestic sector, there was a good recovery in the last nine months of the financial year.

New-product development continued unabated, and some more patents were added to our intellectual-property basket.

It gives me pride to report that for the fourth year in a row your Company was recognized as a 'Great Place to Work'. Our people are our most valuable asset, and their safety and growth continues to be our priority. As a responsible corporate citizen, your Company also contributed significantly to the fight against the pandemic.

Looking at the future, I would like to reiterate that your Company is in a fundamentally strong position. For the bulk of our business, the end product of our customers is food, which is relatively immune from demand fluctuations. We remain a key supplier of aquaculture nets to the global salmon-farming industry, and retain a dominant position in domestic marine fisheries. We also offer solutions for value-added agriculture and protected farming. Outside the food industry, our geosynthetics business has a bright future due to the strong thrust on infrastructure development announced by the Government of India. Our geosynthetics solutions have also found acceptance in demanding overseas markets. After a lull due to lockdowns, the sports segment has opened up, and we see a good flow of orders in the FY so far. Apart from all this, we are a financially strong Company with healthy cash reserves that give us the muscle to withstand market fluctuations as well as explore new markets. The all-round performance in the year under review has infused our team with extra energy and enthusiasm.

While our outlook for the future is positive, we are keenly aware that the effects of the pandemic could linger, and there could be new challenges. I look forward to your continued support for execution of our strategic plans in these testing times.

With warm regards,

V. R. Garware
Chairman & Managing Director



Putting People First



The COVID pandemic and consequent lockdown posed a severe challenge to businesses all over the world. Garware Technical Fibres Ltd. (GTFL) responded to the crisis proactively. Working according to its core value of putting people first, the Company prioritized the health and well-being of all employees.

All members of the team were contacted daily during the lockdown period. Expert medical advice was provided through online/telephonic consultations. As necessary, counseling sessions were conducted and support was provided for medical treatment. Once resumption of manufacturing operations was allowed, new standard operating procedures were put in place, and strict compliance with safety protocols was ensured.

Through these measures, GTFL ensured maximum protection for its employees, a carefully calibrated resumption of operations, and high morale. Additionally, as a responsible corporate citizen, GTFL is undertaking several welfare activities related to COVID-19, including support for establishing COVID Care Centers and providing critical medical equipment

such as ventilators and oxygen concentrators to hospitals. The Company also made arrangements to provide food to migrant laborers stranded during the lockdown.





Honouring Commitments



The prolonged lockdown enforced in India from the last week of March 2020 posed an unprecedented challenge for GTFL. After the lockdown was lifted in a phased manner, operations could be resumed only gradually, and severe constraints in supply channels had to be faced. GTFL responded to this array of challenges with speed and flexibility.

Through regular interaction with customers, priorities were decided and all operations were aligned for delivery on a global scale, including air freighting of critical deliveries. Through a sharp focus on bottleneck capacity and emergency measures such as air freighting of some critical machines, production was ramped up. Through trust and relationships nurtured with logistics providers, bankers and local government authorities, smooth flow of materials and capital was ensured.

Special efforts were taken to ensure the well-being and morale of employees. Working as a highly energized team, they ensured that the deep customer-trust in GTFL remained unshaken and all commitments were honored.





Partnering Innovation



Aquaculture has taken a new dimension with the launch of an innovative solution in Norway : a gigantic, moored fish-farm platform, called Havfarm, hosted in one of the world's largest shipping vessels. Anchored offshore, Havfarm will enable breeding and harvesting of large volumes of salmon, with relatively higher protection against sea waves, foul weather, and lice infestation. The submerged portion of the vessel will act as a kind of steel frame for six large cages with cultivation networks.

GTFL is a major contributor to this project, as supplier of the cages. Made from the Company's third-generation V2 solution, the netting of the cages will be stronger and more long-lasting than conventional nets. A unique copper-coating technology will ensure an anti-fouling effect in an eco-friendly manner. Leveraging its rich experience of manufacturing purse nets for Norway, GTFL's team met the exacting specifications of Havfarm's first-of-its kind requirements.





Strengthening Infrastructure



Infrastructure development is the key to the growth of any economy. In India, the sector has received sharp focus through the central government's recently launched National Infrastructure Pipeline (NIP), a massive, time-bound initiative for energy, roads, railways and urban projects. GTFL is poised to be a critical contributor to NIP. GARMAT, a versatile, high-performance erosion-control solution developed by the Company's Geosynthetics Division has been chosen for the Western Dedicated Freight Corridor (WDFC), a project of the Dedicated Freight Corridor Corporation of India (DFCCIL), to connect the four metropolitan cities of New Delhi, Mumbai, Chennai and Kolkata through a dedicated rail-freight corridor. GARMAT has been successfully trialed in WDFC, and promises to be a trendsetter for other railway projects as well.

Meanwhile, GTFL's geosynthetics solutions are finding increasing acceptance in Europe as well. In FY 2020-21, the Company's Flexible Rope Net (FRN) Gabions were chosen for a major port project in Poland to prevent erosion of the seabed.





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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 (Upto 28 August, 2020)
- 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, 2616 3503
E-mail : pune@linkintime.co.in
Website : www.linkintime.co.in

Registered Office

Plot No. 11, Block D-1, MIDC, Chinchwad,
Pune - 411 019.
Tel : +91-20-2799 0000/0306
E-mail : secretarial@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





Directors' Report

(For the Financial Year ended 31st March, 2021)

To The Members,

Your Directors have pleasure in presenting the Forty-Fourth Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

■ FINANCIAL SUMMARY:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 2020-2021	Year ended 2019-2020	Year ended 2020-2021	Year ended 2019-2020
Total Revenue	1,05,179.72	1,01,385.25	1,06,924.22	98,527.43
Profit subject to Depreciation & Taxation	22,331.43	23,546.41	22,871.43	19,812.52
Less: Depreciation and Amortisation Expenses	2,063.99	1,926.22	2,064.59	1,926.22
Profit Before Tax	20,267.44	21,620.19	20,806.84	17,886.30
Less: Tax Expenses				
Current Tax	4,470.53	4,447.04	4,633.18	4,460.04
Deferred Tax	333.93	(626.86)	333.93	(626.86)
	4,804.46	3,820.18	4,967.11	3,833.18
Profit After Tax	15,462.98	17,800.01	15,839.73	14,053.12
Share of (profit)/loss from Investment in Associate & Joint Venture	--	--	(0.10)	(0.10)
Profit for the year	15,462.98	17,800.01	15,839.63	14,053.02

■ 2020-2021 – THE YEAR UNDER REVIEW:

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

Your Company recorded standalone revenue of ₹ 1,051.80 crore for the year ended 31st March, 2021, an increase of 3.74% over the previous year's standalone revenue of ₹ 1013.85 crores. Standalone Profit Before Tax ("PBT") is ₹ 202.67 crores against ₹ 216.20 crores of the previous year.

Domestic Sales amounted to ₹ 381.67 crores, and the Export Sales amounted to ₹ 635.59 crores for the year ended 31st March, 2021 on standalone basis.

Further, your Company earned consolidated revenue of ₹ 1,069.24 crores for the year ended 31st March, 2021, an increase of 8.52% over the previous year's consolidated revenue of ₹ 985.27 crores.

Consolidated Profit Before Tax ("PBT") is ₹ 208.07 crores against ₹ 178.86 crores of the previous year.

■ OPERATIONS:

The operations of the Company are elaborated in the

annexed "Management Discussion and Analysis Report".

■ SUBSIDIARIES AND ASSOCIATE:

Garware Technical Fibres USA INC. ("GTF USA INC"), is a Wholly Owned Subsidiary of your Company incorporated on 20th February, 2020 in the State of Washington, United State of America. GTF USA Inc. is engaged in the business of sale and supply of the products to technical textile industry in USA markets. GTF USA INC recorded revenue of ₹ 103.44 crores and earned net profit of ₹ 3.98 crores for the year ended 31st March, 2021, as compared to revenue of ₹ 12.28 crores and net profit of ₹ 0.44 crores during the previous year.

Garware Technical Fibres Chile SpA ("GTF Chile SpA"), is a Wholly Owned Subsidiary of your Company incorporated in Republic of Chile. GTF Chile SpA Inc. is engaged in the business of sale and supply of the products to technical textile industry in Chile markets. The Company commenced its commercial operations in September 2020. GTF Chile SpA recorded revenue of ₹ 39.22 crores and earned net profit of ₹ 1.37 crores for the year ended 31st March, 2021.



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Garware Environmental Services Private Limited (GESPL), is a Wholly Owned Subsidiary of your Company. GESPL is yet to start its commercial operations.

During the year under review, the Company incorporated a Wholly Owned Subsidiary of your Company named as Garware Technical Textile Private Limited ("GTTPL"). GTTPL is yet to start its commercial operations.

The Company does not have any material subsidiary.

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 Company 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 Statement 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 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 Company.

■ REDUCTION OF CAPITAL OF THE COMPANY:

The Members of the Company had passed a special resolution through postal ballot on 10th February, 2019 vide which they had approved the reduction of equity share capital of the Company from ₹ 21,88,20,600/- divided into 2,18,82,060 equity shares of face value of ₹ 10/- each to ₹ 20,93,55,600/- divided into 2,09,35,560 equity shares of face value of ₹ 10/- each, by cancelling 9,46,500 equity shares of face value of ₹ 10/- each, held by "GWRL Managerial Staff Welfare Trust" ("the Trust") and adjusting outstanding amount of interest free advance payable by the Trust to the Company, against the Securities (Share) Premium Account. Hon`ble National Company Law Tribunal, Mumbai Bench had vide its Order dated 13th February, 2020 allowed the Company's application and confirmed the said special resolution passed by the Members of the Company. Certified copy of the said Order was received by the Company of 15th July, 2020 ("NCLT Order"). The Registrar of Companies, Pune has registered the said NCLT Order vide its certificate dated 5th August, 2020. The Company has given effect to the said reduction of equity share capital of the Company by cancelling 9,46,500 equity shares of face value of ₹ 10/- each held by the Trust and the above mentioned adjustment in its Security (Share) Premium Account.

■ BUY-BACK OF EQUITY SHARES:

During the year under review, your Company has bought back 3,17,391 equity shares of the Company of face value of ₹ 10/- each representing 1.52% of the Equity Shares in the then existing total equity paid-up capital of the Company, from all Eligible Shareholders on a proportionate basis, through the 'Tender Offer' process, at a price of ₹ 2,300/- per equity share, payable in cash, for an aggregate maximum amount of ₹ 72,99,99,300/- excluding the transaction costs, pursuant to the provisions of SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013.

Pursuant to the issuance of Letter of Offer, tender period



for buy-back was opened on 19th January, 2021 and closed on 02nd February, 2021. Your Company bought back 3,17,391 equity shares of the Company of face value of ₹ 10/- each from all Eligible Shareholders, who tendered the shares on a proportionate basis and extinguished the same on 12th February, 2021.

The total paid up capital of your Company stands reduced from ₹ 20,93,55,600/- divided into 2,09,35,560 equity shares of face value of ₹ 10/- each to ₹ 20,61,81,690/- divided into 2,06,18,169 equity shares of face value of ₹ 10/- each post extinguishment of the said 3,17,391 equity shares of the Company.

The Buyback resulted in a cash outflow of ₹ 72,99,99,300/- (excluding transaction costs). The Company funded the Buyback from its free reserve. In accordance with Section 69 of the Companies Act, 2013, the Company has created capital redemption reserve of ₹ 31.75 lakhs equal to the nominal value of the shares bought back as an appropriation from general reserve.

■ RESERVES:

Your Directors, propose to transfer an amount of ₹ 200/- crores out of retained earnings of the Company to the General Reserve.

■ DIVIDEND:

Your Directors, after taking into account, the various provisions of Dividend Distribution Policy of the Company, have recommended a Dividend of ₹ 2.50 (25%) per share on the subscribed equity capital consisting of 2,06,18,169 equity shares of face value of ₹ 10/- each of the Company existing as on 31st March, 2021, for your consideration at ensuing Annual General Meeting of the Company. The total proposed dividend for the year would absorb an amount of ₹ 5,15,45,423/-.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, make the payment of the final dividend after deduction of tax at source as per the applicable statutory provisions. The Dividend as recommend by the Board of Directors, if approved by the Members of the Company, will be paid to the eligible Members within the stipulated time.

■ 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 neither accepted nor renewed any deposit within the meaning of Sections 73 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, 2021.

■ 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, 2021 and the date of this Directors' Report i.e. 27th May, 2021.

Resurgence of COVID-19 Pandemic and resulting lockdown like restrictions in the Country and other parts of the World, 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, 2021.

■ 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, Dr. S. S. Rajpathak (DIN 00040387) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

During the year under review, the Members of the Company at the 43rd Annual General Meeting of the



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Company held on 28th August, 2020, re-appointed, Ms. Mallika Sagar (DIN 02228386) as Non-Executive Independent Director of the Company, to hold office for a second term consisting of five (05) consecutive years with effect from conclusion of the said 43rd Annual General Meeting of the Company.

Mr. Ashish Goel (DIN 00147449) was appointed by the Members of the Company at the 38th Annual General Meeting held on 2nd September, 2015 as Non-Executive Independent Director of the Company, to hold the office for a second term consisting of five (05) consecutive years with effect from the date of said 38th Annual General Meeting or till the 43rd Annual General Meeting, whichever is earlier. 43rd Annual General Meeting of the Company was held on 28th August, 2020. Accordingly, Mr. Ashish Goel ceased to be Non-Executive Independent Director of the Company. The Board of Directors of the Company had put on record its appreciation towards the valuable contribution and guidance provided by him for the growth and progress of Company.

The current tenure of appointment of Mr. V. R. Garware (DIN 00092201), as Managing Director of the Company will come to an end on 30th November, 2021.

The Board of Directors of your Company at its meeting held on 27th May, 2021, after due consideration of the recommendation made by the Nomination and Remuneration Committee of the Board has resolved to re-appoint Mr. V. R. Garware (DIN 00092201) as Managing Director of the Company to be designated as Chairman & Managing Director ("CMD") for further period of five (05) years effective from 1st December, 2021, subject to approval of Members at the ensuing Annual General Meeting of the Company.

The resolution seeking approval of the Members of the Company for re-appointment of Mr. V. R. Garware has been incorporated in the accompanying Notice calling Forty-Fourth (44th) Annual General Meeting of the Company, which forms an integral part of this Report.

The details of Dr. S. S. Rajpathak and Mr. V. R. Garware, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standard - 2 of General Meeting are contained in the accompanying Notice calling Forty-fourth (44th) 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 2020-21, 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 possesses integrity, relevant expertise and experience required to best serve the interest 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, 2021, the applicable Accounting Standards have been followed and there are no material departures;

2. For the Financial Year ended 31st March, 2021, 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, where necessary so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the Profit and Loss of the Company for the year ended 31st March, 2021;
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 such 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, Stakeholder Relationship Committee and Risk Management Committee.

On collation of all the responses, feedback was provided

by Chairman of the Board to the Board of Directors and 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, 04th November, 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 five (05) 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.



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During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers, and employees 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, 2021.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended on 31st March, 2021 and the same as set out in “Annexure 2”, forms 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 2020-21, 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 maintained by the Company, for the Financial Year 2020-21.

The Audit Report for the Cost Accounting records maintained by the Company for the Financial Year 2020-21, 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 2021-22.

A resolution proposing ratification of the remuneration of the said Cost Auditors' for the Financial Year ended 31st March, 2022, forms part of the Notice of the Forty-Fourth (44th) 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 2020-21, 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 2020-21 by the Company, were in the ordinary course of business and on arm's length basis.

There were no Material Related Party Transaction(s) made with Related Parties as per 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.

Prior Omnibus approval of Audit Committee was obtained for the year 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 and 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 Risk Management Committee of the Company has been entrusted by the Board with the responsibilities of risk assessment, management and mitigation within the framework of the Risk Assessment and Minimization Policy Statement. Details of the terms of reference and meeting of Risk Management Committee have been outlined in the annexed “Corporate Governance Report”.

■ **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.

■ **ANNUAL RETURN:**

Pursuant to the provisions of Sections 92(3) of the Companies Act, 2013 your Company has uploaded its Draft Annual Return for the Financial Year 2020-21 on the Company's website: <https://www.garwarefibres.com/investors/financial-results/>.

■ **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 5”, 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 formulated and implemented 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 2020-21, there were no complaint reported under the Sexual Harassment Act.



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■ CORPORATE GOVERNANCE:

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance are set out in separate section, 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, Business Responsibility Report detailing the various initiatives taken by the Company from an environmental, social and governance perspective is set out in separate section, 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

Pune
27th May, 2021

Chairman & Managing Director
DIN 00092201

ANNEXURE 1 TO DIRECTORS' REPORT 2020-21

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 became 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 application 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;



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- (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.

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 2020-21

Secretarial Audit Report - Form No. MR-3

(For the Financial Year ended 31st March, 2021)

[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, 2021** 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, 2021** 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, Overseas Direct Investment and External Commercial Borrowings 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;
- 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:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. 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 and the Company has filed the statement of investor complaints for the quarter ended September 30, 2020 with BSE Limited on October 20, 2020 and with The National Stock Exchange of India Limited ("NSE") on October 22, 2020 due to technical difficulties.

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 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:

1. The Company has incorporated a wholly owned subsidiary in the name and style "Garware Technical Textile Private limited" on October 14, 2020 by subscribing 10,000 Equity shares of ₹ 10/- each.
2. During the year, the Company has received an order from National Company Law Tribunal, Mumbai bench, relating to reduction of Equity share capital of 9,46,500 held by GWRL Managerial Staff Welfare Trust.
3. During the year, the Company has done a buy back of 3,17,391 fully paid-up equity shares of ₹ 10/- each, representing 1.52% of the equity shares in the existing total paid-up equity capital of the Company from all eligible equity shareholders on proportionate basis through the 'tender offer' process, at a price of ₹ 2,300/- (Indian rupees two thousand three hundred only) per equity share, payable in cash. Accordingly there paid up capital of the Company has been reduced.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner

FCS No: 6156

C P No: 2664

UDIN: F006156C000360807

Place: Pune
Date: 27th May, 2021

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 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.
4. We have physically verified the documents and evidences and also relied on data provided on electronic mode to us, in view of the prevailing Pandemic situation of COVID-19.
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.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner

FCS No: 6156

C P No: 2664

UDIN: F006156C000360807

Place: Pune
Date: 27th May, 2021


ANNEXURE 3 TO DIRECTORS' REPORT 2020-21
The Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2020-21

[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, 2021].

1. Brief Outline on CSR Policy of the Company:

The Board of Directors of the Company in compliance of the provisions of the Companies Act, 2013 and after taking into account the recommendations of the CSR Committee, 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.

2. Composition of the CSR Committee:

Sr. No.	Name of the Member	Designation / Nature of Directorship	Number of Meetings of CSR Committee Held During the Year	Number of Meetings of CSR Committee Attended During the Year
1	Mr. R. M. Telang	Chairman, Independent-Non-Executive Director	5	5
2	Mr. S. P. Kulkarni	Member, Independent-Non-Executive Director	5	5
3	Mr. V. R. Garware	Member, Executive and Non-Independent	5	5
4	Ms. M. V. Garware	Member, Non-Executive and Non-Independent Director	5	5

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Sr. No.	Particulars	Web-link
1	Composition of CSR Committee	https://www.garwarefibres.com/investors/board-of-directors/
2	CSR Policy and CSR Projects	https://www.garwarefibres.com/investors/csr-policy/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable.
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any: Nil

Sr. No.	Financial Year	Amount Available for Set-Off from Preceding Financial Years (in ₹)	Amount Required to be Set-Off for the Financial Year, if any (in ₹)
Nil			

6. Average net profit of the company as per Section 135(5) – ₹ 14,243.04 lakhs.
7. (a) Two percent of average net profit of the company as per section 135(5) for the Financial Year – ₹ 284.86 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years. - Nil

(c) Amount required to be set off for the Financial Year, if any – Nil

(d) Total CSR obligation for the Financial Year (7a+7b-7c) – ₹ 284.86 lakhs



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8. (a) CSR amount spent or unspent for the Financial Year 2020-21:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (in ₹)				
	Total Amount Transferred to Unspent CSR Account as per Section 135(6).		Amount Transferred to any Fund Specified under Schedule VII as per Second Proviso to Section 135(5).		
	Amount (₹ in lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
65.13	219.73	28-04-2021	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project.		Project Duration	Amount Allocated for the Project (₹ in lakhs)	Amount Spent in the Current Financial Year (₹ in lakhs)	Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) (₹ in lakhs)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Safety traffic engineering and awareness through various mediums	(ii)	Yes	Maharashtra	Pune	1 year	8.72	7.11	1.62	Yes	NA	NA
2.	Diagnostic Centre at Hospital	(i)	Yes	Maharashtra	Pune	1 year	125.00	0	125.00	No	Jehangir Hospital, Pune	CSR 00005654
3.	Community development Center	(x)	Yes	Gujarat	Junagad	2 years	45.00	0	45.00	Yes	NA	NA
4.	Project - Study on Indian Agricultural	(ii)	Yes	Pan India		3 years	45.00*	0	45.00	No	University of Pennsylvania Institute for the Advanced Study of India ("UPIASI")	CSR 00013207
5.	Support to Schools by way of Education material and infrastructure facilities	(ii)	Yes	Maharashtra	Satara	2 years	3.71	0.60	3.11	No	Lokmanya Tilak Smarak Sanstha, Satara	Registration in Process
Total							227.43	7.71	219.73			

*Inclusive of ₹ 2.12 lakhs as Administrative Overhead.

(c) Details of CSR total amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project.		Amount spent for the Project. (₹ in lakhs)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration Number
1.	Covid-19 relief related welfare activities	(i)	Yes	Maharashtra	Pune, Mumbai, Satara	45.37	Yes	NA	NA
Total						45.37			



- (d) Amount spent in Administrative Overheads – ₹ 12.06 lakhs
 (e) Amount spent on Impact Assessment, if applicable – Nil
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 284.86 lakhs**
 (g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	284.86
(ii)	Total amount spent for the Financial Year	284.86**
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

**Includes an amount of ₹ 219.73 lakhs earmarked for ongoing projects transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the Financial Year 2020-21.

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (₹ in lakhs)
				Name of the Fund	Amount (₹ in lakhs)	Date of transfer	
Not Applicable							

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount allocated for the Project (₹ in lakhs)	Amount spent on the Project in the reporting Financial Year (₹ in lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	Status of the Project Completed / Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- (a) Date of creation or acquisition of the capital asset(s).- Nil
 (b) Amount of CSR spent for creation or acquisition of capital asset.- Nil
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.- Not Applicable
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).- Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):
 Not Applicable

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 2020-21

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. Replacement of Eddy Current Coupling drive used for rope making machines by AC Variable Frequency Drive and AC Motor
 - b. Replacement of 250W HPMV lamps by 120W LED lamps
 - c. Installation Temperature controller for switching ON / OFF the fan of Cooling Tower as per temperature setting
 - d. Installation of AC Variable Frequency Drive to replace fluid coupling for Rope making / Twisting machine
 - e. Shifting and reinstallation of Extrusion line to save power required in material conveying and cooling tower
 - f. Installation of 15Watt Solar street light
 - g. Installation of 15KW VFD on Fishnet machine
- 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 ₹ 5.64/- lakhs as capital investment on energy conservation equipments during the Financial Year 2020-21.

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	41.34
b) Revenue / Recurring	890.04
d) Total (a + b)	<u>931.38</u>
e) Total of Research & Development as a percentage of Revenue from Operation	0.92%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange earned and used:	(₹ in lakhs)
A. Total Foreign Exchange earned:	63,559.35
Total value of exports	<u>63,559.35</u>
B. Total Foreign Exchange used:	
a) Import of raw materials stores & spares, traded goods and capital goods	7,528.23
b) Expenditure in foreign currencies for business travel, subscription, professional fees, commission on export sales and overseas branch expenses, etc.	971.46
	<u>8,499.69</u>

On behalf of the Board of Directors

V. R. GARWARE

Chairman & Managing Director

DIN: 00092201

Pune,
27th May, 2021


ANNEXURE 5 TO DIRECTORS' REPORT 2020-21

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 2020-21.*	Mr. V. R. Garware, Chairman & Managing Director – 133.32
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 2020-21; (as compared to last year).*	Mr. V. R. Garware, Chairman & Managing Director : 340.89%** Mr. Mukesh Surana, Chief Financial Officer : (-11.33%) Mr. Sunil Agarwal, Company Secretary : (-0.85%)
3.	The percentage increase in the median remuneration of employees in the Financial Year 2020-21.	30.24
4.	The number of permanent employees on the roll of the Company as on 31st March, 2021.	1,185 (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.

* For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

** Increase on account of lower base in FY 2019-20 since Mr. V. R. Garware opted not to receive any commission. In comparison of FY 2018-19, Remuneration of Mr. V. R. Garware is increased by 6.42%.

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 2020-21: 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, 2021, 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	Dr. S. S. Rajpathak	00040387	Director	Non - Independent - Non-Executive	-
6	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.

- Five (05) meetings of the Board were held during the Financial Year 2020-21 - on 30th June, 2020, 11th September, 2020, 04th November, 2020, 27th November, 2020 and 11th February, 2021.

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, 2021*			No. of Equity Shares held as on 31st March, 2021
				Other Boards	Other Board Committees**		
					Chairman	Member	
Mr. V. R. Garware	5	N.A.	Yes	3***	-	-	*****3352219
Ms. M. V. Garware	5	1,00,000	Yes	-	-	-	10
Mr. R. M. Telang	5	1,00,000	Yes	-	-	-	0
Mr. S. P. Kulkarni	5	1,00,000	Yes	-	-	-	0
Mr. Ashish Goel *****	-	-	Yes	-	-	1	****2171
Dr. S. S. Rajpathak	5	1,00,000	Yes	-	-	-	300
Ms. Mallika Sagar	2	40,000	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.

**** 2,171 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 33,52,219 equity shares, 19,90,584 Equity Shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of two Partnership Firms i.e., M/s. Ramesh Trading Company and M/s. Sunita Trading Company. Beneficial interest in the said shares is held by the said Partnership firms.

***** Mr. Ashish Goel ceased to be Director with effect from 28th August, 2020.

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

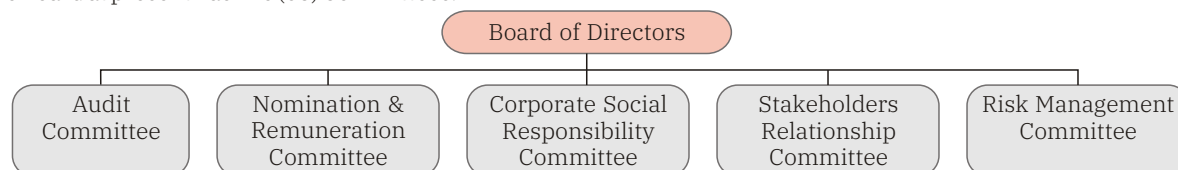
3) INDEPENDENT DIRECTORS

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:

- Four (04) meetings of the Audit Committee were held during the Financial Year 2020-21 - on 30th June, 2020, 10th September, 2020, 04th November, 2020 and 10th February, 2021.

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

The Statutory Auditors of the Company attended two (02) meetings out of four (04) meetings held during the Financial Year 2020-21. 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:

One (01) Meeting of the Nomination & Remuneration Committee was held during the Financial Year 2020-21 on 30th June, 2020.

Name of the Member	No. of Meetings Attended	Sitting Fees paid (₹)
Mr. S. P. Kulkarni	1	20,000
Mr. R. M. Telang	1	20,000
Mr. V. R. Garware	1	N.A.
Ms. M. V. Garware	1	20,000

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, Stakeholder Relationship Committee and Risk Management Committee.

On collation of all the responses, feedback was provided by Chairman of the Board of Directors to the Board and 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 04th November, 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. R. M. Telang and Ms. Mallika Sagar were present at the meeting held on 04th November, 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 (CMD) 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 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.



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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 2020-21, and the attendance thereat, are as follows: Five (05) meetings of the Corporate Social Responsibility Committee (“CSR Committee”) were held during the Financial Year 2020-21 on 30th June, 2020, 11th September, 2020, 04th November, 2020, 11th February, 2021 and 24th March, 2021.

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	5
4	Ms. M. V. Garware	5

The Company Secretary acted 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 2020-21, nine (09) meetings of the “Stakeholder Relationship Committee” were held.
 - iv. During the Financial Year 2020-21, three (03) complaints were received and the same were resolved to the satisfaction of the Shareholders. Other communications received were also replied / resolved satisfactorily.
 - v. There were one (01) unresolved / unattended communications / complaints of Shareholders pending as of 31st March, 2021. The same was satisfactorily resolved after 31st March, 2021 within statutory time period.
 - vi. There were no pending share transfers as of 31st March, 2021.
 - 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 Officer 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 2020-21, two (02) 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”:-

- 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).
- 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.
- 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. Meetings and Attendance:

The details of meetings held during the Financial Year 2020-21, and the attendance thereat, are as follows: Two (02) meetings of the Risk Management Committee were held during the Financial Year 2020-21 on 30th June, 2020 and 24th March, 2021.

Sr. No.	Name of the Member	No. of Meetings attended
1	Mr. V. R. Garware	2
2	Mr. S. P. Kulkarni	2
3	Dr. S. S. Rajpathak	2

The Company Secretary acted as Secretary to the Risk Management Committee.

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
Tuesday, 11th Sept., 2018	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.	To continue the appointment of Mr. R. M. Telang (DIN 00092103), as a Non-Executive Independent Director of the Company
Tuesday, 17th Sept., 2019	10.30 a.m.		<ol style="list-style-type: none"> Re-appointment of Mr. R. M. Telang (DIN 00092103) as a Non-executive Independent Director of the Company. Re-appointment of Mr. S. P. Kulkarni (DIN 00006914) as a Non-executive Independent Director of the Company. To approve the continuation of payment of remuneration to Mr. V. R. Garware (DIN 00092201), Chairman & Managing Director of the Company. To approve the borrowing limit pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 To approve the limit for Loans and Investment by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013.
Friday, 28th Aug., 2020	10.30 a.m.	The Annual General Meeting of the Company was held through two-way Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) 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.	<ol style="list-style-type: none"> Re-appointment of Ms. Mallika Sagar (DIN 02228386) as a Non-executive Independent Director of the Company.



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- ii. During the Financial Year 2020-21, no Special Resolution was passed through Postal Ballot.
- iii. As on date, no Special Resolution is proposed to be conducted through Postal Ballot.

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, 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, Ms. Mallika Sagar
b.	Marketing knowledge	Yes	Mr. Vayu R. Garware, Ms. Mayuri V. Garware, Ms. Mallika Sagar, Mr. S. P. Kulkarni
c.	Information Technology understanding	Yes	Mr. Vayu R. Garware
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, 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, 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, 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

- i. There were no materially significant related-party transactions, which had potential conflict with the interest of the Company at large.



- ii. The Company has complied with the requirements of the Listing Agreements with Stock Exchanges as well as Regulations and Guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI or Stock Exchanges or any Statutory Authorities, on any matter related to Capital Market, during the last three (03) years.
- 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 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 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 27th May, 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 2020-21, the Board of Directors of the Company has accepted all the recommendations of Committees of the Board of Directors of the Company in case 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 ₹ 48.95/- lakhs.



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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 2020–21: Nil
- b. Number of complaints disposed of during the Financial Year 2020–21: Nil
- c. Number of complaints pending as on end of the Financial Year 2020–21: Nil

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 or to the 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. 44th Annual General Meeting

- Day, Date and Time

Thursday, 16th September, 2021, 10:30 a.m. (IST)

- Venue

The Annual General Meeting of the Company shall be held through two-way Video Conference ("VC") / Other Audio Visual Means ("OAVM") in compliance with the applicable provisions of the Companies Act, 2013 and General Circular No. 02/2021 dated 13th January, 2021 read with General Circular Nos. 20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 issued by Ministry of Corporate Affairs ("MCA Circulars") and Circulars dated 15th January, 2021 and 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

From Friday, 10th September, 2021 to Thursday, 16th September, 2021 (both days inclusive)

iv. Dividend payment date

Thursday, 16th September, 2021 onwards

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

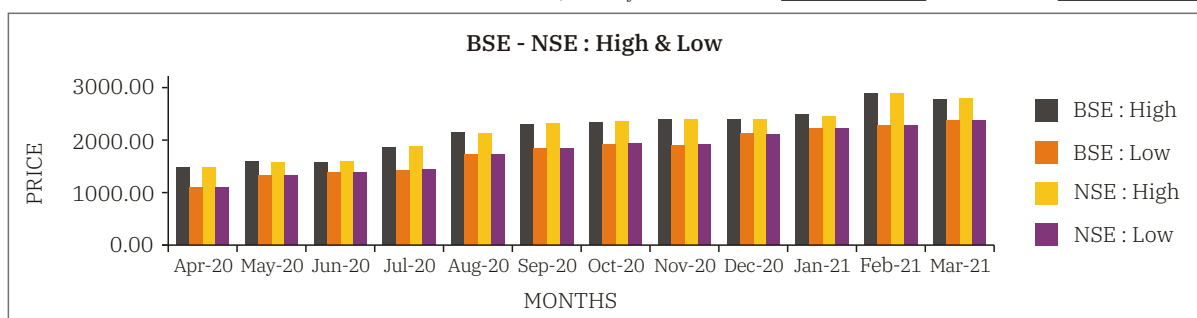


vii. **Stock Market Data**

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-20	1389.75	1021.00	1389.60	1011.40	33887.25	27500.79	9889.05	8055.80
May-20	1494.00	1236.00	1499.00	1240.00	32845.48	29968.45	9598.85	8806.75
Jun-20	1495.40	1300.00	1492.00	1296.75	35706.55	32348.10	10553.15	9544.35
Jul-20	1775.00	1345.35	1783.50	1341.30	38617.03	34927.20	11341.40	10299.60
Aug-20	2035.75	1631.90	2040.00	1633.00	40010.17	36911.23	11794.25	10882.25
Sep-20	2204.00	1736.95	2205.00	1751.45	39359.51	36495.98	11618.10	10790.20
Oct-20	2249.95	1836.95	2250.00	1835.00	41048.05	38410.20	12025.45	11347.05
Nov-20	2298.00	1813.95	2299.90	1812.00	44825.37	39334.92	13145.85	11557.40
Dec-20	2284.70	2011.25	2288.95	2025.00	47896.97	44118.10	14024.85	12962.80
Jan-21	2363.40	2132.15	2391.15	2125.10	50184.01	46160.46	14753.55	13596.75
Feb-21	2789.00	2180.45	2797.95	2182.00	52516.76	46433.65	15431.75	13661.75
Mar-21	2699.00	2285.15	2679.75	2283.10	51821.84	48236.35	15336.30	14264.40

(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, 2616 3503; Email: pune@linkintime.co.in; Website: www.linkintime.co.in

ix. **Share Transfer System**

The power to approve the transfer of securities has been delegated by the Board to the "Share Transfer 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, 2021**

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	To					
1	1	to	5,000	29196	92.32	2002772	20027720	9.71
2	5,001	to	10,000	1309	4.14	948399	9483990	4.60
3	10,001	to	20,000	598	1.89	843403	8434030	4.09
4	20,001	to	30,000	193	0.61	480754	4807540	2.33
5	30,001	to	40,000	76	0.24	268010	2680100	1.30
6	40,001	to	50,000	55	0.17	249446	2494460	1.21
7	50,001	to	1,00,000	92	0.29	646067	6460670	3.13
8	1,00,001	and	Above	106	0.34	15179318	151793180	73.62
Total				31625	100.00	20618169	206181690	100.00



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(ii) Pattern of Shareholding as on 31st March, 2021.

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	10848730	10848730	52.62
(2)	Foreign Promoters	0	0	0	0
	Sub-Total (A)	15	10848730	10848730	52.62
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Fund	8	346375	346375	1.68
(b)	Alternate Investment Funds	10	373915	373915	1.81
(c)	Foreign Portfolio Investor	51	1721841	1721841	8.35
(d)	Financial Institutions / Banks	4	1,778	628	0.01
(e)	Insurance Companies	3	5779	5629	0.03
	Sub-Total (B)(1)	76	2449688	2448388	11.88
(2)	Non-Institutions				
(a)	Individuals	28217	5840632	5531020	28.33
(b)	NBFCs registered with RBI	1	6,000	6,000	0.03
(c)	Employee Trusts	1	48	48	0.00
(d)	Investor Education and Protection Fund Authority	1	96,673	96,673	0.47
(e)	Trusts	2	2,805	2,805	0.01
(f)	Foreign National	1	1,795	1,795	0.01
(g)	Hindu Undivided Family	462	278,227	278,227	1.35
(h)	Non Resident Indians (Non Repat)	444	140,235	138,299	0.68
(i)	Non Resident Indians (Repat)	685	132,595	132,595	0.64
(j)	Clearing Member	91	19,710	19,710	0.10
(k)	Bodies Corporate	489	801,031	799,459	3.89
	Sub-Total (B)(2)	30394	7319751	7006631	35.50
	Total Public Shareholding (B) = (B)(1)+(B)(2)	30470	9769439	9455019	47.38
(C)	Non-Promoter-Non Public Shareholding	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)	0	0	0	0
	TOTAL (A)+(B)+(C)	30485	20618169	20303749	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, 2021, 98.48% shares have already been dematerialized.

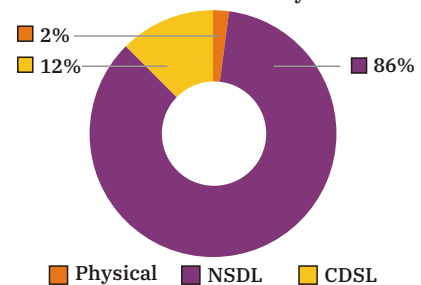
The Shares of the Company are actively traded on BSE Limited & National Stock Exchange of India Limited and have good liquidity.

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, 2021.

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 / 3503
 Email: pune@linkintime.co.in

xvii. Credit Rating obtained by the Company along with any revisions thereto during the Financial Year 2020-21

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

Facilities		Rating	Remark
Banking Facility - ₹ 235.39 Crores	On Long Term Scale	[ICRA] AA (Stable) (pronounced ICRA double A)	Reaffirmed
	On Long Term Scale	[ICRA]A1+ (pronounced ICRA A one plus)	Reaffirmed
Commercial Paper ₹ 15.00 Crores	On Short Term Scale	[ICRA]A1+ (pronounced ICRA A one plus)	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 or issued modified report on the Financial Statements.
- Separate posts of Chairperson and CEO: Presently, Mr. V. R. Garware is the Chairman & Managing Director of the Company and is also the CEO of the Company.
- Reporting of Internal Auditor: The Company has appointed Internal Auditor (employee) for conducting the Internal Audit. Internal Auditor 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 2020-21.



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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 2020-2021 on compliance with Code of Conduct of the Company as applicable to them respectively.

Pune,
01st April, 2021

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, 2021, 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, 2021.

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,
27th May, 2021

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



ANNEXURE TO DIRECTORS' REPORT 2020-21: BUSINESS RESPONSIBILITY REPORT

Garware Technical Fibres 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 and Values

Mission

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

Values

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

Your Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2021, 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			
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	1st April, 2020 to 31st March, 2021			
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	
<i>(Based upon NIC-2008 codes.)</i>				
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	27			
Number of International Locations (Provide details of major 5)	We have four representative offices and two overseas subsidiaries Overseas Subsidiaries : 1. Garware Technical Fibres USA Inc. – WA, USA 2. Garware Technical Fibres Chile SpA – Republic of Chile			
Number of National Locations	21			
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)	₹ 20,61,81,690
2. Total Turnover (INR)	₹ 1,05,179.72 lakhs
3. Total profit after taxes (INR)	₹ 15,462.98 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits of last three years (%)	2.00% (₹ 284.86 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.

- Support for procurement of Medical Equipment and Health care facilities.
- Support Schools by providing infrastructure, E-learning facilities, etc.
- Undertaking Livelihood enhancement projects in the field of protected cultivation, farming, aquaculture and other Rural Development initiatives.

* 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 four (04) subsidiary companies:

i. Garware Technical Fibres USA Inc.

Garware Technical Fibres USA INC. ("GTF USA INC"), is a Wholly Owned Subsidiary of your Company incorporated on 20th February, 2020 in the State of Washington, United State of America. GTF USA Inc. is engaged in the business of sale and supply of the products to technical textile industry in USA market.

ii. Garware Technical Fibres Chile SpA

Garware Technical Fibres Chile SpA ("GTF Chile SpA"), is a Wholly Owned Subsidiary of your Company incorporated in Republic of Chile. GTF Chile SpA Inc. is engaged in the business of sale and supply of the products to technical textile industry in Chile market.

iii. Garware Environmental Services Pvt. Ltd.

CIN: U74900PN2007PTC130686

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

iv. Garware Technical Textile Pvt. Ltd.

CIN: U17301PN2020PTC194993

Garware Technical Textile Private Limited, is a wholly owned subsidiary of your Company incorporated on 15th October, 2020. The Wholly Owned Subsidiary 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 and Garware Technical Textile Private Limited are yet to start its commercial operations. Garware Technical Fibres Chile SpA and Garware Technical Fibres USA Inc. were incorporated outside India and they comply with the requirement of BR initiatives as per requirements of their respective countries rules and regulation as applicable to them in their respective countries of incorporation.

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	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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustain ability throughout their life cycle.

Principle 3: Businesses should promote the well being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for?	Y	Y	Y	Y*	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	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	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 a member of the Board 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 Values 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 department heads and employees of GTFL adhere to policy guidelines for effective implementation.								
		Y	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://www.garwarefibres.com/about-us/mission-values/ 7. https://www.garwarefibres.com/investors/ems-policy/ 8. 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 have been shared with all the internal stakeholders. Policies related to Quality and EHS, Mission and Vision statements are being shared with external stakeholders also.								
		Y	Y	Y	Y	Y	Y	-	Y	Y

* 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
8.	Does the Company have in-house structure to implement the policy / policies?	Each and every employee at GTFL is required to adhere to the policies adopted and Departmental Heads are mandated to ensure 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 an elaborate policy to address the employees' grievances/complaints. GTFL also has grievance redressal mechanism for shareholder grievances (Scores Platform, BSE and 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.								
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 these Policies with the help of outside consultants / auditors where required. GTFL is working on developing and improving its policies. The Policies and their implementation of policies were internally evaluated. However, there were no audits conducted by any external agency 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									
6.	Any other reason (please specify)							#		

GTFL does not liaise directly with the regulatory bodies 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. The Corporate Social Responsibility Committee meets every quarter to plan, implement and access the Corporate Social Responsibility of the Company. There is no defined frequency for such assessment but 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?

Yes, the Company publishes BR as a Part 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 code of conduct and whistle blower / vigil mechanism 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 etc. GTFL's code of conduct requires the employee of



the Company to act ethically and with honesty and integrity. GTFL has insider trading policy, which extends and applicable to internal stakeholders as well as external stakeholders like advisors, 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 three (03) complaints and the same were resolved to the satisfaction of the shareholders. Other communications received from shareholders were also replied / resolved satisfactorily. One complaint from shareholder pending as on 31st March, 2021, was resolved within statutory time period.

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.

Garware Technical Fibres Limited is the leader in manufacturing innovative application focused aquaculture netting solutions. Our key focus is to develop solutions for the industry that would not only help to add the bottom line of the customers but also be sustainable to the environment. We are leading the way of producing nets with lower carbon footprint as well as to provide solutions which result into reduced use of toxic chemicals.

Conventional aquaculture nets such as Nylon nets are treated with copper oxide based antifouling paints to prevent growth of unwanted marine biofouling species and such paint lasts only for 3-4 months. The nets require to be treated at least 3 times in one production cycle. During the treatment, the biocides (copper oxide) leach into the environment over a period of time and stay toxic to non-target species. In such process, hundreds of thousands of tons of copper oxide leaches into the environment each year, thereby causing serious environmental damage and killing non-target species.

Garware Technical Fibres Limited has developed V2 nets technology, which are made from composite V2 fibres, which not only delay the growth of the biofouling species on the nets but also reduces the impact of copper on the environment. V2 nets is a disruptive technology and has the potential to replace the use of conventional Nylon nets with antifouling paint thereby has the potential of reducing around 20 million tons of copper oxide from leaching out into the environment thus preserving the ecosystem.

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.

In addition, we have also invested in various initiatives focused on clean technology, energy efficiency, renewable energy, etc.

To optimize the energy efficiency, Variable frequency drives (VFD's) and Energy efficient motors (IE-3 motors) to machines, LED lights, installing temperature controller for on/off the fan of cooling tower within factory premises are the various initiatives undertaken to minimize energy consumption. We have also initiated energy audit through a 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 and 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 areas of Wai plant operating as "Wai bachat Gats" by assisting them in developing their products and services and procuring the same from them to meet our requirements of 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 > 70 % of the product / process waste of PE and PP polymers generated in our operations and sell these granules to plastic re-processors.

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 and development, awards and recognition, welfare, etc., periodically.

1. Total number of employees.

1,185 (Including apprentice and probationer)

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

239*

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

3. Please indicate the Number of permanent women employees.

25



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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 and associations. 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 association under the collective bargaining agreements with trade unions.

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 and 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 are regularly trained on training programme pertaining to health and safety.

During FY 2020-21, GTFL imparted 5001.50 man-hours of training to its total workforce despite of challenges posed by Covid-19 pandemic..

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, government and regulatory authorities, business associates (marginalized fisherman, farmer, network of suppliers, service providers, agents, dealers and suppliers of goods and services), domestic / international customers and shareholders / investors as its key stakeholders.

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

Additionally, we have mechanisms to continuously engage with all our stakeholders (internal and external). This helps us in identifying their priorities and expectations and allows us to cater the same. 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:

- Support for Medical Equipment and Health care facilities.
- Support to Schools by providing infrastructure, E-learning facilities, etc.
- Undertaking Livelihood enhancement projects in the field of protected cultivation, farming, aquaculture and other Rural Development initiatives.

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 and labour laws. 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.

GTFL through its various policies and procedure promote and protect the principle of human right in its operations.

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 during the reporting period.

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 EHS 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 web page, 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 13,500 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.
- Through our R&D efforts, we have taken steps by providing environment friendly products and solutions to the customers with an objective to reduce carbon footprint.

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

Yes, GTFL has identified various environment risks and mitigation measures, which has been detailed in Annexure 1. In order to further enhance its efforts for environmental sustainability, during the year under review, GTFL has undertaken "Green Manufacturing Campaign" which has been detailed in Annexure 2.

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, various initiatives has been undertaken by GTFL with the objective of clean technology, energy efficiency and renewable energy in its operations, which are detailed in Annexure 1 and Annexure 2.

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 Good Export Promotion Council
- Indian Fishnet Manufacturers Association (IFMA)
- International Geosynthetics Society (IGS)
- International Erosion Control Association (IECA)
- The Coir Board



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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-

- 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:

- Support for procuring the Medical Equipment and Health care facilities.
- Support Schools by providing infrastructure, E-learning facilities, etc.
- Undertaking Livelihood enhancement projects in the field of protected cultivation, farming, aquaculture and Rural Development.

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 internally and use the feedback received to plan its CSR impact for future.

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 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.

- Support for procuring the Medical Equipment and Health care facilities.
- Support Schools by providing infrastructure, E-learning facilities, etc.
- Undertaking Livelihood enhancement projects in the field of protected cultivation, farming, aquaculture and Rural Development.

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 were no customer complaints / consumer cases pertaining to goods and services filed against the Company.



As on 31st March, 2021 there are no judicial pending cases of customer complaints / consumer cases 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 on the product label as per the requirement of legal metrology regulations (Weights and Measures Act). Information on goods and services of our business are also regularly updated on the website of the Company: <https://www.garwarefibres.com/netting-suppliers/> and other forums like stakeholder meets, annual reports, etc.

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?

During the reporting period, there were no stakeholder complaints filed pertaining to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against the Company or pending as on 31st March, 2021.

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: INITIATIVES UNDERTAKEN UNDER 'GREEN MANUFACTURING CAMPAIGN'

S.No.	GM Compliance / Safety Risk	Initiatives / Organisational Objectives
1	Risk of injury to employees	<ul style="list-style-type: none"> Up gradation of Safety Practices in the plant with respect to PPE provision and compliance. Personal Protective Equipments (PPE) POLICY Established, Documented and Implemented. Department wise Training on PPE importance and PPE usage conducted for user and employees, awareness displays installed. Department wise use of required PPE's is monitored as per PPE Matrix. PPE's Audits conducted periodically to monitor PPE compliance as per PPE matrix.
2	Development of Structured Safety Systems.	<ul style="list-style-type: none"> Visual safety management improved by installation of visual displays for safety sign boards, safety work instructions on machines. Root cause analysis with Corrective Preventive Action for incidents. Emergency Preparedness plan available and mock drills conducted regularly. Various campaigns like hazard identification, Near Miss incident Capturing etc. organised with gifts distribution to improve employee participation in safety promotional activities. Department wise Hazard identification and Risk Assessment conducted for Hazards and Risks. Department wise job safety analysis is in progress. Department wise team of safety champions formed to assist in safety promotional activities. Vertical lifeline installed on Stacks for working at height Maintenance Work, and Environmental Monitoring activities. Visitor Policy established and documented.
3	Safety Systems to Restrict or Reduce Man-Machine Interface	<ul style="list-style-type: none"> Safety guards installed to rotating parts of machines, wherever required Safety Railings also installed at access / approach ladders to machines to prevent any fall incidents. Photo sensors are installed to machines, wherever required to restrict man-machine interface. New forklifts procured are having unauthorised access prevention device installed on it to prevent unauthorised access.
4	Up gradation of Emergency Response systems with Fire Safety Systems for the unit	<ul style="list-style-type: none"> Night glowing displays for Emergency Exits installed. Department wise emergency sirens installed for quick and prompt intimation of emergency situation and to enhance emergency evacuation procedures. Static Charge dissipater at Fuel storage yard First Aid Team expanded to 126 First Aiders with addition of 63 New First Aiders. Pinak tablets available for snake, Honey bee, Scorpion bite emergency as basic first aid. Tie up with Nearest Hospitals for Snake, Scorpion, Honey bee bite emergency.



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S.No.	GM Compliance / Safety Risk	Initiatives / Organisational Objectives
5	Up gradation of Material storage and handling systems in the plant such as loading / unloading, material segregation, chemical storage, documentation storage practices, ergonomics during material handling	<ul style="list-style-type: none"> ● To avoid manual lifting and loading in vehicle / container, Movable ramp is procured and installed at NAS Department, Crane for loading operations at domestic process, Bundling and Export Bundling operation. ● For spill containment at chemical storage area Dyke wall with collection sump arrangement provided. ● Chemicals stored separately as per MSDS, Chemical Handling instructions displayed, Spill Kit, Emergency Eye Wash and Safety Shower and Fire Extinguishers provided. ● Record room prepared for documentation storage with provision of cupboards to store files, documents. ● Ergonomics Risk Assessment conducted in house and corrective actions taken to eliminate / minimise the risk.
6	Up gradation of Welfare practices at the unit with respect to canteen facilities, workplace, sanitation, documentation storage, OHC, etc.	<ul style="list-style-type: none"> ● Staff and workers canteen renovated. Painting, tiles, utensils, hand washing sinks replacement completed. ● Old LPG gas supply pipeline replaced with new one. Caution boards regarding Gas leak, Fire Hazard installed for administrative control and safety awareness. ● Additional ceiling Fans installed to improve artificial ventilation, New water boiler installed for hot water used for cooking rice, Fly, insect catcher provided at staff canteen and workers canteen. ● Health and hygiene related informative displays installed to improve awareness level amongst employees, Z Section windows changed to sliding windows at staff and workers canteen to reduce external environment impact. ● Provision of racks for storage of food grains, edible oil, Krates for storage of vegetables. ● Regular Pest controlling at both staff and workers canteen, dining hall. ● We have conducted Nutritional values in Diet study from Dietician, As per the study, We are totally fulfilling protein requirement and out of the total energy requirement for moderate and heavy work we are fulfilling half the energy requirement by providing breakfast and lunch and remaining half shall be assumed to be fulfilled at home. ● OHC has been upgraded, Dispensary Equipments like wheel chairs, oxygen cylinder with breathing apparatus, foldable stretchers, weighing balance, height measurement, BP apparatus, Digital Thermometer, Blood sugar checking apparatus, BMI check devices procured.
7	Development of safe forklift operations, safe truck or vehicle movement and parking in factory premises, etc.	<ul style="list-style-type: none"> ● Safe Forklift Operations – Preventive and Corrective Maintenance of forklifts, Fork safety inspection audits conducted periodically and corrective actions undertaken on audit observations. New forklifts procured are having unauthorised access prevention device installed on it to prevent unauthorised access. ● Periodic Forklift safety Awareness trainings conducted for forklift drivers. ● Safe truck or vehicle movement in premises – Safety sign boards displayed to prevent over speeding, Convex Mirrors installed for assistance at blind spots, Cleaner / security assists the driver while driving in reverse direction, Stoppers installed to vehicles parked at sloping surfaces.
8	Development of the Competency Development Strategy for the workforce.	<ul style="list-style-type: none"> ● Learning and Development plan is prepared based on training needs identification and relevant training programs are planned for competency and skill development of workforce. ● Training needs are identified department wise based on which training calendar is prepared and required training programs are conducted.


ANNEXURE 2: ENVIRONMENTAL RISKS IDENTIFIED AND MITIGATION MEASURES TO MINIMIZE ENVIRONMENTAL RISKS

S.No.	Environmental Risk	Initiatives / Organisational Objectives
1	Air Pollution	<ul style="list-style-type: none"> ● Tree plantation program organised every year on world environment day and forest day to minimise air pollution. Till date, 13,500 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. ● Installation of Dust collectors to bench grinders to prevent workers exposure to grinding dust and indoor air pollution. ● Bag filter and cyclone separator installed for boiler to arrest Suspended Particulate Matter and minimise air pollution. ● Replacement of FO with non / less polluting fuel or discarding FO fired boiler.
2	Land / Ground Water Pollution	<ul style="list-style-type: none"> ● 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 and 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. ● FRP Coating to ETP treatment tanks to prevent land / ground water pollution. ● To prevent land pollution and eliminate / minimize risks during chemical handling by installation of auto chemical HCL dosing arrangement at DM plant. ● FRP Coating of Primary Tube settlers at ETP to prevent ground water, land pollution.
3	Depletion of Natural resources	<ul style="list-style-type: none"> ● 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 10% to minimise natural resources depletion. ● 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. ● Reduction in chilling electricity consumption by 5% to minimise natural resources depletion ● Reduction in compressed air electricity consumption by 5% to minimise natural resources depletion. ● Replacement of filter media of ACF to improve filtration quality of treated water at ETP. ● Installation of Solar Street lamps on Helipad road and H.T. Yard for energy conservation.
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 2020-21

Business in the beginning of the financial year was deeply affected due to the lockdown following the COVID-19 pandemic. During the lockdown, we prioritized the health and well-being of our team and their families with strict standard operating procedures and regular communication. As the year progressed, the demand picked up across markets, and we were able to ramp up supplies. Despite challenges, we could reasonably service the market requirements to register sales growth. Profitability across businesses was supported by a high-value product portfolio, cost optimization, and healthy consolidated-cash generation from operations, leading to good working-capital management.

In the international markets, your Company continued to record strong growth in the aquaculture and sports segments, and improved its market share. Shipments to overseas market were hindered, but in close coordination with the market we could ensure critical deliveries, and meet customer expectations.

Our focus on innovation coupled with the strategy of differentiated solutions continued to enhance margins in select businesses.

During the year, your Company filed 23 patents, and 8 patents were granted.

Opportunities and Threats

The first quarter of FY 2021-22 saw a resurgence of COVID-19. This impacted the company's domestic business significantly. However, as the manufacturing facilities continued to be operational, your Company was able to manage the situation favourably in comparison with the first wave of pandemic in FY 2020-21. FY 2021-22 is expected to be year of challenges considering the possibility of a COVID-19 third wave and expected lockdowns in the country. Considering our mix of exports and domestic sales, and the fact that our core business is in food-oriented industries, we are hopeful of mitigating the probable downside in overall demand.

Greater acceptance of your Company's value-based solutions by customers augurs well for higher market share and further growth of your Company despite predicted macro challenges.

Company's Consolidated Financial Performance in FY 2020-21

Your Company registered total consolidated revenue of ₹ 1,069.24 crores for the year ended 31st March 2021, an increase of 8.52% over the previous year's consolidated revenue of ₹ 985.27 crores. Consolidated profit before tax in the year under review was ₹ 208.07 crores, an increase of 16.33% over the previous year despite disruption of business operations in first quarter of FY 2020-21.

Profitability was aided by an enhanced product mix and improvement in productivity. Growth in value-added, differentiated products aided growth in margins.

Key Consolidated Financial Indicators

- Operating profit ratio of the Company - Standalone: 16.5%, Consolidated: 16.8%.



- Current ratio of the Company - Standalone: 1.25, Consolidated 1.27
- Earnings per share - Standalone: ₹ 72.87, Consolidated: ₹ 74.64
- Return on capital employed (ROCE) - Standalone: 22.7%, Consolidated: 23.9%
- Debt-equity ratio - Standalone: 0.12 (previous year 0.13), Consolidated: 0.13 (previous year 0.18)
- Interest Coverage Ratio - Standalone: 21.33 (previous year 20.29), Consolidated: 21.16 (previous year 16.46)#
- Return on average net worth - Standalone: 19.2% (previous year 25%), Consolidated: 20.4% (previous year 20.2%)*

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 of the pandemic on the manufacturing processes 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 62.48% of your Company's revenue, uncertainty in global markets and foreign-exchange volatility would be a matter of concern. There are increasing constraints being faced in international logistics. 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 follows well-established policies and procedures to ensure attainment of operational, compliance, and reporting objectives. The internal control system is designed to meet current as well as future needs according to the Company's strategic growth plan. Policies and procedures are regularly reviewed to ensure relevance and comprehensiveness.

The global-standard SAP enterprise resource planning (ERP) system is used to manage day-to-day transactions seamlessly with the underlying books of accounts. Through continual investment in IT enablement, automated controls within processes have been ensured. The Company has also invested in an IT tool to track crucial compliances. Proactive steps are being taken to ensure compliance with changing policy regulations.

Human Resources Management

Your Company's people are its most valuable asset and the foundation for continued success. In response to the global pandemic, several rigorous steps were taken to ensure the health and well-being of employees and their families, and to ensure safe working environments after phased resumption of operations. Despite the challenges posed by the pandemic, engagement programmes were held regularly. Close interaction between all teams and the top management was ensured. The effort to enhance internal capacity was continued through training programmes for further development of functional skills. All practices were geared towards maintaining a performance-oriented culture. For the fourth consecutive year, your Company was certified as a 'Great Place to Work' in the category of large size corporates.

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.

On Standalone basis, EBIT is reduced by 6% (on account of dividend income of ₹ 37 crore from wholly owned subsidiary in the financial year) and financial cost is reduced by 11%, which has led to improvement in interest coverage ratio. On consolidated basis, EBIT is increased by 15% and Finance cost is reduced by 11%, which has led to improvement in interest coverage ratio.

* Compared to FY 2019-20, the return on average net worth in FY 2020-21 on standalone basis was lower by 4.8%, mainly due to decrease of 13% in profit after tax (on account of dividend income of ₹ 37 crores from wholly owned subsidiary in the financial year) and 9% growth in the net worth. Further, compared to FY 2019-20, the return on average net worth in FY 2020-21 on consolidated basis increased by 0.2%, mainly due to 13% growth in PAT against 10% 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, 2021, 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, 2021, 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
<p>Inventory Existence:</p> <p>The inventory's carrying value in the Balance Sheet as at 31st March, 2021 is ₹ 17,708.10 lakhs. The inventory of the Company is held across various locations including its Plants, Sales Depots, Warehouses and Contract Manufacturers' locations.</p> <p>We focussed on this matter because of the:</p> <ul style="list-style-type: none"> • significance of the inventory balance to the profit and statement of financial position • Complexity involved in determining inventory quantities on hand due to the number and diversity of inventory storage locations 	<p>Our procedures included, but were not limited to the following:</p> <p>We attended inventory counts at locations, selected based on financial significance and risk. Where locations were not attended we tested certain controls over inventory existence across the Company.</p> <p>For locations attended we performed the following procedures at each site:</p> <ul style="list-style-type: none"> • Selected a sample of inventory items and compared the quantities we counted to the quantities recorded • Observed a sample of management's inventory count procedures to assess compliance with the Company policy • Made enquiries regarding obsolete inventory items and looked at the condition of items counted <p>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.</p>

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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.



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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

- I. 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.
- II. 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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. 41 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, 2021.
 - 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: 21046088AAAACF8721

Place: Mumbai
Date: 27th May, 2021


ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of Garware Technical Fibres Limited on the Standalone Financial Statements for the year ended 31st March, 2021, we report the following:

- (i) In respect of the Company's fixed assets:
 - (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (vii) According to information and explanations given to us and on the basis of examination of records of the Company in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as at 31st March, 2021 on account of dispute are given 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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- (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, debenture holders and Government.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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

Place: Mumbai
Date: 27th May, 2021

M. No.: 046088
UDIN: 21046088AAAAACF8721

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021

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(II)(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, 2021 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

M. No.: 046088

UDIN: 21046088AAAACF8721

Place: Mumbai
Date: 27th May, 2021



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STANDALONE BALANCE SHEET AS AT 31st MARCH, 2021

		(₹ in lakhs)	
		As at	As at
		31st March, 2021	31st March, 2020
A ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	24,219.48	23,959.33
(b) Intangible Assets	4	469.74	490.25
(c) Financial Assets			
(i) Investments in Subsidiary and Associate	5	4,829.61	4,755.04
(ii) Other Investments	6	22,686.67	27,823.84
(iii) Trade Receivables	7	199.81	260.59
(iv) Loans	8	709.69	627.52
(v) Other Financial Assets	9	212.17	407.44
(d) Other non-current Assets	10	737.48	720.38
Total Non-Current Assets		<u>54,064.65</u>	<u>59,044.39</u>
(2) Current Assets			
(a) Inventories	11	17,708.10	18,692.26
(b) Financial Assets			
(i) Investments	12	23,893.70	9,672.23
(ii) Trade Receivables	13	21,587.91	21,482.03
(iii) Cash and Cash Equivalents	14	492.94	2,513.02
(iv) Bank Balances other than (iii) above	14	4,971.85	142.27
(v) Loans	15	541.04	591.35
(vi) Other Financial Assets	16	655.92	22.38
(c) Current Tax Assets	17	298.12	321.55
(d) Other Current Assets	17	8,080.35	7,888.25
Total Current Assets		<u>78,229.93</u>	<u>61,325.34</u>
TOTAL - ASSETS		<u>132,294.58</u>	<u>120,369.73</u>
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	18	2,061.82	2,188.21
(b) Other Equity	19	82,073.97	75,104.84
Total Equity		<u>84,135.79</u>	<u>77,293.05</u>
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	20	135.03	122.75
(ii) Other Financial Liabilities	21	4.90	4.90
(b) Provisions	22	1,065.26	827.55
(c) Deferred Tax Liabilities (net)	23	3,590.41	3,249.27
Total Non-current liabilities		<u>4,795.60</u>	<u>4,204.47</u>
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	9,691.63	10,037.70
(ii) Trade Payables	25	24,219.32	19,971.17
(iii) Other Current Financial Liabilities	26	2,369.81	1,959.08
(b) Other Current Liabilities	27	6,581.38	6,344.27
(c) Provisions	28	501.05	559.99
Total Current Liabilities		<u>43,363.19</u>	<u>38,872.21</u>
TOTAL - EQUITY AND LIABILITIES		<u>132,294.58</u>	<u>120,369.73</u>

C NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS 1-51

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,
27th May, 2021

Pune,
27th May, 2021

S. S. RAJPATHAK
Director
DIN: 00040387


STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

		(₹ in lakhs)	
	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1 INCOME			
Revenue from Operations	29	101,726.21	94,471.98
Other Income	30	3,453.51	6,913.27
Total Income		<u>105,179.72</u>	<u>101,385.25</u>
2 EXPENSES			
Cost of Materials Consumed	31	24,586.82	25,058.14
Purchases of stock-in-trade		3,036.21	3,513.59
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2	2,022.49	(1,360.33)
Employee Benefits Expenses	33	14,988.39	13,618.26
Finance Cost	34	996.97	1,120.59
Depreciation and Amortisation Expenses	3,4	2,063.99	1,926.22
Other expenses	35		
i) Processing and Testing Charges		9,592.17	8,715.59
ii) Others		27,625.24	27,173.00
Total Expenses		<u>84,912.28</u>	<u>79,765.06</u>
Profit Before Tax		<u>20,267.44</u>	<u>21,620.19</u>
Tax Expenses	36		
1. Current Tax		4,470.53	4,447.04
2. Deferred Tax		333.93	(626.86)
TOTAL TAX EXPENSE		<u>4,804.46</u>	<u>3,820.18</u>
Profit for the year		<u>15,462.98</u>	<u>17,800.01</u>
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Investment in Equity Instruments		782.04	(252.43)
Remeasurement of Defined Benefit Obligation		(36.43)	(296.64)
(ii) Income tax related to items that will not be reclassified to profit or loss		(7.42)	(41.67)
Total Other Comprehensive Income for the year		<u>738.19</u>	<u>(590.74)</u>
Total Comprehensive Income for the year		<u>16,201.17</u>	<u>17,209.27</u>
EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10 each)			
Basic (₹) and Diluted (₹)	40	72.87	81.35

3 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS 1-51

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,
 27th May, 2021

MUKESH SURANA
 Chief Financial Officer

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

 Pune,
 27th May, 2021

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



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STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(a) Equity share capital		
Equity Shares of ₹ 10/- each issued, subscribed & fully paid		
No of Shares	20618169	21882060
₹ in Lakhs	2061.82	2188.21

(b) Other Equity

For the year ended 31st March, 2021

(₹ 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, 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
Balance as at 1st April, 2020	24.75	182.63	7,700.11	3,869.84	63,482.91	0.69	(365.93)	209.84	75,104.84
Profit for the year	-	-	-	-	15,462.98	(0.69)	-	-	15,462.30
Reduction of Employee Welfare Trust Shares (Refer Note: 18)	94.65	-	(306.29)	-	-	-	-	-	(211.64)
Transfer to Capital Redumption Reserve	-	31.74	-	(31.74)	-	-	-	-	-
Buyback of Shares (including Transaction Charges) (Refer Note: 18)	-	-	(7,268.25)	(1,751.46)	-	-	-	-	(9,019.71)
Transfer to General Reserve	-	-	-	20,000.00	(20,000.00)	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	(36.43)	774.62	738.19
Total Comprehensive income for the year	94.65	31.74	(7,574.54)	18,216.80	(4,537.02)	(0.69)	(36.43)	774.62	6,969.13
Dividends paid	-	-	-	-	-	-	-	-	-
Dividends distribution tax paid	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	119.40	214.37	125.56	22,086.64	58,945.90	-	(402.37)	984.47	82,073.97

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,
27th May, 2021

Pune,
27th May, 2021

S. S. RAJPATHAK
Director
DIN: 00040387


STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in lakhs)

I. CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit Before Tax	20,267.44	21,620.19
Adjustments for reconcile Profit Before Tax To Net Cash Flows:		
Depreciation and Amortisation Expenses	2,063.99	1,926.22
Unrealised Exchange Difference	466.69	(631.05)
Finance Cost	996.97	1,120.59
Interest and Dividend Income Received	(896.51)	(3,736.81)
Fair Value Gain at Financial Instruments at FVTPL	(2,111.10)	(2,986.56)
Gain on sale/redemption of Investments	(445.89)	(189.90)
(Profit) / Loss on sale of Fixed Assets	(1.26)	29.64
Bad Debts	100.02	82.70
Provision for Doubtful Debts	14.77	35.00
Operating Profit before Working Capital Changes	20,455.11	17,270.02
Working Capital Adjustments		
(Increase) / Decrease in Trade & Other Receivable and Other Assets	(1,305.92)	2,143.96
(Increase) / Decrease in Inventories	984.16	(1,871.37)
Increase / (Decrease) in Trade and Other Payables	5,050.61	2,165.16
Cash generated from Operations	25,183.96	19,707.77
Direct Taxes paid	(4,447.30)	(5,271.54)
Net cash provided by Operating Activities	20,736.65	14,436.23
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets	(2,330.91)	(3,809.00)
Sale of Property, Plan & Equipment	27.85	72.46
(Increase)/ Decrease of Investments	(74.57)	(4,699.54)
(Increase)/ Decrease of Other Investments	(13,131.84)	(4,236.75)
Interest and Dividend Income Received	3,453.51	6,913.27
Net cash provided by / (used in) Investing Activities	(12,055.96)	(5,759.56)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Borrowings	-	-
Proceeds from Short-term / Long-term Borrowings	(346.07)	(759.57)
Buyback of Shares (incl. Buyback Tax and Transaction Charges)	(9,051.45)	-
Reduction of Employee Welfare Trust shares	(306.29)	-
Finance Cost	(996.97)	(1,120.59)
Dividend paid including Dividend Distribution Tax	-	(5,042.34)
Net cash from Financing Activities	(10,700.78)	(6,922.50)
Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)	(2,020.08)	1,754.17
Cash & Cash Equivalents at the beginning of the year	2,513.02	758.85
Cash & Cash Equivalents at year end	492.94	2,513.02

Reconciliation of cash flow in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2019	10,797.26
Cash movements	(759.56)
As at 31st March, 2020	10,037.70
Cash movements	(346.07)
As at 31st March, 2021	9,691.63

IV. NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS 1-51

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,
 27th May, 2021

 Pune,
 27th May, 2021

S. S. RAJPATHAK
 Director
 DIN: 00040387



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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 May 27, 2021 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, 2021

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):

- i) 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, 2021

- 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. 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 1st 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:

- a) Stores, spares, fuel & packing materials and raw materials - at costs determined on moving weighted average method.
- b) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other 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, 2021
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, 2021

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, 2021

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 define period of time in



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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 contact 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, 2021**

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, 2021

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, 2021****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, 2021

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 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
Additions	-	134.18	1,824.72	41.34	9.36	47.37	70.89	66.26	-	2,194.12
Disposals	-	-	(22.45)	-	-	(13.91)	(0.90)	(66.10)	-	(103.36)
As at 31st March 2021	512.01	4,421.92	19,563.35	3,567.22	799.28	388.20	633.07	907.24	112.78	30,905.07
Depreciation and Impairment										
At at 1st April 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
Charge for the year	5.68	272.16	1,077.88	217.58	65.78	38.92	98.84	123.63	6.91	1,907.38
Disposals	-	-	(17.51)	-	-	(0.40)	(14.90)	(43.97)	-	(76.78)
As at 31st March 2021	25.86	1,287.36	3,359.97	748.78	278.27	167.01	353.57	450.95	13.82	6,685.59
Net Block										
As at 31st March 2021	486.15	3,134.56	16,203.38	2,818.44	521.01	221.19	279.50	456.29	98.96	24,219.48
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

Notes:

- 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.
- During the year ₹ 0.69 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, 2021
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 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	445.28	727.17	48.84	1,224.71
Additions	12.51	–	90.94	33.34	136.79
Disposals	–	–	–	–	–
As at 31st March 2021	15.93	445.28	818.11	82.18	1,361.50
Amortisation and Impairment					
At at 1st April 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
Charge for the year	2.07	27.99	113.17	14.07	157.30
Disposals	–	–	–	–	–
As at 31st March 2021	2.07	361.26	506.12	22.31	891.76
Net Block					
As at 31st March 2021	13.87	84.02	311.99	59.87	469.74
As at 31st March 2020	3.42	112.02	334.21	40.60	490.25

5 FINANCIAL ASSETS

(₹ in lakhs)

INVESTMENTS IN SUBSIDIARY AND ASSOCIATE

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares/units	Amount	No. of Shares/units	Amount
a) In Subsidiary Company at cost:				
Shares in Garware Environmental Services Pvt. Limited of ₹ 10/- each	1,000,000	55.00	1,000,000	55.00
Shares in Garware Technical Fibres USA Inc	100	4,699.54	100	4,699.54
Shares in Garware Technical Fibres Chile SpA	5,000	73.57	–	–
Shares in Garware Technical Textile Pvt. Limited of ₹ 10/- each	10,000	1.00	–	–
b) In Associate Company at cost :				
Shares in Garware Meditech Pvt. Limited of ₹ 10/- each	5,000	0.50	5,000	0.50
Total investment in Subsidiary & Associate		<u><u>4,829.61</u></u>		<u><u>4,755.04</u></u>



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

6 OTHER INVESTMENTS

		(₹ in lakhs)			
		As at 31st March, 2021		As at 31st March, 2020	
		No. of Shares/units	Amount	No. of Shares/units	Amount
A. INVESTMENTS at FVTOCI					
In Equity instruments:					
Quoted					
Shares in Garware Marine Industries Limited of ₹ 10/- each	50,000.00	2.30		50,000.00	1.11
Shares in Garware Polyester Limited of ₹ 10/- each	146,350.00	1,023.72		146,350.00	242.06
Sub-total		<u>1,026.02</u>			<u>243.17</u>
Unquoted					
Shares in Intermedia Interactive Solutions Pvt. Limited of ₹ 10/- each	890,680.00	72.23		890,680.00	73.26
Shares of Gujarat Filament Corporation Limited of ₹ 10/- each	50.00	0.01		50.00	0.01
Sub-total		<u>72.24</u>			<u>73.27</u>
Total Equity Investment		<u>1,098.26</u>			<u>316.44</u>
B. INVESTMENTS at FVTPL					
a. Non Convertible Debentures					
Aditya Birla Finance Limited	-	-		200.00	2,278.43
Tata Capital Financial Service	200.00	2,458.49		-	-
ICICI HOME FINANCE LTD NCD - 730 DA	-	-		100.00	533.57
Sub-total (a)		<u>2,458.49</u>			<u>2,812.00</u>
b. Other Debt Instruments					
7 Year National Savings Certificates (deposited with Sales Tax Authorities)		0.16			0.16
Sardar Sarovar Narmada Nigam Limited FDR		17.50			17.50
Sub-total (b)		<u>17.66</u>			<u>17.66</u>
c. Investments in Mutual Funds					
(i) DEBT MUTUAL FUND					
IDFC Banking & PSU Debt Fund-Regular Plan (Growth)	3,051,236.00	590.44		3,051,236.00	541.38
IDFC Banking & PSU Debt Fund-Direct Plan (Growth)	3,021,641.00	586.90		3,021,641.00	542.81
Sundaram Corporate Bond Fund CBDG (Dir Growth)	3,705,900.00	1,186.73		3,705,900.00	1,089.25
(ii) DEBT MUTUAL FUND (FMP)					
HDFC Bank FMP 1100D	5,000,000.00	593.37		5,000,000.00	546.77
IDFC FMP SERIES - 154 (1098 DAYS (Growth)	-	-		5,001,010.00	587.64
HDFC Bank FMP 1143 DAYS R	-	-		2,500,000.00	295.23
HDFC Bank FMP 1143 DAYS D	-	-		2,500,000.00	293.77
HDFC FMP 1381D Direct Plan (Growth)	20,000,000.00	2,571.36		20,000,000.00	2,367.56
SBI Debt Fund Ser C-12 1122 DAYS R	-	-		2,500,000.00	287.10
SBI Debt Fund Ser C-12 1122 DAYS D	-	-		2,500,000.00	289.20
SBI Debt Fund Ser C-18 R Plan 1100 DAYS (Growth)	-	-		5,000,965.00	585.40
SBI FMP Ser 9 R Plan 1178 DAYS (Regular Growth)	5,000,000.00	585.10		5,000,000.00	538.74
SBI FMP Ser 9 R Plan 1178 DAYS (Dir Growth)	5,000,000.00	587.71		5,000,000.00	539.77
SBI FMP Ser 11 Plan 1178 DAYS (Reg Growth)	5,000,000.00	582.66		5,000,000.00	535.19
SBI FMP Ser 11 Plan 1178 DAYS (Dir Growth)	5,000,000.00	585.18		5,000,000.00	536.16
SBI Fixed Maturity Plan (FMP)- Seris 41 - 1498 days	9,999,500.00	999.95		-	-
SBI Fixed Maturity Plan (FMP)- Seris 41 - 1498 days	9,999,500.00	999.95		-	-
Bharat Bond Etf - April 2025	246,508.00	2,524.73		-	-
DSPBR FMP SERIES 220 Growth	-	-		10,000,000.00	1,186.26
Aditya Birla Sun Life Fixed Term Plan Series PE(1159)	-	-		10,000,000.00	1,179.59
Aditya Birla Sun Life Fixed Term Plan Series PE(1159)	-	-		5,000,000.00	592.04


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares/units	Amount	No. of Shares/units	Amount
				(₹ in lakhs)
Aditya Birla Sun Life Fixed Term Plan Series RC(1295)	20,000,000.00	2,496.22	20,000,000.00	2,323.76
Kotak FMP Series-217-1240 Days	-	-	10,000,000.00	1,190.91
Kotak FMP Series 230 (Growth)	-	-	5,001,038.00	589.38
Kotak FMP Series 233 (Growth)	-	-	5,001,010.00	585.40
Kotak FMP Series 261 (Growth)	10,000,000.00	1,218.26	10,000,000.00	1,124.72
ICICI Series 82-1199 Days	-	-	10,008,937.00	1,189.20
ICICI FMP - Plan Series 85 - 1127 Days Q	15,000,000.00	1,787.63	15,000,000.00	1,645.60
L&T FMP Series XVIII - D plan 1155D (Growth)	5,000,000.00	607.07	5,000,000.00	559.91
L&T FMP Series XVIII - R plan (Growth)	5,000,000.00	609.00	5,000,000.00	560.85
ICICI Prudential FMP Series 82-Plan 1199 Days	-	-	10,000,000.00	1,187.84
ICICI Prudential FMP - Series 83 - 1108 Days	-	-	10,000,000.00	1,186.31
Sub-total (c)		<u>19,112.26</u>		<u>24,677.75</u>
Total Investments measured at FVTPL (a+b+c)	-	<u>21,588.41</u>	-	<u>27,507.41</u>
Total other Investments		<u>22,686.67</u>		<u>27,823.84</u>
7 TRADE RECEIVABLE				
Non-Current				
Unsecured, considered good (measured at amortised cost)				
Trade Receivable (Includes retention money)		<u>199.81</u>		<u>260.59</u>
Total		<u>199.81</u>		<u>260.59</u>
8 LOANS - NON CURRENT				
Unsecured, considered good				
At Amortised Cost				
(i) Security Deposits		<u>378.27</u>		<u>310.67</u>
(ii) Other Loans		<u>331.42</u>		<u>316.85</u>
Total		<u>709.69</u>		<u>627.52</u>
Other Loans includes :				
Loan to employees		<u>329.40</u>		<u>277.96</u>
9 OTHER NON-CURRENT FINANCIAL ASSETS				
Other Deposit Current Assets (measured at amortised cost)		<u>211.67</u>		<u>221.68</u>
Bank Deposits with maturity of more than 12 months (Above bank deposits are pledged as margin money)		<u>0.50</u>		<u>185.76</u>
Total		<u>212.17</u>		<u>407.44</u>
10 OTHER NON-CURRENT ASSETS				
Taxes Receivable (other than Income Tax)		<u>616.63</u>		<u>616.63</u>
Capital Advances		<u>47.37</u>		<u>28.03</u>
Other Non-Current Assets*		<u>73.48</u>		<u>75.72</u>
Total		<u>737.48</u>		<u>720.38</u>
Other Non-Current Assets includes;				
*Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL		<u>21.20</u>		<u>21.20</u>



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(₹ in lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
11 INVENTORIES - CURRENT ASSET		
Raw Materials	6,232.60	5,447.43
Work-in-Progress	3,490.80	4,653.48
Finished Goods (Including Goods-in-Transit)	5,040.86	6,023.81
Traded Goods	666.01	542.87
Stores, Spares, Fuel and Packing Materials	2,277.83	2,024.67
Total	<u>17,708.10</u>	<u>18,692.26</u>

Note: For details of inventories pledged refer Note 24 and refer Note 2.8 for basis of valuation.

	(₹ in lakhs)			
	As at 31st March, 2021		As at 31st March, 2020	
	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
Bajaj Housing Finance Limited	-	-	200.00	2,212.65
HDB Financial Services Limited	-	-	178.00	2,207.12
ICICI Home Finance Ltd NCD - 730 Days	100.00	572.78	-	-
Sub-total (a)		<u>572.78</u>		<u>5,488.81</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 Saving Fund (Growth)	153,450.00	638.36	153,450.00	594.39
(ii) DEBT MUTUAL FUND (FMP)				
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	1,246.66	10,008,824.00	1,176.73
SBI Debt Fund Ser C-12 1122 Days	2,500,000.00	303.96	-	-
SBI Debt Fund Ser C-12 1122 Days	2,500,000.00	307.26	-	-
SBI SDFS C 18 1100 Days	5,000,965.00	622.18	-	-
ICICI Prud. FMP Series 82-Plan H	10,000,000.00	1,263.02	-	-
ICICI Series 82-1199 Days	10,008,937.00	1,265.11	-	-
ICICI Bank FMP Series 83-1108 Days	10,000,000.00	1,265.78	-	-
Hdfc Bank FMP 1143 Days	2,500,000.00	314.03	-	-
Hdfc Bank FMP 1143 Days	2,500,000.00	311.64	-	-
ABSL Fixed Term Plan Series Pe 1159 Days	10,000,000.00	1,252.53	-	-
ABSL Fixed Term Plan Series Pe 1159 Days	5,000,000.00	629.56	-	-
DSPBR FMP Series 220 (Growth)	10,000,000.00	1,263.21	-	-
IDFC FTP Series-154 Direct-(Growth)	5,001,010.00	628.41	-	-
Kotak FMP Series-217-1240 Days	10,000,000.00	1,270.60	-	-
Kotak FMP Series 230 Ū 1140 Days	5,001,038.00	626.94	-	-
Kotak FMP Series 233(1140D)Reg-Grow	5,001,010.00	621.68	-	-
Sub-total (b)		<u>13,830.92</u>		<u>4,183.42</u>
(c) FIXED DEPOSITS WITH NBFCs				
LIC Housing Finance Limited	-	5,000.00	-	-
Housing Development Finance Corporation Limited	-	3,000.00	-	-
Bajaj Finance Limited	-	500.00	-	-
Mahindra and Mahindra Financial Services Ltd	-	990.00	-	-
Sub-total (c)		<u>9,490.00</u>		-
Total Current Investments (a+b+c)		<u>23,893.70</u>		<u>9,672.23</u>


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(₹ in lakhs)		
13 TRADE RECEIVABLES		
(a) Measured at Amortised Cost		
Unsecured, Considered Good	16,985.24	21,482.03
Unsecured, Considered Doubtful	177.76	162.98
	<u>17,163.00</u>	<u>21,645.01</u>
Less: Allowance for Doubtful Debts	(177.76)	(162.98)
	<u>16,985.24</u>	<u>21,482.03</u>
(b) Receivable from Subsidiary, at cost (Considered Good)		
Other Receivables GTF US Inc	2,116.19	-
Other Receivables GTF Chile	2,486.48	-
	<u>4,602.67</u>	<u>-</u>
Total	<u>21,587.91</u>	<u>21,482.03</u>
<p>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.</p>		
Movement in allowance for doubtful debts		
Balance at the beginning of the year	162.98	127.23
Allowance for doubtful debts during the year	89.14	67.20
Reversal of allowance for doubtful debts during the year	(74.36)	(31.45)
Balance at the end of the year	<u>177.76</u>	<u>162.98</u>
14 (A) CASH AND BANK BALANCES		
Cash on hand	16.76	16.46
Balances with banks		
a) In Current Accounts	275.46	496.56
b) Pledged Term Deposits with maturity less than three months	200.72	2,000.00
Total Cash and Cash Equivalents	<u>492.94</u>	<u>2,513.02</u>
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Unpaid dividend accounts	78.84	119.45
Term Deposit with maturity above three months and less than twelve months	4,893.01	22.82
	<u>4,971.85</u>	<u>142.27</u>
Total	<u>5,464.79</u>	<u>2,655.29</u>
15 LOANS		
Measured at Amortised cost		
Unsecured, considered good		
Staff Loan	20.63	382.18
Deposit	520.41	209.17
Total	<u>541.04</u>	<u>591.35</u>
16 OTHER FINANCIAL ASSET		
Measured at Amortised Cost		
Unsecured, considered good		
Other Financial Assets	12.88	0.53
Interest Accrued On Deposit Others	643.04	21.85
Total	<u>655.92</u>	<u>22.38</u>



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in lakhs)

	As at 31st March, 2021		As at 31st March, 2020	
17 (A) OTHER CURRENT TAX ASSET (NET)				
Advance Tax and Tax Deducted at Source (net of provision)		298.12		321.55
Total (A)		<u>298.12</u>		<u>321.55</u>
(B) OTHER CURRENT ASSET				
Balance with Government authorities		6,709.02		6,492.31
Trade Advances		1,044.73		878.98
Prepayments		158.83		341.04
Advance to Employees		57.71		97.19
Others		110.06		78.73
Total (B)		<u>8,080.35</u>		<u>7,888.25</u>
Total (A+B)		<u>8,378.47</u>		<u>8,209.80</u>

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
18 EQUITY SHARE CAPITAL				
a) 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>
b) Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	20,618,169	2,061.82	21,882,060	2,188.21
		<u>2,061.82</u>		<u>2,188.21</u>

Note: 1. During the year 2020-21, the Company has given effect to the Reduction of Capital by cancelling 9,46,500 equity shares of ₹ 10/- each held by GWRL Managerial Staff Welfare Trust (previous year Nil), pursuant to the order passed by Hon'ble National Company Law Tribunal, Mumbai Bench, confirming the Special Resolution passed by the shareholders.

2. During the year 2020-21, the Company has bought back 3,17,391 Equity Shares of ₹ 10/- each under the Buyback offer (Previous year Nil)

a) Reconciliation of Number of Shares

Equity Shares

Opening Balance	21,882,060	2,188.21	21,882,060	2,188.21
Changes during the year *	(1,263,891)	(126.39)	-	-
Closing Balance	<u>20,618,169</u>	<u>2,061.82</u>	<u>21,882,060</u>	<u>2,188.21</u>

* During the year 2020-21, the Company has given effect to the Reduction of Capital by cancelling 9,46,500 equity shares of ₹ 10/- each held by GWRL Managerial Staff Welfare Trust (previous year Nil), pursuant to the order passed by Hon'ble National Company Law Tribunal, Mumbai Bench, confirming the Special Resolution passed by the shareholders.

* During the year 2020-21, the Company has bought back 3,17,391 Equity Shares of ₹ 10/- each under the Buyback offer (Previous year Nil)

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 Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the 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.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in lakhs)

c) Details of Shareholders holding more than 5% Shares in the Company	As at 31st March, 2021	As at 31st March, 2020
Equity Shares		
Mr. V. R. Garware*	3,352,219 16.26%	3,568,295 16.31%
Garware Capital Markets Limited	3,568,170 17.31%	3,563,570 16.29%

The above Shareholding represents the legal ownership of shares

* Out of 33,52,219 (16.26%) Equity Shares, 19,90,584 (9.66%) 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, 2021): Nil

19 OTHER EQUITY

RETAINED EARNINGS	59,527.99	63,326.82
OTHER RESERVES		
a) Capital Reserve	119.40	24.75
b) Capital Redemption Reserve	214.38	182.63
c) Share Premium		
Share Premium Account	22.83	7,597.37
Share Premium Related To Forfeited Shares	102.74	102.74
d) Revaluation Reserve	-	0.69
e) General Reserve	22,086.64	3,869.84
Total	<u>22,545.98</u>	<u>11,778.02</u>
 Grand Total	 <u>82,073.97</u>	 <u>75,104.84</u>

NON-CURRENT LIABILITIES
FINANCIAL LIABILITIES
20 NON-CURRENT TRADE PAYABLE

Measured at Amortised Cost	135.03	122.75
Retention money payable	135.03	122.75

21 NON-CURRENT FINANCIAL LIABILITY

Measured at Amortised Cost	4.90	4.90
Security Deposit from Contractor	4.90	4.90

22 NON CURRENT PROVISIONS

Provision for Employee Benefits *	1065.26	827.55
Total	<u>1065.26</u>	<u>827.55</u>

* Provision for employee benefits includes provision for Leave encashment, Super annuation and Gratuity (refer Note No. 37)

23 DEFERRED TAX (ASSET) / LIABILITIES
Deferred Tax relates to the following

Depreciation and Amortisation	2,764.65	2,800.83
Employee Benefit Obligation	14.12	(84.64)
Provision for Doubtful Debts	(8.81)	(41.02)
Financial Asset / Liabilities measured at FVTPL	730.20	525.74
Financial Asset / Liabilities measured at FVOCI	90.81	83.60
Financial Asset / Liabilities measured at Amortised Cost	(0.56)	(35.24)
Deferred Tax Liability (Net)	<u>3,590.41</u>	<u>3,249.27</u>



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

FINANCIAL LIABILITIES	As at 31st March, 2021	As at 31st March, 2020
24 BORROWINGW-CURRENTS		
Secured (at amortised cost)		
- From banks		
Working Capital Facilities	9,691.63	10,037.70
2. Packing Credit in Rupee refer note 1 below		
Total	<u>9,691.63</u>	<u>10,037.70</u>

(₹ in lakhs)

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 4.5% to 5.5% 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	64.40	45.48
Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	<u>24,154.92</u>	<u>19,925.69</u>
Total	<u>24,219.32</u>	<u>19,971.17</u>

Note:

Refer Note 44 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.	64.40	45.48
Interest Accrued and due to supplier under MSMED Act, 2006 on the above amount, unpaid at the year end.	6.02	1.09
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.	-	-

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	1,856.21	1,419.88
Unpaid Dividend (refer note below)	78.84	119.45
Security deposit from Customer	141.15	137.52
Other Payables	<u>293.61</u>	<u>282.23</u>
Total	<u>2,369.81</u>	<u>1,959.08</u>

Note: In respect of unclaimed dividend, the actual amount is transferred to investor protection fund on the determined due date.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(₹ in lakhs)		
27 OTHER CURRENT LIABILITY		
Unearned revenue	4,368.84	4,142.44
Advance received from Customers	2,169.07	2,092.32
Statutorious dues and other liabilities	43.47	109.51
Total	<u>6,581.38</u>	<u>6,344.27</u>
28 CURRENT PROVISIONS		
Provision for Employee Benefits*	501.05	559.99
Total	<u>501.05</u>	<u>559.99</u>
* Provision for employee benefits includes provision for Leave Encashment, Super Annuation and Gratuity (refer Note No. 37)		
29 REVENUE	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(₹ in lakhs)		
Sale of Products and Services		
Manufactured Goods	92,866.09	85,313.07
Traded Goods	2,682.93	4,385.08
Contracts for Supply & Installation	4,778.39	3,513.39
Other operating Revenue		
Sale of Scrap	1,091.44	585.14
Sale of Raw Material	243.38	485.38
Miscellaneous Receipts	63.98	189.92
Total	<u>1,398.80</u>	<u>1,260.44</u>
Total	<u>101,726.21</u>	<u>94,471.98</u>
Disaggregation of revenue		
Revenue based on Geography		
Domestic	38,166.86	39,331.65
Export	63,559.35	55,140.33
Revenue from operations	<u>101,726.21</u>	<u>94,471.98</u>
Revenue based on Business Segment		
Synthetic Cordage	85,597.83	78,420.65
Fibre and Industrial Products & Projects	16,128.38	16,051.33
Total Revenue from operation	<u>101,726.21</u>	<u>94,471.98</u>
Reconciliation of Revenue from operations with contract price		
Contract Price	102,887.52	95,437.84
Less:- Discounts and Incentives	(1,161.29)	(965.86)
Total Revenue from operation	<u>101,726.21</u>	<u>94,471.98</u>
30 OTHER INCOME		
Interest income from financial asset carried at amortise cost		
Bank deposits	851.28	21.11
From other financial assets	29.33	12.22
Dividend income from equity investments designated at FVTOCI*	14.64	3,703.48
Fair Value Gain at financial instruments at FVTPL	2,111.11	2,986.56
Gain on sale/redemption of investments	445.89	189.90
Profit on sale of Fixed Asset	1.26	-
Total	<u>3,453.51</u>	<u>6,913.27</u>

* Includes dividend received from subsidiary company GTFL USA Inc ₹ Nil (Previous year ₹ 3703.47 lakhs)



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(₹ in lakhs)		
31 COST OF MATERIAL CONSUMED		
Opening Stock at the beginning of the year	5,447.43	5,257.84
Add : Purchases	25,371.99	25,247.73
Less : Closing Stock at the end of the year	<u>(6,232.60)</u>	<u>(5,447.43)</u>
Total	<u><u>24,586.82</u></u>	<u><u>25,058.14</u></u>
32 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock at the beginning 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>
(b) Closing Stock at the end of the year		
Work-in-Progress	3,490.80	4,653.48
Finished Goods	5,040.86	6,023.81
Traded Goods	<u>666.01</u>	<u>542.87</u>
	<u><u>9,197.67</u></u>	<u><u>11,220.16</u></u>
Net Total (Increase) / Decrease	<u><u>2,022.49</u></u>	<u><u>(1,360.33)</u></u>
33 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	13,349.83	12,136.22
Contribution to Provident and other Funds (Note No. 37)	727.20	720.26
Staff Welfare	911.36	761.78
Total	<u><u>14,988.39</u></u>	<u><u>13,618.26</u></u>
34 FINANCE COST		
Interest expenses on borrowings *	739.16	871.26
Bank charges	<u>257.81</u>	<u>249.33</u>
Total	<u><u>996.97</u></u>	<u><u>1,120.59</u></u>
* Interest expenses includes ₹ 353.69 lakhs (Previous year ₹ 393.07 lakhs) on account of interest on borrowings from related parties.		
35 OTHER EXPENSES		
Stores and Spares consumed	8,069.07	7,644.05
Packing materials consumed	1,336.36	1,700.10
Power, Fuel and Water Charges	3,302.73	3,647.81
Processing and Testing Charges	9,592.17	8,715.59
Installation Contract related expenses	2,246.08	1,593.24
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	347.00	565.24
Rent	437.34	432.10
Rates, Taxes and Octroi	78.33	115.10
Insurance	315.78	218.53
Transport and Forwarding Charges	<u>6,737.69</u>	<u>5,068.57</u>


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
		(₹ in lakhs)
Repairs and Maintenance		
Buildings	26.37	55.41
Plant and Machinery	1,441.42	1,990.58
Others	409.99	433.32
Travelling Expenses	273.34	1,177.16
Discount and Commission on sales	606.41	730.83
Bad Debts	100.02	82.70
Provision for Doubtful Debts	14.77	35.00
Legal and Professional Charges	1,128.13	1,501.61
Auditors' Remuneration		
Audit Fees	14.15	14.00
Fees for other Services	34.80	18.05
Out of pocket expenses	1.28	2.08
Establishment and other miscellaneous expenses *	1,813.55	1,772.43
Exchange (Gain) / Loss (net)	(1,115.97)	(1,664.35)
Directors' Fees	6.60	9.80
(Profit) / Loss on Fixed Assets Discarded	-	29.64
Total	37,217.41	35,888.59
Detail of CSR Expenditure;		
Amount required to spent during the year	284.86	273.51
Amount spent during the year	65.13	121.80
Amount transferred to Unspent CSR Account for Ongoing Projects as per statutory requirement	219.73	-
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	890.04	1,155.79
Capital expenditure	41.34	105.80
36 Income taxes		
The major components of income tax expenses for the year ended 31st March, 2021 & 31st March, 2020.		
Statement of Profit and Loss:		
Current Income Tax Charges		
Current Income Tax	4,470.53	4,447.04
Deferred Tax		
Relating to origination and reversal of temporary differences	333.93	(626.86)
Income tax expenses reported in the Statement of Profit and Loss	4,804.46	3,820.18
Other Comprehensive Income:		
Remeasurement of Investment in Equity Instruments	782.04	(252.43)
Net gain or loss on remeasurements of defined benefit plans	(36.43)	(296.64)
Income tax related to items that will not be reclassified to profit or loss	(7.42)	(41.67)



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2020 & 31st March, 2021.

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting profit before tax (before exceptional items)	20,267.44	21,620.19
At India's statutory income tax rate of 25.168%	5,100.91	5,441.37
Dividend income	-	-
Fair value gain of FVTOCI investment Dividend income	(643.54)	(799.45)
Dividend income on foreign subsidiary	-	(291.13)
Difference in book and IT depreciation	24.20	19.59
Others	(197.18)	21.51
Tax on Capital gain income	186.14	55.15
Income Tax expenses reported in the Statement of Profit and Loss (A)	4,470.53	4,447.04
Tax Expenses recognised in Statement of Profit and Loss		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(41.92)	(1,113.96)
Incremental Deferred Tax Liability / (Asset) on account of Financial Assets and Other items	375.85	487.10
Deferred Tax Provision (B)	333.93	(626.86)
Adjustment recognised in the current year in relation to the prior years (C)	-	-
Total Expenses recognised in Statement of Profit and Loss (A+B+C)	4,804.46	3,820.18

During the previous 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 Company has not yet received any communications from Income Tax Authority on the final outcome in respect of arising out of search operation conducted at the Company premises in the month of November, 2019.

37 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, 2019	2,039.31	(1,814.31)	225.00
Current Service Cost	120.48	-	120.48
Interest Cost / (Income)	158.25	(140.79)	17.46
Total amount recognised in Profit or Loss	278.73	(140.79)	137.94
Actuarial (Gains)/Losses on Obligations - Due to Experience	52.93	-	52.93
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	159.04	-	159.04
Return on Plan Assets, Excluding Interest Income	-	84.66	84.66
Total amount recognised in Other Comprehensive Income	211.97	84.66	296.64
Contributions by the Employer	-	(129.04)	(129.04)
Benefit Paid From the Fund	(112.24)	112.24	-
31st March, 2020	2,417.77	(1,887.23)	530.53


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current Service Cost	144.17	-	144.17
Interest Cost / (Income)	166.10	(129.65)	36.45
Total amount recognised in Profit or Loss	310.28	(129.65)	180.62
Actuarial (Gains)/Losses on Obligations - Due to Experience	198.84	-	198.84
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	61.01	-	61.01
Return on Plan Assets, Excluding Interest Income		(223.54)	(223.54)
Total amount recognised in Other Comprehensive Income	259.85	(223.54)	36.31
Contributions by the Employer	-	(8.31)	(8.31)
Benefit Paid From the Fund	(152.90)	152.90	-
31st March, 2020	2,834.99	(2,095.84)	739.15

II The net liability disclosed above relates to funded plans are as follows :

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020	31st March, 2019
Present value of funded obligation	(2,834.99)	(2,417.77)	(2,039.31)
Fair value of plan assets	2,095.84	1,887.23	1,814.31
Funded Status (Surplus/ (Deficit))	(739.15)	(530.53)	(225.00)

III Significant estimates

The principal actuarial assumptions were as follows :

Particulars	31st March, 2021	31st March, 2020	31st March, 2019
Discount rate	6.80%	6.87%	7.76%
Salary growth rate	6.00% p.a. for the next 2 years, 5% p.a. thereafter, starting from the 3rd year.	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, 2021	31st March, 2020
Discount rate		
1.00% increase	Decrease by 207.53	Decrease by 177.44
1.00% decrease	Increase by 236.48	Increase by 202.93
Future salary increase		
1.00% increase	Increase by 237.91	Increase by 204.71
1.00% decrease	Decrease by 212.35	Decrease by 182.01
Attrition Rate		
1.00% increase	Increase by 27.11	Increase by 25.94
1.00% decrease	Decrease by 30.11	Decrease by 28.80



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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, 2021	31st March, 2020
Within next 12 months	335.63	319.94
Between 1-10 years	1911.19	1514.20
11 years & above	3115.41	2820.96

V The major categories of plan assets are as follows: (₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Investments with Insurer (LIC of India)	0.01%	0.01%
HDFC Standard Life Insurance	99.99%	99.99%

38 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 (₹ in lakhs)

Particulars	Year 2020-2021				Year 2019-2020			
	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total
i) Segment Revenue	86,253.29	17,276.94	-	103,530.23	78,791.29	17,494.57	-	96,285.86
Inter-segment revenue	(655.46)	(1,148.56)	-	(1,804.02)	(370.63)	(1,443.25)	-	(1,813.88)
Sales/Income From operations	85,597.83	16,128.38	-	101,726.21	78,420.65	16,051.33	-	94,471.98
ii) Depreciation and amortization	1,715.47	240.04	108.48	2,063.99	1,593.91	229.86	102.45	1,926.22
iii) Segment Result	18,552.54	2,564.19	-	21,116.74	16,119.28	2,389.90	-	18,509.18
Less -								
i) Interest				(996.97)				(1,120.59)
ii) Other Unallocable expenditure net of unallocable (income)				147.68				4,231.59
Total profit before tax				20,267.44				21,620.19
iv) Segment Assets	56,149.00	10,009.59	66,135.99	132,294.58	56,211.39	10,533.53	53,624.81	120,369.74
v) Segment Liabilities	31,003.21	3,751.24	13,404.35	48,158.79	23,029.74	4,543.02	15,503.93	43,076.69


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Reconciliation of Profit

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Segment Profit	21,116.74	18,509.18
Other Income	3,453.51	6,913.27
Finance Cost	(996.97)	(1,120.59)
Other Corporate Costs	(3,305.83)	(2,681.68)
Profit Before Tax and discontinued operations	20,267.44	21,620.18

Reconciliation of Assets

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Segment operating assets	66,158.59	66,744.92
Investments	51,409.97	42,251.11
Cash and bank balances	5,464.79	2,655.29
Balances with government authorities	6,709.02	6,492.31
Other unallocable assets	2,552.21	2,226.11
Total assets	132,294.58	120,369.74

Reconciliation of liabilities

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Segment operating liabilities	34,754.44	27,572.76
Borrowings	9,691.63	10,037.70
Income tax liabilities (Net)	3,590.41	3,249.27
Other unallocable liabilities	122.32	2,216.96
Total liabilities	48,158.79	43,076.69

ii) Information about geographic segment

Revenue from external customers

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
India	38,166.86	39,331.65
Outside India	63,559.35	55,140.33
Total	101,726.21	94,471.98

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.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

39 DISCLOSURE OF THE TRANSACTIONS WITH RELATED PARTIES, FOR THE YEAR ENDED ON 31st MARCH, 2021

(I) List of Related Parties & Relationship :

A. Subsidiary / Joint Venture Company

1. Garware Technical Fibres USA Inc.
2. Garware Technical Fibres Chile SpA
3. Garware Environmental Services Pvt. Ltd.
4. Garware Technical Textile Pvt. Ltd. (w.e.f. 15th October, 2020)

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 (upto 28th August, 2020)
5. Mr. 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.
18. VRG Business Ventures Pvt. Ltd.
19. Vallabhi Tradecom LLP. (w.e.f. 22nd February, 2021)


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(II) Following are the transactions with the related parties mentioned in A, B, C, D & E above during the year ended on 31st March, 2021::

(₹ 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 during the year									
1	Deposit Received	2020-21	-	-	4,089.00	-	-	4,089.00	
		2019-20	-	-	5,877.00	-	-	5,877.00	
2	Deposit Refund	2020-21	-	-	4,089.00	-	-	4,089.00	
		2019-20	-	-	5,877.00	-	-	5,877.00	
3	Interest paid on Deposits	2020-21	-	-	353.68	-	-	353.68	
		2019-20	-	-	393.07	-	-	393.07	
4	Director Remuneration *	2020-21	-	-	-	903.07	-	903.07	
		2019-20	-	-	-	205.45	-	205.45	
5	Directors Sitting Fees	2020-21	-	-	-	-	6.60	6.60	
		2019-20	-	-	-	-	9.80	9.80	
6	Dividend paid	2020-21	-	-	-	-	-	-	
		2019-20	-	-	1,656.03	785.02	0.80	2,441.85	
7	Dividend Received	2020-21	-	-	-	-	-	-	
		2019-20	3,703.48	-	-	-	-	3,703.48	
8	Sale of Goods/Services	2020-21	12,532.95	-	-	-	-	-12,532.95	
		2019-20	437.04	-	-	-	-	-	437.04
9	Transfer of Business Undertaking	2020-21	-	-	-	-	-	-	
		2019-20	4,699.54	-	-	-	-	-	4,699.54
10	Reimbursement of Expenses received	2020-21	13.78	-	-	-	-	13.78	
		2019-20	-	-	-	-	-	-	
11	Investment in Subsidiary	2020-21	74.57	-	-	-	-	74.57	
		2019-20	-	-	-	-	-	-	
Balance as on 31st March, 2021									
12	Advance received from subsidiary	31st March, 2021	-	-	-	-	-	-	
		31st March, 2020	1,958.15	-	-	-	-	-	1,958.15
13	Sundry Debtors from subsidiary	31st March, 2021	4,602.67	-	-	-	-	-	4,602.67
		31st March, 2020	-	-	-	-	-	-	
14	Investment in Equity Shares	31st March, 2021	4,774.11	-	-	-	-	-	4,774.11
		31st March, 2020	4,699.54	-	-	-	-	-	4,699.54
15	Balance (Payable) / Receivable *	31st March, 2021	-	-	-	(700.00)	-	(700.00)	
		31st March, 2020	-	-	-	-	-	-	

* 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 ₹ 700 lakhs (Previous year ₹ Nil)

Note: 1. For Investment in related parties as at 31st March, 2021 refer Note No. 5.

2. The Company has given stand by letter of credit for Bank Credit facility for its wholly owned subsidiary - Garware Technical Fibres Chile SpA. Bank Borrowing as on 31st March, 2021 of Garware Technical Fibres Chile SpA is ₹ 489.76 lakhs.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(₹ in lakhs)	
	31st March, 2021	31st March, 2020
40 EARNINGS PER SHARE (EPS)		
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders of the Company	15462.98	17,800.01
Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs)	212.21	218.82
Basic And Diluted Earning Per Share (₹)	72.87	81.35
41 CONTINGENT LIABILITIES :		
Claims against the Company not acknowledged as debts:		
- SBLC (for wholly owned subsidiary Garware Technical Fibres Chile SPA) for outstanding bank borrowing	489.76	-
- Corporate Guarantee (for wholly owned subsidiary Garware Technical Fibres USA inc) for outstanding bank borrowing	-	3215.98
In respect of matters under dispute		
- Sales Tax	9.15	9.15
- BG Encashment Claim*	25.34	-
- Octroi	21.64	21.64
* Pertains to invocation of the Bank Guarantee(s) by a customer under sub judice.		
42 Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹ 117.14 lakhs (As at 31st March, 2020 ₹ 677.01 lakhs).		
43 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) lakhs (As at 31st March, 2019 ₹ (0) lakhs).		
Current assets	0.78	0.78
Non-current assets	15.40	15.40
Current liabilities	-	-
Non-current liabilities	(21.04)	(21.04)
Reserve & Surplus	4.86	4.86
Revenue	-	-
Cost of material consumed	-	-
Employee benefit expenses	-	-
Other expenses	-	-
Profit / (loss) before tax	-	-
Income-tax expenses	-	-
Profit / (loss) after tax	-	-

44 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, 2021. (₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	-	-	4,829.61	4,829.61
Other Investments-Non Current	1,098.26	21,588.41	-	22,686.67
Trade Receivables-Non Current	-	-	199.81	199.81
Loans-Non Current	-	-	709.69	709.69
Other Financial Assets-Non Current	-	-	212.17	212.17
Other Investments-Current	-	23,893.70	-	23,893.70
Trade Receivables-Current	-	-	21,587.91	21,587.91
Loans-Current	-	-	541.04	541.04
Other Financial Assets-Current	-	-	655.92	655.92
Total	1,098.26	45,482.11	28,736.16	75,316.53
Financial Liabilities				
Trade Payable-Non Current	-	-	135.03	135.03
Other Financial Liabilities-Non Current	-	-	4.90	4.90
Borrowings-Current	-	-	9,691.63	9,691.63
Trade Payable-Current	-	-	24,219.32	24,219.32
Other Financial Liabilities-Current	-	-	2,369.81	2,369.81
Total	-	-	36,420.69	36,420.69


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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

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, 2021
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	1,026.02	-	-	1,026.02
Unquoted equity instruments	-	-	72.24	72.24
FVTPL financial investments				
Other Debt Instrument	17.66	43,005.96	-	43,023.62
Unquoted debt instruments	-	2,458.49	-	2,458.49
Unquoted equity instruments	-	-	-	-



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

As at 31st March, 2020

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)	Total
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				–
Foreign Currency Forward Contract	–	–	–	–
Other Debt Instrument	17.66	34,349.98	–	34,367.64
Unquoted debt instruments		2,812.00		2,812.00
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, 2021
Particulars of unhedged foreign currency exposure and Derivatives (Outstanding) as at Balance Sheet date:

(₹ in lakhs)

Particulars	Currency	As at 31st March, 2021	As at 31st March, 2020
Trade Receivable	USD	14,919.18	14,069.41
Trade Payable	USD	(2,655.64)	(296.89)
Net		12,263.53	13,772.51
Forward Contracts to Sell (Hedge of Receivables)	USD	(8,435.91)	(10,824.09)
Net Exposure		3,827.63	2,948.43

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, 2021	For the year ended 31st March, 2020
Impact on profit before tax			
INR/USD - Increase by 1%	USD	400.16	275.10
INR/USD - Decrease by 1%	USD	(400.16)	(275.10)

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, 2021	For the year ended 31st March, 2020
Interest expense	Increase	100 basis point	-70.09	(86.94)
	Decrease	100 basis point	70.09	86.94
Interest income/Fair Value gain	Increase	100 basis point	540.19	351.03
	Decrease	100 basis point	(540.19)	(351.03)

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, 2021

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, 2021	24,354.35	135.03	24,219.32
	31st March, 2020	20,093.92	122.75	19,971.17
Borrowings	31st March, 2021	9,691.63	–	9,691.63
	31st March, 2020	10,037.70	–	10,037.70
Other Financial Liabilities	31st March, 2021	2,374.71	4.90	2,369.81
	31st March, 2020	1,963.98	4.90	1,959.08

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.

45 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, 2021	As at 31st March, 2020
Short Term Debt (including current maturities of long term loan)	9,691.63	10,037.70
Long Term Debt	–	–
Trade Payables	24,219.32	19,971.17
Less: Cash and cash equivalents	(5,464.79)	(2,655.29)
Net Debt	28,446.16	27,353.58
Equity	84,135.79	77,293.05
Capital and net debt	112,581.95	104,646.63
Net Debt to Capital Ratio (Debt/Equity plus debt)	0.25	0.26


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

- 46** 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.
- 47** 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.
- 48** 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.
- 49** During the year, the Company incorporated a wholly owned subsidiary in Chile named as Garware Technical Fibres Chile SpA ("the WOS") in the Republic of Chile. The Company has not yet infused any share capital into the WOS and the WOS is yet to commence its operations. In view of this, the accounts for the F.Y.2019-20 are not drawn for the WOS.
- 50** 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.
- 51** 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

(ABHAY MEHTA)
 Partner
 M. No. 046088

Mumbai,
 27th May, 2021

MUKESH SURANA
 Chief Financial Officer

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

Pune,
 27th May, 2021

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

**CONSOLIDATED
FINANCIAL STATEMENTS**



UNSTOPPABLE



INDEPENDENT AUDITORS' REPORT

To,

The Members of,

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

Report on the Audit of 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 as the 'Holding Company') 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, 2021, 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, its Consolidated total 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
<p>Inventory Existence: The inventory's carrying value in the Balance Sheet as at 31st March, 2021 is ₹ 19,036.53 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:</p> <ul style="list-style-type: none"> • Significance of the inventory balance to the profit and statement of financial position • Complexity involved in determining inventory quantities on hand due to the number and diversity of inventory storage locations. 	<p>Our procedures included, but were not limited to the following: We attended inventory counts at locations, selected based on financial significance and risk. Where locations were not attended we tested certain controls over inventory existence across the Company. For locations attended we performed the following procedures at each site:</p> <ul style="list-style-type: none"> • Selected a sample of inventory items and compared the quantities we counted to the quantities recorded • Observed a sample of management's inventory count procedures to assess compliance with the Company policy • Made enquiries regarding obsolete inventory items and looked at the condition of items counted <p>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.</p>

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



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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. Management's and Board of Directors' Responsibilities 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 Consolidated 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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 ₹ 159.36 lakh as at 31st March, 2021, total revenue of ₹ 11.50 lakh, Profit after tax ₹ 9.34 lakh and net cash flow amounting to ₹ (0.43) 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, 2021, 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, 2021, 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, 2021 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, 2021 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, 2021.
- 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: 27th May, 2021

M. No.: 046088
UDIN: 21046088AAAACF8721

ANNEXURE A - TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2021

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, 2021, 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, 2021, 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

M. No.: 046088

UDIN: 21046088AAAACF8721

Place: Mumbai
Date: 27th May, 2021



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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2021

		(₹ in lakhs)	
		As at	As at
A ASSETS	Note No.	31st March, 2021	31st March, 2020
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	24,236.31	23,959.35
(b) Intangible Assets	4	476.31	490.25
(c) Financial Assets			
(i) Investments in Subsidiaries, Associates	5	-	-
(ii) Other Investments	6	22,799.73	27,927.40
(iii) Trade Receivables	7	199.81	260.59
(iv) Loans	8	709.69	627.52
(v) Other Financial Assets	9	212.17	440.97
(d) Other non-current Assets	10	737.48	720.38
Total Non-Current Assets		<u>49,371.50</u>	<u>54,426.46</u>
(2) Current Assets			
(a) Inventories	11	19,041.83	19,165.72
(b) Financial Assets			
(i) Investments	12	23,893.70	9,672.23
(ii) Trade Receivables	13	24,177.55	23,525.30
(iii) Cash and Cash Equivalents	14	732.65	3,223.07
(iv) Bank Balances other than (iii) above	14	5,007.24	142.28
(v) Loans	15	541.04	591.36
(vi) Other Financial Assets	16	655.92	22.38
(c) Other Current Tax Assets	17	324.11	323.66
(d) Other Current Assets	17	8,142.24	7,961.27
Total Current Assets		<u>82,516.28</u>	<u>64,627.27</u>
TOTAL - ASSETS		<u>131,887.78</u>	<u>119,053.73</u>
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	18	2,061.82	2,188.21
(b) Other Equity	19	79,048.88	71,724.64
Total Equity		<u>81,110.70</u>	<u>73,912.85</u>
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payable	20	135.03	122.75
(ii) Other Financial Liabilities	21	4.90	4.90
(b) Provisions			
(c) Deferred Tax Liabilities (Net)	22	1,065.26	827.55
(c) Deferred Tax Liabilities (Net)	23	3,590.41	3,249.27
Total Non-Current Liabilities		<u>4,795.60</u>	<u>4,204.47</u>
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	10,181.39	13,253.68
(ii) Trade Payables	25	24,991.38	18,462.50
(iii) Other Current Financial Liabilities	26	2,486.90	2,070.59
(b) Other Current Liabilities			
(c) Provisions	27	7,733.57	6,572.39
(c) Provisions	28	501.05	559.99
(d) Current Tax Liabilities (Net)	29	87.19	17.26
Total Current Liabilities		<u>45,981.48</u>	<u>40,936.41</u>
TOTAL - EQUITY AND LIABILITIES		<u>131,887.78</u>	<u>119,053.73</u>

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,
27th May, 2021

Pune,
27th May, 2021

S. S. RAJPATHAK
Director
DIN: 00040387


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

	Note No.	For the year ended 31st March, 2021	(₹ in lakhs) For the year ended 31st March, 2020
1 INCOME			
Revenue from Operations	30	103,456.98	95,308.67
Other Income	31	3,467.24	3,218.76
Total Income		106,924.22	98,527.43
2 EXPENSES			
Cost of Materials Consumed	32	25,395.87	26,256.98
Purchases of stock-in-trade		3,051.54	3,513.60
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	1,162.22	(1,833.78)
Employee Benefits Expenses	34	15,273.55	13,636.29
Finance Cost	35	1,032.01	1,157.01
Depreciation and Amortisation Expenses	3,4	2,064.59	1,926.22
Other expenses	36		-
i) Processing and Testing Charges		9,592.83	8,715.59
ii) Others		28,544.77	27,269.23
Total Expenses		86,117.38	80,641.13
Profit Before Tax		20,806.84	17,886.30
Tax Expenses	37		
1. Current Tax		4,633.18	4,460.04
2. Deferred Tax		333.93	(626.86)
TOTAL TAX EXPENSE		4,967.11	3,833.18
Profit After Tax		15,839.73	14,053.12
Share of (profit)/loss from Investment in Associate & Join Venture		(0.10)	(0.10)
Profit for the year		15,839.63	14,053.02
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Investment in Equity Instruments		782.04	(252.43)
Remeasurement of Defined Benefit Obligation		(36.43)	(296.64)
(ii) Income tax related to items that will not be reclassified to profit or loss		(7.42)	(41.67)
Total Other Comprehensive Income for the year		738.19	(590.74)
Total Comprehensive Income for the year		16,577.82	13,462.28
EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10 each)			
Basic (₹) and Diluted (₹)	41	74.64	64.22
Profit for the year			
Attributable to:			
Equity holder of parent		15,839.73	14,053.12
Non-controlling interest		(0.10)	(0.10)
Other Comprehensive income for the year		-	-
Attributable to:			
Equity holder of parent		738.19	(590.74)
Non-controlling interest		-	-
Total comprehensive income for the year		-	-
Attributable to:			
Equity holder of parent		16,577.92	13,462.38
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
 M. No. FCS 6407

R. M. TELANG
 Director
 DIN. 00092103

S. P. KULKARNI
 Director
 DIN. 00006914

 Mumbai,
 27th May, 2021

 Pune,
 27th May, 2021

S. S. RAJPATHAK
 Director
 DIN: 00040387



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(a) Equity share capital		
Equity Shares of ₹ 10/- each issued, subscribed & fully paid		
No of Shares	20618169	21882060
₹ in Lakhs	2061.82	2188.21

(b) Other Equity

For the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income			
	Capital Reserve	Capital Redemption Reserve	Share Premium	General Reserve	Foreign currency translation 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, 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)	13,918.87
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
Balance as at 1st April, 2020	199.73	182.63	7,700.11	3,869.84	-	59,927.73	0.69	(365.93)	209.85	71,724.64
Profit for the year	-	-	-	-	-	15,839.73	(0.69)	-	-	15,839.04
Foreign currency translation credit	-	-	-	-	(21.65)	-	-	-	-	(21.65)
Capital reserve GTF USA Inc	-	-	-	-	-	-	-	-	-	-
Reduction of Employee Welfare Trust Shares (Refer Note: 18)	94.65	-	(306.29)	-	-	-	-	-	-	(211.64)
Transfer to Capital Redemption Reserve	-	31.74	-	(31.74)	-	-	-	-	-	0.00
Buyback of Shares (including Transaction Charges) (Refer Note:18)	-	-	(7,268.25)	(1,751.45)	-	-	-	-	-	(9,019.70)
Transfer to General Reserve	-	-	-	20,000.00	-	(20,000.00)	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	(36.43)	774.62	738.19
Total Comprehensive income for the year	94.65	31.74	(7,574.54)	18,216.81	(21.65)	(4,160.27)	(0.69)	(36.43)	774.62	7,324.25
Dividends paid	-	-	-	-	-	-	-	-	-	-
Dividends distribution tax paid	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	294.38	214.37	125.56	22,086.65	(21.65)	55,767.46	0.00	(402.36)	984.47	79,048.88

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,
27th May, 2021

Pune,
27th May, 2021

S. S. RAJPATHAK
Director
DIN: 00040387


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(₹ in lakhs)

I. CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit Before Tax	20,806.84	17,886.30
Adjustments for reconcile Profit Before Tax to Net Cash Flows:	-	
Depreciation and Amortisation Expenses	2,064.59	1,926.22
Unrealised Exchange Difference	466.69	(631.05)
Finance Cost	1,032.01	1,157.01
Interest and Dividend Income Received	(910.25)	(38.74)
Fair Value Gain at Financial Instruments at FVTPL	(2,111.10)	(2,990.13)
Gain on sale/redemption of investments	(445.89)	(189.90)
(Profit) / Loss on sale of Fixed Assets	(1.26)	29.64
Bad Debts	101.17	82.71
Provision for Doubtful Debts	14.77	35.00
Operating Profit before Working Capital Changes	21,017.57	17,267.06
Working Capital Adjustments		
(Increase) / Decrease in Trade & Other Receivable and Other Assets	(1,854.30)	23.67
(Increase) / Decrease in inventories	123.90	(2,344.83)
Increase / (Decrease) in Trade and Other Payables	8,311.73	1,279.76
Cash generated from Operations	27,598.90	16,225.66
Direct Taxes paid	(4,590.80)	(5,271.54)
Net cash provided by Operating Activities	23,008.10	10,954.12

II. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment and Intangible Assets	(2,354.84)	(3,808.97)
Sale of Property, Plan & Equipment	27.85	72.47
(Increase)/ Decrease of Investments	0.00	-
(Increase)/ Decrease of Other Investments	(13,176.73)	(4,230.34)
Interest and Dividend Income Received	3,467.24	3,218.76
Net cash provided by / (used in) Investing Activities	(12,036.48)	(4,748.08)

III. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Short-term / Long-term Borrowings	(3,072.28)	2,456.41
Buyback of Shares (incl. Buyback Tax and Transaction Charges)	(9,051.45)	-
Reduction of Employee Welfare Trust shares	(306.29)	-
Finance Cost	(1,032.01)	(1,157.01)
Dividend paid including Dividend Distribution Tax	-	(5,042.34)
Net cash from Financing Activities	(13,462.04)	(3,742.94)
Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)	(2,490.42)	2,463.10
Cash & Cash Equivalents at the beginning of the year	3,223.07	759.97
Cash & Cash Equivalents at year end	732.65	3,223.07

Reconciliation of cash flow in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2019	10,797.26
Cash movements	2,456.41
As at 31st March, 2020	13,253.68
Cash movements	(3,072.29)
As at 31st March, 2021	10,181.39

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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 Company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 27, 2021 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 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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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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 contact 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, 2021**

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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2.17 Government Grants and Subsidy

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

- the Group will comply with the conditions attached to them, and
- 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:

- The estimated amount of contracts remaining to be executed on capital accounts and not provided for; and
- 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

- Synthetic Cordage
- 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, 2021

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, 2021

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 2019	512.01	3,950.85	15,597.69	3,420.09	640.10	308.34	534.54	866.73	112.78	25,943.12	-
Additions	-	336.90	2,942.28	105.80	149.92	46.50	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	4,287.75	17,761.08	3,525.88	789.92	354.70	563.13	907.08	112.78	28,814.33	-
Additions	-	134.18	1,824.72	41.34	9.36	47.37	70.95	83.59	-	2,211.51	-
Disposals	-	-	(22.45)	-	-	(13.91)	(0.90)	(66.10)	-	(103.36)	-
As at 31st March 2021	512.01	4,421.92	19,563.35	3,567.22	799.28	388.19	633.13	924.57	112.78	30,922.47	-
Depreciation and Impairment											
As at 1st April 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	-
Charge for the year	5.68	272.16	1,077.88	217.58	65.78	38.92	98.84	124.20	6.91	1,907.95	-
Disposals	-	-	(17.51)	-	-	(0.40)	(14.90)	(43.97)	-	(76.77)	-
As at 31st March 2021	25.86	1,287.36	3,359.97	748.78	278.27	167.02	353.57	451.51	13.82	6,686.16	-
Net Block											
As at 31st March 2021	486.15	3,134.56	16,203.38	2,818.44	521.01	221.18	279.56	473.05	98.96	24,236.31	-
As at 31st March 2020	491.83	3,272.55	15,461.48	2,994.69	577.43	226.24	293.50	535.80	105.87	23,959.35	-

Notes:

- 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.
- During the year ₹ 0.69 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, 2021
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 2019	0.00	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	445.28	727.17	48.84	1,224.71
Additions	12.50	–	97.54	33.34	143.39
Disposals	–	–	–	–	–
As at 31st March 2021	15.93	445.28	824.71	82.18	1,368.10
Amortisation and Impairment					
At 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	392.96	8.24	734.46
Charge for the year	2.07	27.99	113.20	14.07	157.33
Disposals	–	–	–	–	–
As at 31st March 2021	2.07	361.26	506.15	22.31	891.79
Net Block					
As at 31st March 2021	13.86	84.02	318.56	59.87	476.31
As at 31st March 2020	3.42	112.02	334.20	40.60	490.25

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
 Shares in Garware Technical Fibres USA Inc
 Shares in Garware Technical Fibres Chille SpA
 Shares in Garware Technical Textile Pvt. Limited of ₹ 10/- each

b) In Associate Company at cost :

Shares in Garware Meditech Pvt. Limited of ₹ 10/- each

Total investment in subsidiary and Associate

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares/units	Amount	No. of Shares/units	Amount
1,000,000	–	1,000,000	–	
100.00	–	100	–	
5,000.00	–	–	–	
10,000.00	–	–	–	
5,000	–	5,000	–	
Total investment in subsidiary and Associate	–	–	–	–



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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

Tata Capital Financial Service

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)

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)

SBI Fixed Maturity Plan (FMP)- Seris 41 - 1498 days

SBI Fixed Maturity Plan (FMP)- Seris 41 - 1498 days

SBI FMP-Dir Growth-Ser 21 - 1109 Days

SBI FMP-Reg Growth-Ser 21 - 1109 Days

Bharat Bond Etf - April 2025

DSPBR FMP SERIES 220 Growth

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares/units	Amount	No. of Shares/units	Amount
				(₹ in lakhs)
A. INVESTMENTS at FVTOCI				
In Equity instruments:				
Quoted				
Shares in Garware Marine Industries Limited of ₹ 10/- each	50,000.00	2.30	50,000.00	1.11
Shares in Garware Polyester Limited of ₹ 10/- each	146,350.00	1,023.72	146,350.00	242.06
		<u>1,026.02</u>		<u>243.17</u>
Unquoted				
Shares in Intermedia Interactive Solutions Private Limited of ₹ 10/- each	890,680.00	72.23	890,680.00	73.26
Shares of Gujarat Filament Corporation Limited of ₹ 10/- each	50.00	0.01	50.00	0.01
		<u>72.24</u>		<u>73.27</u>
Total Equity Investment		<u><u>1,098.26</u></u>		<u><u>316.44</u></u>
B. INVESTMENTS at FVTPL				
a. NON CONVERTIBLE DEBENTURES				
Aditya Birla Finance Limited	-	-	200.00	2,278.43
Tata Capital Financial Service	200.00	2,458.49	-	-
HDB Financial Services Limited	-	-	-	-
ICICI HOME FINANCE LTD NCD - 730 DA	-	-	100.00	533.57
Sub-total (a)		<u>2,458.49</u>	300.00	<u>2,812.00</u>
b. Other Debt Instruments				
7 Year National Savings Certificates.		0.16		0.16
(Deposited with Sales Tax Authorities)				-
Sardar Sarovar Narmada Nigam Limited FDR		17.50		17.50
Sub-total (b)		<u>17.66</u>	-	<u>17.66</u>
c. INVESTMENTS IN MUTUAL FUNDS				
(i) DEBT MUTUAL FUND				
IDFC Banking & PSU Debt Fund-Regular Plan (Growth)	3,051,236.36	590.44	3,051,236.36	541.38
IDFC Banking & PSU Debt Fund-Direct Plan (Growth)	3,021,640.99	586.90	3,021,640.99	542.81
HDFC FRIF Short Term Plan (Growth)	-	-	-	-
ICICI Prudential Flexible Income Plan (Growth)	-	-	-	-
Sundaram Corporate Bond Fund CBDG (Dir Growth)	3,705,899.79	1,186.73	3,705,899.79	1,089.25
(ii) DEBT MUTUAL FUND (FMP)				
HDFC Bank FMP 1100D	5,000,000.00	593.37	5,000,000.00	546.77
IDFC FMP SERIES - 154 (1098 DAYS)(Growth)	-	-	5,001,010.00	587.64
HDFC Bank FMP 1143 DAYS R	-	-	2,500,000.00	295.23
HDFC Bank FMP 1143 DAYS D	-	-	2,500,000.00	293.77
HDFC FMP 1381D Direct Plan (Growth)	20,000,000.00	2,571.36	20,000,000.00	2,367.56
SBI Debt Fund Ser C-12 1122 DAYS R	-	-	2,500,000.00	287.10
SBI Debt Fund Ser C-12 1122 DAYS D	-	-	2,500,000.00	289.20
SBI Debt Fund Ser C-18 R Plan 1100 DAYS (Growth)	-	-	5,000,965.33	585.40
SBI FMP Ser 9 R Plan 1178 DAYS (Regular Growth)	5,000,000.00	585.10	5,000,000.00	538.74
SBI FMP Ser 9 R Plan 1178 DAYS (Dir Growth)	5,000,000.00	587.71	5,000,000.00	539.77
SBI FMP Ser 11 Plan 1178 DAYS (Reg Growth)	5,000,000.00	582.66	5,000,000.00	535.19
SBI FMP Ser 11 Plan 1178 DAYS (Dir Growth)	5,000,000.00	585.18	5,000,000.00	536.16
SBI Fixed Maturity Plan (FMP)- Seris 41 - 1498 days	9,999,500.03	999.95	-	-
SBI Fixed Maturity Plan (FMP)- Seris 41 - 1498 days	9,999,500.03	999.95	-	-
SBI FMP-Dir Growth-Ser 21 - 1109 Days	-	56.43	5,000,000.00	51.82
SBI FMP-Reg Growth-Ser 21 - 1109 Days	-	-	-	-
Bharat Bond Etf - April 2025	246,508.00	2,581.36	-	51.76
DSPBR FMP SERIES 220 Growth	-	-	10,000,000.00	1,186.26


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares/units	Amount	No. of Shares/units	Amount
				(₹ in lakhs)
Aditya Birla Sun Life Fixed Term Plan Series PE(1159)	-	-	10,000,000.00	1,179.59
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	2,496.22	20,000,000.00	2,323.76
Kotak FMP Series-219-1240 Days	-	-	10,000,000.00	1,190.91
Kotak FMP Series 230 (Growth)	-	-	5,001,038.00	589.38
Kotak FMP Series 233 (Growth)	-	-	5,001,010.00	585.40
Kotak FMP Series 261 (Growth)	10,000,000.00	1,218.26	10,000,000.00	1,124.72
ICICI Series 82-1199Days	-	-	10,008,937.00	1,189.20
ICICI FMP - Plan Series 85 - 1127 Days Q	15,000,000.00	1,787.63	15,000,000.00	1,645.60
L&T FMP Series XVIII - D Plan 1155D (Growth)	5,000,000.00	607.07	5,000,000.00	559.91
L&T FMP Series XVIII - R Plan (Growth)	5,000,000.00	609.00	5,000,000.00	560.85
ICICI Prudential FMP Series 82 - Plan 1199 Days	-	-	10,000,000.00	1,187.84
ICICI Prudential FMP Series 83 - 1108 Days	-	-	10,000,000.00	1,186.31
Ind-AS		0.00		0.00
		<u>19,225.32</u>		<u>24,781.29</u>
Sub-total (c)				
Total Investments measured at FVTPL (a+b+c) -	-	21,701.47		27,610.96
Total other Investments		<u>22,799.73</u>		<u>27,927.40</u>
7 TRADE RECEIVABLE				
Non-Current				
Unsecured, considered good (measured at amortised cost)				
Trade Receivable		199.81		260.59
(Includes retention money)		-		-
Total		<u>199.81</u>		<u>260.59</u>
8 LOANS - NON CURRENT				
Unsecured, considered good				
At Amortised Cost				
(i) Security Deposits		378.27		310.67
(ii) Other Loans		331.42		316.85
Total		<u>709.69</u>		<u>627.52</u>
Other Loans includes :				
Loan to employees		329.40		277.96
9 OTHER NON-CURRENT FINANCIAL ASSETS				
Other Deposit Current Assets (measured at amortised cost)		211.67		221.68
Bank Deposits with maturity of more than 12 months		-		-
(Above bank deposits are pledged as margin money)		0.50		219.29
Total		<u>212.17</u>		<u>440.97</u>
10 OTHER NON-CURRENT ASSETS				
Taxes Receivable (other than Income Tax)		616.63		616.63
Capital Advances		47.37		28.03
Other Non-Current Assets*		73.48		75.72
Total		<u>737.48</u>		<u>720.38</u>
Other Non-Current Assets includes;				
*Advance to a Partnership Firm i.e. Sopan D. Patil & GTFL		21.20		21.20



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(₹ in lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
11 INVENTORIES - CURRENT ASSET		
Raw Materials	6,232.60	5,447.43
Work-in-Progress	3,491.53	4,653.48
Finished Goods	6,373.85	6,497.26
Traded Goods	666.01	542.87
Stores, Spares, Fuel and Packing Materials	2,277.83	2,024.67
Total	<u>19,041.83</u>	<u>19,165.72</u>

Note: For details of inventories pledged refer Note 24 and refer Note 2.8 for basis of valuation.

	(₹ in lakhs)			
	As at 31st March, 2021		As at 31st March, 2020	
	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
Bajaj Housing Finance Limited	-	-	200.00	2,212.65
HDB Financial Services Limited	-	-	178.00	2,207.12
ICICI Home Finance Ltd NCD - 730 Days	100.00	572.78	-	-
Sub-total (a)		<u>572.78</u>	1,378.00	<u>5,488.81</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)	153,450.16	638.36	153,450.00	594.39
(ii) DEBT MUTUAL FUND (FMP)				
HDFC Bank FMP 1100D	-	-	-	-
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	1,246.66	10,008,824.00	1,176.73
SBI Debt Fund Ser C-12 1122 Days	2,500,000.00	303.96	-	-
SBI Debt Fund Ser C-12 1122 Days	2,500,000.00	307.26	-	-
SBI SDFS C 18 1100 Days	5,000,965.33	622.18	-	-
ICICI Prud. FMP Series 82-Plan H	10,000,000.00	1,263.02	-	-
ICICI Series 82-1199 Days	10,008,937.00	1,265.11	-	-
ICICI Bank FMP Series 83-1108 Days	10,000,000.00	1,265.78	-	-
HDFC Bank FMP 1143 Days	2,500,000.00	314.03	-	-
HDFC Bank FMP 1143 Days	2,500,000.00	311.64	-	-
ABSL Fixed Term Plan Series Pe 1159 Days	10,000,000.00	1,252.53	-	-
ABSL Fixed Term Plan Series Pe 1159 Days	5,000,000.00	629.56	-	-
DSPBR FMP Series 220 Growth	10,000,000.00	1,263.21	-	-
IDFC FTP Series-154 Direct-Growth	5,001,010.00	628.41	-	-
Kotak FMP Series-217-1240 Days	10,000,000.00	1,270.60	-	-
Kotak FMP Series 230 Ū 1140 Days	5,001,038.00	626.94	-	-
Kotak FMP Series 233(1140D) Reg-Grow	5,001,010.00	621.68	-	-
Sub-total (b)		<u>13,830.91</u>		<u>4,183.42</u>
(c) FIXED DEPOSITS WITH NBFCs				
LIC HOUSING FINANCE LIMITED		5,000.00	-	-
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED		3,000.00	-	-
BAJAJ FINANCE LIMITED		500.00	-	-
Mahindra and Mahindra Financial Services Ltd		990.00	-	-
Sub-total (c)		<u>9,490.00</u>		<u>-</u>
Total Current Investments (a+b+c)		- <u>23,893.70</u>		<u>9,672.23</u>


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(₹ in lakhs)		
13 TRADE RECEIVABLES		
a) Measured at amortised cost		
Unsecured, Considered Good	24,177.55	23,525.30
Unsecured, Considered Doubtful	177.76	162.98
	<u>24,355.30</u>	<u>23,688.28</u>
Less: Allowance for Doubtful Debts	(177.76)	(162.98)
	<u>24,177.55</u>	<u>23,525.30</u>
b) Receivable from Subsidiary, at cost (Considered Good)		
US Inc Subsidiary	-	-
Chile Inc Subsidiary	-	-
	-	-
Total	<u>24,177.55</u>	<u>23,525.30</u>
<p>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.</p>		
Movement in allowance for doubtful debts		
Balance at the beginning of the year	162.98	127.23
Allowance for doubtful debts during the year	89.14	67.20
Reversal of allowance for doubtful debts during the year	(74.36)	(31.45)
Balance at the end of the year	<u>177.76</u>	<u>162.98</u>
14 (A) CASH AND BANK BALANCES		
Cash on hand	16.95	16.67
Balances with banks	-	-
a) In Current Accounts	514.98	1,206.41
b) Pledged Term Deposits with maturity less than three months	200.72	2,000.00
Total Cash and Cash Equivalents (A)	<u>732.65</u>	<u>3,223.07</u>
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	78.84	119.45
Unpaid dividend accounts	4,928.40	22.83
Bank deposits above 3 months	5,007.24	142.28
Total (B)	<u>5,739.89</u>	<u>3,365.35</u>
Total (A+B)		
15 LOANS		
Measured at amortised cost		
Unsecured, considered good		
Staff Loan	20.63	382.18
Deposit	520.41	209.17
Total	<u>541.04</u>	<u>591.36</u>
16 OTHER FINANCIAL ASSET		
Measured at Amortised Cost		
Unsecured, considered good		
Other Financial Assets	12.88	0.53
Interest Accrued On Deposit Others	643.04	21.85
Total	<u>655.92</u>	<u>22.38</u>



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(₹ in lakhs)	
	As at 31st March, 2021	As at 31st March, 2020
17 (A) OTHER CURRENT TAX ASSET (NET)		
Advance Tax and Tax Deducted at Source (net of provision)	324.11	323.66
Total (A)	<u>324.11</u>	<u>323.66</u>
(B) OTHER CURRENT ASSET		
Balance with Government authorities	6,709.02	6,492.31
Trade Advances	1,095.98	952.02
Prepayments	169.47	341.04
Advance to Employees	57.71	97.18
Others	110.06	78.72
Total (B)	<u>8,142.24</u>	<u>7,961.27</u>
Total (A+B)	<u>8,466.35</u>	<u>8,284.93</u>

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
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	20,618,169	2,061.82	21,882,060	2,188.21
		<u>2,061.82</u>		<u>2,188.21</u>

Note: 1. During the year 2020-21, the Company has given effect to the Reduction of Capital by cancelling 9,46,500 equity shares of ₹ 10/- each held by GWRL Managerial Staff Welfare Trust (previous year Nil), pursuant to the order passed by Hon'ble National Company Law Tribunal, Mumbai Bench, confirming the Special Resolution passed by the shareholders.

2. During the year 2020-21, the Company has bought back 3,17,391 Equity Shares of ₹ 10/- each under the Buyback offer (Previous year Nil)

a) Reconciliation of Number of Shares

Equity Shares

Opening Balance	21,882,060	2,188.21	21,882,060	2,188.21
Changes during the year *	<u>(1,263,891)</u>	<u>(126.39)</u>		
Closing Balance	<u>20,618,169</u>	<u>2,061.82</u>	<u>21,882,060</u>	<u>2,188.21</u>

* During the year 2020-21, the Company has given effect to the Reduction of Capital by cancelling 9,46,500 equity shares of ₹ 10/- each held by GWRL Managerial Staff Welfare Trust (previous year Nil), pursuant to the order passed by Hon'ble National Company Law Tribunal, Mumbai Bench, confirming the Special Resolution passed by the shareholders.

* During the year 2020-21, the Company has bought back 3,17,391 Equity Shares of ₹ 10/- each under the Buyback offer (Previous year Nil)

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 Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the 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.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(₹ in lakhs)		
c) Details of Shareholders holding more than 5% Shares in the Company		
Equity Shares		
Mr. V. R. Garware*	3,352,219	3,568,295
	16.26%	16.31%
Garware Capital Markets Limited	3,568,170	3,563,570
	17.31%	16.29%
The above Shareholding represents the legal ownership of shares		
* Out of 33,52,219 (16.26%) Equity Shares, 19,90,584 (9.66%) 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, 2021): Nil		
19 OTHER EQUITY		
RETAINED EARNINGS	56,349.60	59,771.62
OTHER RESERVES		
(a) Capital Reserve	294.38	199.73
(b) Capital Redemption Reserve	214.38	182.63
(c) Share Premium	-	-
Share Premium Account	22.82	7,597.37
Share Premium Related To Forfeited Shares	102.74	102.74
(d) Revaluation Reserve	-	0.69
(e) General Reserve	22,086.65	3,869.86
(f) Foreign Currency Translation Reserve	(21.69)	-
Total	<u>22,699.28</u>	<u>11,953.02</u>
Grand Total	<u>79,048.88</u>	<u>71,724.64</u>
NON-CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
20 NON-CURRENT TRADE PAYABLE		
Measured at Amortised Cost		
Retention money payable	135.03	122.75
	<u>135.03</u>	<u>122.75</u>
21 NON-CURRENT FINANCIAL LIABILITY		
Measured at Amortised Cost		
Security Deposit from Contractor	4.90	4.90
	<u>4.90</u>	<u>4.90</u>
22 NON CURRENT PROVISIONS		
Provision for Employee Benefits *	1,065.26	827.55
Total	<u>1,065.26</u>	<u>827.55</u>
* 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	2,764.65	2,800.83
Employee Benefit Obligation	14.12	(84.64)
Provision for Doubtful Debts	(8.81)	(41.02)
Financial Asset / Liabilities measured at FVTPL	730.20	525.74
Financial Asset / Liabilities measured at FVOCI	90.81	83.60
Financial Asset / Liabilities measured at Amortised Cost	(0.56)	(35.24)
Deferred Tax Liability (Net)	<u>3,590.41</u>	<u>3,249.27</u>



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(₹ in lakhs)		
FINANCIAL LIABILITIES		
24 BORROWING-CURRENTS		
Secured (at amortised cost)		
- From banks		
Working Capital Facilities	<u>10,181.39</u>	13,253.68
Total	<u><u>10,181.39</u></u>	<u><u>13,253.68</u></u>

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 4.5% to 5.5 % 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	64.40	45.48
Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	24,926.98	18,417.02
Total	<u><u>24,991.38</u></u>	<u><u>18,462.50</u></u>

Note:

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.	64.40	45.48
Interest Accrued and due to supplier under MSMED Act, 2006 on the above amount, unpaid at the year end.	6.02	1.09
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.	-	-

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	2,001.43	1,526.72
Unpaid Dividend (refer note below)	78.84	119.45
Security deposit from Customer	141.15	137.52
Other Payables	265.48	284.22
Total	<u><u>2,486.90</u></u>	<u><u>2,070.59</u></u>

Note: In respect of unclaimed dividend, the actual amount is transferred to investor protection fund on the determined due date.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	As at 31st March, 2021	As at 31st March, 2020
(₹ in lakhs)		
27 OTHER CURRENT LIABILITY		
Unearned revenue	4,368.84	4,142.44
Advance received from Customers	3,155.21	2,271.81
Statutory dues and other liabilities	209.52	158.14
Total	<u>7,733.57</u>	<u>6,572.39</u>
28 CURRENT PROVISIONS		
Provision for Employee Benefits*	501.05	559.99
Total	<u>501.05</u>	<u>559.99</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)	87.19	17.26
Total	<u>87.19</u>	<u>17.26</u>
(₹ in lakhs)		
30 REVENUE	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of Products and Services		
Manufactured Goods	94,512.35	86,124.50
Traded Goods	2,767.44	4,410.34
Contracts for Supply & Installation	4,778.39	3,513.39
Other operating Revenue		
Sale of Scrap	1,091.44	585.14
Sale of Raw Material	243.38	485.38
Miscellaneous Receipts	63.98	189.92
Total	<u>1,398.80</u>	<u>1,260.44</u>
Total	<u>103,456.98</u>	<u>95,308.67</u>
Disaggregation of revenue		
Revenue based on Geography		
Domestic	38,166.86	39,331.65
Export	65,290.12	55,977.02
Revenue from operations	<u>103,456.98</u>	<u>95,308.67</u>
Revenue based on Business Segment		
Synthetic Cordage	87,190.76	79,257.35
Fibre and Industrial Products & Projects	16,266.22	16,051.32
Total Revenue from operation	<u>103,456.98</u>	<u>95,308.67</u>
Reconciliation of Revenue from operations with contract price		
Contract Price	104,618.28	96,274.53
Less:- Discounts and Incentives	(1,161.30)	(965.86)
Total Revenue from operation	<u>103,456.98</u>	<u>95,308.67</u>
31 OTHER INCOME		
Interest income from financial asset carried at amortise cost		
Bank deposits	853.29	26.51
From other financial assets	29.33	12.22
Dividend income from equity investments designated at FVTOCI*	14.64	0.01
Fair Value Gain at financial instruments at FVTPL	2,111.10	2,990.13
Gain on sale/redemption of investments	455.38	189.90
Profit on sale of Fixed Asset	1.26	-
Other non-operating income	2.23	-
Total	<u>3,467.24</u>	<u>3,218.76</u>

* Includes dividend received from subsidiary company GTFL USA Inc ₹ Nil (Previous year ₹ 3703.47 lakhs)



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
		(₹ in lakhs)
32 COST OF MATERIAL CONSUMED		
Opening Stock at the beginning of the year	5,447.43	5,257.84
Add : Purchases	26,181.04	26,446.57
Less : Closing Stock at the end of the year	<u>(6,232.60)</u>	<u>(5,447.43)</u>
Total	<u>25,395.87</u>	<u>26,256.98</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	4,653.48	3,410.20
Finished Goods	6,497.25	5,849.90
Traded Goods	542.87	599.73
	<u>11,693.61</u>	<u>9,859.83</u>
(b) Closing Stock at the end of the year		
Work-in-Progress	3,491.53	4,653.48
Finished Goods	6,373.85	6,497.25
Traded Goods	666.01	542.87
	<u>10,531.39</u>	<u>11,693.61</u>
Net Total	<u>1,162.22</u>	<u>(1,833.78)</u>
34 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	13,632.56	12,153.82
Contribution to Provident and other Funds (Note No. 38)	727.20	720.69
Staff Welfare	913.79	761.78
Total	<u>15,273.55</u>	<u>13,636.29</u>
35 FINANCE COST		
Interest expenses on borrowings *	757.32	873.73
Bank charges	274.69	283.28
Total	<u>1,032.01</u>	<u>1,157.01</u>
* Interest expenses includes ₹ 353.69 lakhs (Previous year ₹ 393.07 lakhs) on account of interest on borrowings from related parties.		
36 OTHER EXPENSES		
Stores and Spares consumed	8,069.07	7,644.05
Packing materials consumed	1,336.36	1,700.10
Power, Fuel and Water Charges	3,304.14	3,647.81
Processing and Testing Charges	9,592.83	8,715.59
Installation Contract related expenses	2,246.08	1,593.24
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	353.65	565.89
Rent	470.86	432.32
Rates, Taxes and Octroi	94.88	116.94
Insurance	363.17	220.09
Transport and Forwarding Charges	6,882.54	5,091.77


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(₹ in lakhs)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Repairs and Maintenance		
Buildings	26.37	55.41
Plant and Machinery	1,441.42	1,990.58
Others	411.62	433.32
Travelling Expenses	278.80	1,183.14
Discount and Commission on Sales	816.43	754.17
Bad Debts	101.17	82.71
Provision for Doubtful Debts	14.77	35.00
Legal and Professional Charges	1,484.39	1,538.40
Auditors' Remuneration	-	
Audit Fees	14.35	14.20
Fees for other Services	34.80	18.05
Out of Pocket Expenses	1.28	2.08
Establishment and other miscellaneous expenses *	1,869.94	1,775.54
Exchange (Gain) / Loss (net)	(1,077.91)	(1,665.01)
Directors' Fees	6.60	9.80
(Profit) / Loss on Fixed Assets Discarded	-	29.64
Total	<u>38,137.60</u>	<u>35,984.82</u>
Detail of CSR Expenditure;		
Amount required to spent during the year	284.86	273.51
Amount spent during the year	65.13	121.80
Amount transferred to Unspent CSR Account for Ongoing Projects as per statutory requirement	219.73	-
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	890.04	1,155.79
Capital expenditure	41.34	105.80
37 Income taxes		
The major components of income tax expenses for the year ended 31st March, 2021 & 31st March, 2020.		
Statement of Profit and Loss:		
Current Income Tax Charges		
Current Income Tax	4,633.18	4,460.04
Adjustment of tax for previous year	-	-
Deferred Tax		
Relating to origination and reversal of temporary differences	333.93	(626.86)
Income tax expenses reported in the Statement of Profit and Loss	<u>4,967.11</u>	<u>3,833.18</u>
Other Comprehensive Income:		
Remeasurement of Investment in Equity Instruments	782.04	(252.43)
Net gain or loss on remeasurements of defined benefit plans	(36.43)	(296.64)
Income tax related to items that will not be reclassified to profit or loss	(7.42)	(41.67)
	<u>738.19</u>	<u>(590.74)</u>



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2021 & 31st March, 2020.

(₹ in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting profit before tax (before exceptional items)	20,267.45	17,886.30
At India's statutory income tax rate of 25.168%	5,100.91	4,501.62
Fair value gain of FVTOCI investment Dividend income	(645.93)	(799.45)
Difference in book and IT depreciation	24.20	19.59
Others	(32.14)	683.13
Tax on Capital gain income	186.14	55.15
Income Tax expenses reported in the Statement of Profit and Loss (A)	4,633.18	4,460.04
Tax Expenses recognised in Statement of Profit and Loss		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(41.92)	(1,113.96)
Incremental Deferred Tax Liability / (Asset) on account of Financial Assets and Other items	375.85	487.10
Deferred Tax Provision (B)	333.93	(626.86)
Adjustment recognised in the current year in relation to the prior years (C)	-	-
Total Expenses recognised in Statement of Profit and Loss (A+B+C)	4,967.11	3,833.18

During the previous 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 Company has not yet received any communications from Income Tax Authority on the final outcome in respect of /arising out of search operation conducted at the Company premises in the month of November, 2019.

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, 2019	2,039.31	(1,814.31)	225.00
Current Service Cost	120.48	-	120.48
Interest Cost / (Income)	158.25	(140.79)	17.46
Total amount recognised in Profit or Loss	278.73	(140.79)	137.94
Actuarial (Gains)/Losses on Obligations - Due to Experience	52.93	-	52.93
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	159.04	-	159.04
Return on Plan Assets, Excluding Interest Income	-	84.66	84.66
Total amount recognised in Other Comprehensive Income	211.97	84.66	296.64
Contributions by the Employer	-	(129.04)	(129.04)
Benefit Paid From the Fund	(112.24)	112.24	-
31st March, 2020	2,417.77	(1,887.23)	530.53


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current Service Cost	144.17	-	144.17
Interest Cost / (Income)	166.10	(129.65)	36.45
Total amount recognised in Profit or Loss	310.28	(129.65)	180.62
Actuarial (Gains)/Losses on Obligations - Due to Experience	198.84	-	198.84
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	61.01	-	61.01
Return on Plan Assets, Excluding Interest Income	-	(223.54)	(223.54)
Total amount recognised in Other Comprehensive Income	259.85	(223.54)	36.31
Contributions by the Employer	-	(8.31)	(8.31)
Benefit Paid From the Fund	(152.90)	152.90	-
31st March, 2021	2,834.99	(2,095.84)	739.15

II The net liability disclosed above relates to funded plans are as follows :

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020	31st March, 2019
Present value of funded obligation	(2,834.99)	(2,417.77)	(2,039.31)
Fair value of plan assets	2,095.84	1,887.23	1,814.31
Funded Status (Surplus / (Deficit))	(739.15)	(530.53)	(225.00)

III Significant estimates

The principal actuarial assumptions were as follows :

Particulars	31st March, 2021	31st March, 2020	31st March, 2019
Discount rate	6.80%	6.87%	7.76%
Salary growth rate	6.00% p.a. for the next 2 years, 5% p.a. thereafter, starting from the 3rd year.	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, 2021	31st March, 2020
Discount rate		
1.00% increase	Decrease by 207.53	Decrease by 177.44
1.00% decrease	Increase by 236.48	Increase by 202.93
Future salary increase		
1.00% increase	Increase by 237.91	Increase by 204.71
1.00% decrease	Decrease by 212.35	Decrease by 182.01
Attrition Rate		
1.00% increase	Increase by 27.11	Increase by 25.94
1.00% decrease	Decrease by 30.11	Decrease by 28.80



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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, 2021	31st March, 2020
Within next 12 months	335.63	319.94
Between 1-10 years	1911.19	1,514.20
11 years & above	3115.41	2,820.96

V The major categories of plan assets are as follows:

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
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 2020-2021

(₹ in lakhs)
Year 2019-2020

Particulars	Year 2020-2021				Year 2019-2020			
	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total
i) Segment Revenue	87,846.21	17,414.78	-	105,261.00	79,627.98	17,494.57	-	97,122.55
Inter-segment revenue	(655.46)	(1,148.56)	-	(1,804.02)	(370.63)	(1,443.25)	-	(1,813.88)
Sales/Income From operations	87,190.76	16,266.22	-	103,456.98	79,257.35	16,051.32	-	95,308.67
ii) Depreciation and amortization	1,715.47	240.04	109.09	2,064.59	1,593.91	229.86	102.45	1,926.22
iii) Segment Result	18,895.17	2,584.65	-	21,479.82	16,290.46	2,389.90	-	18,680.36
Less -								
i) Interest				(1,032.01)				(1,157.01)
ii) Other Unallocable expenditure net of unallocable (income)				359.02				362.95
Total profit before tax				20,806.84				17,886.30
iv) Segment Assets	60,640.62	9,503.22	61,743.94	131,887.78	58,835.15	10,533.06	49,685.51	119,053.72
v) Segment Liabilities	33,044.54	3,751.24	13,981.31	50,777.08	23,848.68	4,543.02	16,749.18	45,140.88


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Reconciliation of Profit

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Segment Profit	21,479.82	18,680.36
Other Income	3,467.24	3,218.76
Finance Cost	(1,032.01)	(1,157.01)
Other Corporate Costs	(3,108.22)	(2,855.82)
Profit Before Tax and discontinued operations	20,806.84	17,886.30

Reconciliation of Assets

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Segment operating assets	70,143.84	69,368.21
Investments	46,693.43	37,599.63
Cash and bank balances	5,739.89	3,365.35
Balances with government authorities	6,709.02	6,492.31
Other unallocable assets	2,601.60	2,228.23
Total assets	131,887.78	119,053.72

Reconciliation of liabilities

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
Segment operating liabilities	36,795.77	28,391.70
Borrowings	10,181.39	13,253.68
Income tax liabilities (Net)	3,677.60	3,266.53
Other unallocable liabilities	122.32	228.97
Total liabilities	50,777.08	45,140.88

ii) Information about geographic segment

Revenue from external customers

(₹ in lakhs)

Particulars	31st March, 2021	31st March, 2020
India	38,166.86	39,331.65
Outside India	65,290.12	55,977.02
Total	103,456.98	95,308.67

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.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

40 CONSOLIDATED DISCLOSURE OF THE TRANSACTIONS OF THE COMPANY AND ITS SUBSIDIARIES WITH RELATED PARTIES, FOR THE YEAR ENDED ON 31ST MARCH, 2021

(I) List of Related Parties & Relationship :

A. Subsidiary / Joint Venture Company

- | | |
|---|---|
| 1. Garware Technical Fibres USA Inc. | 2. Garware Technical Fibres Chile SpA |
| 3. Garware Environmental Services Pvt. Ltd. | 4. Garware Technical Textile Pvt. Ltd.
(w.e.f. 15th October, 2020) |

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
(upto 28th August, 2020) |
| 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. | 18. VRG Business Ventures Pvt. Ltd. |
| 19. Vallabhi Tradecom LLP. (w.e.f. 22nd February, 2021) | |

(II) Following are the transactions with the related parties mentioned in A, B, C, D and E above during the year ended on 31st March, 2021:

(₹ 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 during the year							
1	Deposit Received	2020-21	-	-	4,089.00	-	4,089.00
		2019-20	-	-	5,877.00	-	5,877.00
2	Deposit Refund	2020-21	-	-	4,089.00	-	4,089.00
		2019-20	-	-	5,877.00	-	5,877.00
3	Interest paid on Deposits	2020-21	-	-	353.68	-	353.68
		2019-20	-	-	393.07	-	393.07
4	Director Remuneration*	2020-21	-	-	-	903.07	903.07
		2019-20	-	-	-	205.45	205.45
5	Directors Sitting Fees	2020-21	-	-	-	6.60	6.60
		2019-20	-	-	-	9.80	9.80
6	Dividend paid	2020-21	-	-	-	-	-
		2019-20	-	-	1,656.03	785.02	0.80
Balance as on 31st March, 2021							
7	Balance (Payable) /Receivable *	31st March, 2021	-	-	-	(700.00)	(700.00)
		31st March, 2020	-	-	-	-	-

* 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 ₹ 700 lakhs (Previous year ₹ Nil)

Note: 1. For Investment in related parties as at 31st March, 2021 refer Note No. 5.

2. The Company has given stand by letter of credit for Bank Credit facility for its wholly owned subsidiary - Garware Technical Fibres Chile SpA. Bank Borrowing as on 31st March, 2021 of Garware Technical Fibres Chile SpA is ₹ 489.76 lakhs.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

	(₹ in lakhs)	
	31st March, 2021	31st March, 2020
41 EARNINGS PER SHARE (EPS)		
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders of the Company	15839.63	14053.03
Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs)	206.18	218.82
Basic And Diluted Earning Per Share (₹)	74.64	64.22
42 CONTINGENT LIABILITIES :		
Claims against the Company not acknowledged as debts:		
- SBLC (for wholly owned subsidiary Garware Technical Fibres Chile SPA) for outstanding bank borrowing	489.76	-
- Corporate Guarantee (for wholly owned subsidiary Garware Technical Fibres USA inc) for outstanding bank borrowing	-	3,215.98
In respect of matters under dispute		
- Sales Tax	9.15	9.15
- BG Encashment Claim*	25.34	-
- Octroi	21.64	21.64
* Pertains to invocation of the Bank Guarantee(s) by a customer under sub judice.		
43 Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹ 117.14 lakhs (As at 31st March, 2020 ₹ 677.01 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 31.03.2021, the said partnership has incurred a loss of ₹ (0) lakhs (As at 31st March, 2019 ₹ (0) lakhs).		
Current assets	0.78	0.78
Non-current assets	15.40	15.40
Current liabilities	-	-
Non-current liabilities	(21.04)	(21.04)
Reserve & Surplus	4.86	4.86
Revenue	-	-
Cost of material consumed	-	-
Employee benefit expenses	-	-
Other expenses	-	-
Profit / (loss) before tax	-	-
Income-tax expenses	-	-
Profit / (loss) after tax	-	-

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, 2021. (₹ 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	1,098.26	21,701.47	-	22,799.74
Trade Receivables-Non Current	-	-	199.81	199.81
Loans-Non Current	-	-	709.69	709.69
Other Financial Assets-Non Current	-	-	212.17	212.17
Other Investments-Current	-	23,893.70	-	23,893.70
Trade Receivables-Current	-	-	24,177.55	24,177.55
Loans-Current	-	-	541.04	541.04
Other Financial Assets-Current	-	-	655.92	655.92
Total	1,098.26	45,595.17	26,496.19	73,189.62
Financial Liabilities				
Trade Payable-Non Current	-	-	135.03	135.03
Other Financial Liabilities-Non Current	-	-	4.90	4.90
Borrowings-Current	-	-	10,181.39	10,181.39
Trade Payable-Current	-	-	24,991.38	24,991.38
Other Financial Liabilities-Current	-	-	2,486.90	2,486.90
Total	-	-	37,799.59	37,799.59



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

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	37,283.18	25,468.12	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

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, 2021

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
FVTOCI financial investments				
Quoted equity instruments	1,026.02	–	–	1,026.02
Unquoted equity instruments	–	–	72.24	72.24
FVTPL financial investments				
Other Debt Instrument	17.66	43,119.02	–	43,136.68
Unquoted debt instruments	–	2,458.49	–	2,458.49
Unquoted equity instruments	–	–	–	–


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

As at 31st March, 2020

Fair Value Measurement Using

(₹ in lakhs)

Particulars	Quoted Price in active markets (Level 1)	Significant observable input (Level 2)	Significant unobservable input (Level 3)	Total
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				–
Foreign Currency Forward Contract	–	–	–	–
Other Debt Instrument	17.66	34,453.52	–	34,471.18
Unquoted debt instruments		2,812.00		2,812.00
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.

- (i) 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.
- (ii) 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:



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

Particulars of unhedged foreign currency exposure and Derivatives (Outstanding) as at Balance Sheet date:

(₹ in lakhs)

Particulars	Currency	As at 31st March, 2021	As at 31st March, 2020
Trade Receivable	USD	14,919.18	14,069.41
Trade Payable	USD	(2,655.64)	(296.89)
Net		12,263.53	13,772.51
Forward Contracts to Sell (Hedge of Receivables)	USD	(8,435.91)	(10,824.09)
Net Exposure		3,827.63	2,948.43

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, 2021	As at 31st March, 2020
Impact on profit before tax			
INR/USD - Increase by 1%	USD	400.16	264.43
INR/USD - Decrease by 1%	USD	(400.16)	(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, 2021	For the year ended 31st March, 2020
Interest expense	Increase	100 basis point	(73.39)	(86.94)
	Decrease	100 basis point	73.39	86.94
Interest income/Fair Value gain	Increase	100 basis point	463.99	351.03
	Decrease	100 basis point	(463.99)	(351.03)

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.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021
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, 2021	25,126.40	135.03	24,991.38
	31st March, 2020	18,585.25	122.75	18,462.50
Borrowings	31st March, 2021	10,181.39	–	10,181.39
	31st March, 2020	13,253.68	–	13,253.68
Other Financial Liabilities	31st March, 2021	2,491.80	4.90	2,486.90
	31st March, 2020	2,075.49	4.90	2,070.59

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, 2021	As at 31st March, 2020
Short Term Debt (including current maturities of long term loan)	10,181.39	13,253.68
Long Term Debt	–	–
Trade Payables	24,991.38	18,462.50
Less: Cash and cash equivalents	(5,739.89)	(3,365.35)
Net Debt	29,432.87	28,350.82
Equity	81,110.70	73,912.85
Capital and net debt	110,543.58	102,263.67
Net Debt to Capital Ratio (Debt/Equity plus debt)	0.27	0.28



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

- 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 Garware Technical Fibres Chile SpA ("the WOS") in the Republic of Chile. The Company has not yet infused any share capital into the WOS and the WOS is yet to commence its operations. In view of this, the accounts for the F.Y.2019-20 are not drawn for the WOS.
- 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,
27th May, 2021

Pune,
27th May, 2021

S. S. RAJPATHAK
Director
DIN: 00040387



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 Technical Fibres USA Inc.	Garware Technical Fibres Chile SpA	Garware Environmental Services Pvt. Ltd.	Garware Technical Textiles Pvt. Ltd.
2.	Reporting period for the Subsidiary	1st April 2020 to 31st March, 2021	1st April 2020 to 31st March, 2021	1st April 2020 to 31st March, 2021	1st April 2020 to 31st March, 2021
3.	Reporting currency as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	US\$	US\$	₹ in lakhs	₹ in lakhs
4.	Exchange rate as on the last date of the relevant Financial Year in case of Foreign Subsidiaries	73.46	73.46	N.A.	NA
5.	Share Capital	4926.12	73.57	100.00	1.00
6.	Reserves and Surplus	(3,229.74)	137.21	56.42	-
7.	Total Assets	4949.69	4,175.50	159.36	0.67
8.	Total Liabilities	4949.69	4,175.50	159.36	0.67
9.	Investments	0.00	-	158.40	-
10.	Turnover	10344.29	3,921.66	11.50	-
11.	Profit Before Tax	507.83	187.74	10.95	(0.33)
12.	Provision for Tax	110.22	50.83	1.61	-
13.	Profit After Tax	397.607	136.91	9.34	-
14.	Proposed Dividend	0	-	-	-
15.	% of Shareholding	100%	100%	100%	100%
Notes:					
1.	Names of Subsidiary which are yet to commence operations	-	-	Garware Environmental Services Pvt. Ltd.	Garware Technical Textiles Pvt. Ltd.
2.	Names of Subsidiaries which have been liquidated or sold during the year	-	-	-	-

Part - B : Associate Company

(₹ in lakhs)

Name of Associate Company	Garware Meditech Pvt. Ltd.
1. Latest Audited Balance Sheet Date	31st March, 2021
2. 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%
3. Description of how there is significant influence	Chairman same in both company
4. Reason why the Associate is not Consolidated	Consolidated
5. Net worth attributable to Shareholding as per latest Balance Sheet	₹ (0.10)
6. 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,
27th May, 2021

Pune,
27th May, 2021

S. S. RAJPATHAK
Director
DIN: 00040387



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NOTES

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Progress through the Years

(Standalone)

(₹ in lakhs)

Particulars	As per GAAP					As per IND AS*				
	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	31.03.2021
COMPANY OWNED										
1. FIXED ASSETS (NET)	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	24,689.22
2. INVESTMENTS	911.96	916.95	933.46	904.00	397.80	11,122.21	24,469.33	33,101.17	42,251.11	51,409.97
3. NET CURRENT ASSETS [§]	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	21,318.63
TOTAL ASSETS (NET)	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	97,417.82
COMPANY OWED										
1. LOAN FUNDS	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	9,691.63
2. COMPANY'S NET WORTH -										
- EQUITY SHARE CAPITAL	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	^{\$\$\$\$} 2,061.82
- RESERVES AND SURPLUS [¶]	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	82,073.97
3. DEFERRED TAX LIABILITY	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	3,590.41
TOTAL CAPITAL EMPLOYED	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	97,417.82
INCOME	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	105,179.72
RAW MATERIAL AND STOCK CONSUMED	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	29,645.52
SALARIES AND WAGES	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	14,988.39
OPERATING AND OTHER EXPENSES	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	37,217.41
INTEREST	1,660.62	1,448.01	1,282.96	1,024.83	872.69	653.55	997.69	1,372.29	1,120.59	996.97
EXCISE DUTY	255.23	368.44	422.62	436.77	438.31	343.64	88.56	-	-	-
PROFIT BEFORE DEPRECIATION AND TAX	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	22,331.43
DEPRECIATION	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	2,063.99
PROFIT BEFORE TAX	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	20,267.44
TAX	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	4,804.46
PROFIT AFTER TAX	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	15,462.98
EARNING PER SHARE	10.13	10.41	12.13	19.68	28.28	38.52	48.04	57.40	81.35	72.87
DIVIDEND PAID PER EQUITY SHARE (₹)	2.50	2.50	2.70	3.00	3.30	5.00	4.50	5.00	17.00	**2.50
BOOK VALUE OF EQUITY SHARE (₹)	105.59	112.45	125.08	141.65	166.68	203.63	244.95	296.82	353.23	408.07
FOB VALUE OF EXPORTS	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	59,786.49

* The Company had transitioned to Indian Accounting Standards (Ind AS) w.e.f 1st April, 2017. Therefore 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 have recommended a dividend of ₹ 2.50/- (25%) per share of ₹ 10/- each at ensuing Annual General Meeting of the Company.

¶ The figures of reserves and surplus has been calculated after deduction of miscellaneous expenditure to the extend not written off or adjusted and includes revaluation reserve ₹ 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, ₹ 0.69 lakhs for 31.03.20, and ₹ Nil lakhs for 31.03.21 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.

\$\$\$\$ 1. 9,46,500 Equity Shares held by GWRL Managerial Staff Welfare Trust were cancelled by the Company during the year 2020-21, pursuant to the Order passed by Hon'ble National Company Law Tribunal, Mumbai Bench.

2. 3,17,391 Equity Shares bought back by the Company during the year 2020-21, under the Buyback Scheme.

GLOBAL PRESENCE

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GARWARE
TECHNICAL FIBRES

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