

**45TH ANNUAL GENERAL MEETING
OF THE MEMBERS OF
GARWARE TECHNICAL FIBRES LIMITED**

THROUGH VIDEO CONFERENCING (“VC”) AT 10:30 A.M. (IST)

Transcription of the proceedings of the AGM held through VC

Chairman	<p>Good morning Ladies & Gentlemen, I welcome you all, to the 45th Annual General Meeting of the Company. Hope each one of you is safe and healthy. It is 10.30 a.m. now.</p> <p>As the Company Secretary has confirmed to me that the required quorum is present, I, therefore, call the Meeting to order.</p> <p>I would like to let you know that the proceedings of this meeting are being recorded.</p> <p>All members of the Board are present in the Meeting through Video Conferencing.</p> <p>I now introduce members of the Board present in the Meeting:</p> <p>Mrs. Mayuri Garware is a Director and joining this meeting from Pune.</p> <p>Mr. R. M. Telang is a Director and Chairman of Stakeholder Relationships Committee and Corporate Social Responsibility Committee and joining this meeting from Pune.</p> <p>Mr. S. P. Kulkarni is a Director and Chairman of Audit Committee and Nomination and Remuneration Committee and joining this meeting from Pune.</p> <p>Mr. S. S. Rajpathak is a Director and joining this meeting from Pune and</p> <p>Ms. Mallika Sagar is a Director and joining this meeting from Mumbai.</p> <p>Mr. Mukesh Surana, Chief Financial Officer, Mr. Sunil Agarwal, Company Secretary and Mr. Abhay Mehta, Statutory Auditor are also present in the Meeting through Video Conferencing.</p> <p>The Ministry of Corporate Affairs has via its Circulars, permitted the holding of the Annual General Meeting through VC / OAVM, without the physical presence of the Members at a common venue.</p>
-----------------	--

	<p>Accordingly, in compliance with the applicable provisions of the Companies Act, 2013 (“Act”), the SEBI Regulations and the MCA Circulars and SEBI Circular dated 13th May, 2022, this 45th Annual General Meeting is being held through video conferencing.</p> <p>In accordance with the Secretarial Standard - 2 on General Meeting 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.</p> <p>The joining to this meeting is opened for 15 minutes before and after the schedule time of the commencement of the meeting, which is 10:30 a.m.</p> <p>As mentioned in the AGM Notice, the facility of participation at the AGM through Video Conferencing or other audio visual means has been made available for 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key-managerial personnel, the chairperson of the audit committee, nomination and remuneration committee, and Stakeholders relationship committee as well as the auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.</p> <p>Pursuant to the provisions of the Companies Act, 2013, 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 video conferencing, whereby physical attendance of Members has been dispensed with and in line with the aforesaid MCA Circulars and SEBI Circulars, the facility to appoint a proxy to attend and cast vote for the Member is not made available for this AGM.</p> <p>The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or arrangements in which Directors are interested are available for inspection of the Members on the Company's website.</p>
Chairman	<p>I will now read out the speech.</p> <p>Dear Shareholders,</p> <p>I am herewith presenting the annual report of your Company for the financial year 2021-22.</p> <p>As you know, the year was a challenging one for people and businesses at large across the world due to the continued Covid pandemic and its effects. While there was no nationwide lockdown in India this time, business operations across all sectors were affected. Due to a steep rise in the price of crude oil, our material costs increased significantly. We had to also face an unprecedented hike in freight charges across the world. As the domestic and global economies started to recover, there was a scramble to reoperationalise supply chains, and we faced huge challenges getting containers to dispatch shipments to our customers.</p>

In this difficult situation, we followed the principle of 'family first'. To ensure that all our employees and their families remained safe and well, we set up task forces that communicated regularly with each employee and offered help as required. In parallel, task force teams across all areas of operations met every day to handle a multitude of issues and ensure all our SOPs were meticulously implemented to minimize any risk to our team. I am happy to inform you that your Company's deep connect with its employees was independently recognised by the Great Place to Work® Institute India.

In 2022, your Company was ranked by this organisation as 49th amongst India's best companies to work for across categories. There was a significant increase in our trust index score under this survey. This is a core value of your Company and its heartening to note the connect and engagement amongst the GTFL Family.

Our customers continued to repose faith in our value-added solutions, our zeal for quality, and our commitment to deliver the orders. Leveraging our modular manufacturing capability, we ramped up production, kept our customers updated, and worked relentlessly to overcome logistical hurdles for dispatches. Performance in the first quarter was impacted by the Covid second wave, but as the year progressed, we moved full steam ahead. We could pass on input cost hikes, and by the end of the financial year, we could restore our margins.

I am happy to report that despite the adverse conditions, your Company could register a healthy revenue increase in FY 2021-22.

Our performance in international markets in the aquaculture and sports segments stood out. We bagged a large order for V2, our pioneering, environment-friendly solution for the aquaculture industry, from one of the largest players in the world in this segment. Our sports products did exceedingly well in international markets, registering significant sales growth. We could also get breakthrough international orders for our agriculture solutions, a large potential market for our future.

In the domestic market, our geosynthetics solutions brought record growth in revenue. Sales of our agriculture solutions like crop safety nets grew at a healthy pace. We continued to maintain a healthy market position in the domestic fishnet, ropes, and twines business.

Our plants responded magnificently to the challenge of meeting varied customer orders, and the fabrication section registered a record increase in output.

Your Company achieved consolidated revenue of Rs. 1189.40 crores for the year ended 31st March 2022, an increase of 15% over the previous year's consolidated revenue of Rs. 1034.57 crores. Consolidated Operating EBITDA in the year under review was Rs. 222.90 crores increased by 9% comparing to previous year. Consolidated profit before tax was Rs. 216.41 crores, an increase of 4% over the previous year. Your Board of Directors has declared an equity dividend of 70% amounting to Rs. 7/- per share.

	<p>Staying committed to the mission of providing innovative, application-focused solutions to enhance value of customers globally, your Company's R&D worked on several promising products. During the year, applications for 10 patents were filed and 2 patents were received. Till date your Company has received 23 patents, and many more are in the pipeline.</p> <p>Considering the challenging business environment, the revenue growth and profitability of your Company in the year under review has been satisfactory. Apart from our strong fundamentals, it was the extraordinary effort put in by your Company's team that made the performance possible. This effort won heartening words of appreciation from many of our customers around the world.</p> <p>Looking at the future, I would like to reiterate that your Company has demonstrated the flexibility and perseverance to deal with myriad challenges in the business environment. Nearly 75% of our portfolio is composed of value-added products that are preferred for the long-term benefits they bring to our customers' businesses. Increased penetration in existing geographies and entering new geographies continues to be our primary path for growth. Outside the food industry, which is the end customer for the majority of our solutions, our sports and geosynthetics businesses enjoy bright prospects. Overall, we have an optimistic outlook for the future. I look forward to your continued support to keep us on the path of mission-driven growth.</p> <p>Thank you!</p>
Chairman	<p>I have to point out that as can be noticed from Auditors report there are no qualifications, observations or comments on the financial transactions or other matters which have any material adverse effect on the functioning of the Company mentioned in the Auditors' Report. As such, as per the provisions of Section 145 of the Companies Act, 2013, the Auditors Report will not be read out.</p>
	<p>With your permission, I take the Notice convening this AGM, which includes all the resolutions as set out in Item Number 1 to 5 of the Notice as read.</p>
	<p>The members are aware that the Company had provided remote e-voting facility to the members to cast their votes electronically during Saturday, 10th September, 2022 at 9:00 a.m. (IST) and ends on Monday, 12th September, 2022, at 5:00 p.m. (IST), in respect of all businesses mentioned in the notice as per provisions of Companies Act, 2013 and Rules made there under.</p> <p>However, if there are members who are present at the AGM through VC but have not cast their votes by availing the remote e-Voting facility, can vote by use of e-Voting system provided by NSDL at the AGM.</p>
	<p>The e-Voting system shall be disabled by NSDL after 15 minutes of the conclusion of Meeting.</p>

	<p>This is to inform that Mr. Sridhar Mudaliar, Practicing Company Secretary who has been appointed as scrutinizer for remote e-voting, will also be the scrutinizer in respect of e-voting during the meeting, who will scrutinise the voting process in a fair and transparent manner. He is attending this meeting through video conferencing.</p>
Chairman	<p>Before you commence e-voting, I would like to mention that Members were requested to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM to reach the Company's e-mail on or before Tuesday, 6th September, 2022.</p> <p>Further, Members who would like to express their views or ask questions as a Speaker during the AGM were also requested to pre-register themselves by sending a request from their registered e-mail address between Tuesday, 6th September, 2022 and Saturday, 10th September, 2022</p> <p>The Company has received requests from Mr. Yusuf Yunus Rangwala, Mr. Dipankar Purkayastha and Mr. Prabhjot Singh Sahni to register themselves as Speaker.</p> <p>To start speaking, the shareholders, who had registered themselves as Speaker as aforesaid are requested to click on the 'Video On' button at the centre of your screen after their names are announced to ask the questions and after you have been placed on "unmute" by the host. If the Speaker is not able to join through video for any reason, the Speaker can participate through audio mode. In case there is a connectivity problem, we would ask the next speaker to join. Once the connectivity improves, the speaker shareholder will be called again to speak, once other Speakers who have registered, complete their turn.</p> <p>We would like to request Speakers to kindly limit their questions / comments to 3 minutes.</p> <p>We will listen to all the questions before we answer as many as we can.</p> <p>I now request Mr. Yusuf Yunus Rangwala to ask the questions on the Financial Statements or any other business of the Agenda.</p>
Mr. Yusuf Rangwala	<p>Good morning! Any praise to your company would be insufficient. Sir, you are hard working, handsome and very polite. Sir we are very lucky. Sir the company Garware-Wall Ropes Ltd. does not require anything. Our company is just like the ever shining moon and stars. I will come direct to the point. Your balance sheet is of about 300 pages. What a good balance sheet. You have written sir, that we are an agriculture company. You have declared a profit of 11 crore. In spite of such a good profit, you have given us only 70% dividend. I thank you for that. You have 2 plants – one is at Pune and one at Satara. Here is my humble request sir. This is the 45th Annual General Meeting. I have seen in the Annual Report Chairman sir, you received an award, I felt very happy to note that sir. I forgot the page number, you have received the award and I felt very happy. It's a very good company. The rate today is 3500. What are your views on splitting the</p>

	<p>share sir? Please make the share of Re 1 sir. It will be a mini bonus for us sir. What do you think about it sir? And in the business of Garware-Wall Ropes, which is our main business, what is our profit? At present we are in agriculture, it is very good to know. The Garware group is so good, the profit is also very good. Chairman sir, if possible, I would like to visit the factory after Diwali.</p> <p>I have one more request. When was the last time you had given the bonus? This is the 45th Annual General Meeting. There is no information about the bonus. I want to know when was the last time you had given the bonus. You have so much reserves that you can give 1:2 bonus. What do you think about it sir? You have so much good reserves. And you have excellent profits too. It is an excellent balance sheet of 300 pages.</p> <p>Sir I received a call from your company secretary also asking if I was joining the meeting. There are very few companies like this and you are one of them. Looking at you as the chairman makes me very happy. There are very few chairmen who respect the shareholders so much.</p> <p>I have nothing more to ask Mr. Chairman. I wish you the best for Dussehra, Diwali and all the festivals. May you get the fragrance of all the flowers. My best wishes for all festivals. And if possible, please arrange for my plant visit. Next year the AGM should be in the physical form, then kindly invite me to Garware company and arrange for my travel to Pune.</p> <p>I would like to give you an example. Have you heard the name of Gabriel India, located in Pune? They arrange for a mini bus for all the shareholders. You can do the same sir. If that is not possible, arrange for a train journey. Train ticket is Rs. 150-200 only. Please do a favour on us and arrange for this. We want to meet you sir, we haven't met you so far.</p> <p>Thank you very much. May God bless our company. Jay Hind, Jay Maharashtra, Bharat Mata ki Jay! I am speaking from Mumbai, thank you very much!</p> <p>And sir how did you celebrate the 75th anniversary of independence? The PM had asked to hoist the tricolour on every house. Did you hoist the flag sir? If yes, then please do remember us on such occasion and on Dussehra, Diwali etc. Thank you! Jay Hind, Jay Maharashtra, Vande Mataram! I will end my speech here sir.</p> <p>Thank you! Have a good day! Best wishes for my company from my heart, thank you very much! Jay Hind!</p>
Chairman	<p>Thank you Mr. Rangwala. I will come and answer some of your questions, but after the session is over.</p> <p>I now request Mr. Dipankar Purkayastha to ask your questions please.</p>

<p>Mr. Dipankar Purkayastha</p>	<p>Good morning and thank you for the opportunity. I had send the list of my questions in advance. The CFO was kind enough to personally respond to those questions and respond; I thank him for that. I won't waste the time by repeating all the questions and discuss those points. Based on the discussions with him, there are a couple of points that I would like to flag at this meeting.</p> <p>The first is the cash in the balance sheet of around 500 crore which you have. The CFO has told me that the Board is looking at various options including M&A, and if M&A does not materialise, you will also consider returning the cash to the shareholders by way of buy backs and special dividends. If you forgive me, I would like to offer a word of caution, as far as M&As are concerned. From what I have seen in my long investment career as a long term investor in many companies over several decades, most Boards and many CEOs and CFOs are under the impression that the amount of risk in an acquisition is the amount that you invest. Say out of 500 crore cash that you havex, you invest 150 crore in an acquisition and the acquisition does not work, you think at the most you have lost 150 crore. The reality is it doesn't work that way.</p> <p>When the acquisition starts failing, the entire energies of the CEO, the CFO, the Board right down the junior-most engineer gets consumed in to make the acquisition work. And over a long period of time, the company starts losing focus. For the last 10 years your company has compounded profits of about Rs 21% p.a. and the stock has compounded, the market cap has compounded at about 53% p.a. These are extra-ordinary achievements which you should be very proud of. The Board and shareholders all should be proud of. But if you get into a wrong type of acquisition, it starts unravelling very quickly. And so the cost will not be just the 150 crore that you have invested in that acquisition. The stock will stagnate, the profit will stagnate and over a long period of time you will find that the opportunity cost of a failed acquisition is in many multiples of the initial investment that you had put into that acquisition.</p> <p>So the default mode as far as acquisition is concerned, should always be negative. If only there is an extra ordinary opportunity, that you will feel is a steaming buy, then only do it. Otherwise you will be better off in returning the cash to the shareholders, in the way the CFO had indicated. That was my first point.</p> <p>The second point that I wanted to say was this practice that the company has of accepting deposits from group company even though you are flushed with so much of cash, and also paying very high rate of interest. I know your compulsions as the part of a group, so I won't comment on that. The only thing I would like to say is that if you can find out a way of exiting this practise, it will add to the standing of the company and the rating of the company.</p>
--	---

	That's all that I have to say, thank you for the opportunity. Good day!
Chairman	Thank you very much for your comments Dipankar. Please give me 2 minutes and I will compile answers and I will come back. 2 minutes please.
Chairman	<p>Mr. Rangwala, thank you very much for your comments. Really appreciate the positive feeling about the company from your heart. That's we are all about. Finally we are one family. Be it the people who work for the company, shareholders, owners, all stakeholders - we are one family, and we really look at it that way. And for us, every shareholder is important, and every family member is important.</p> <p>We will definitely try and organise a factory visit. Unfortunately because the AGM is not in person, and also our factory is following strict protocols, we are limiting entry and exit into the factory. But as things improve, our team will certainly reach out to you and we will try and arrange the factory visit.</p> <p>Even for the next AGM, if it is possible in physical form, we can certainly try and arrange anything to help you to attend. I think our company secretarial team will stay in touch with you to try and work that out.</p> <p>Regarding your question of split, we are looking at it. We are always looking at the best ways of optimising returns to shareholders. I do understand that the shares have become expensive and that's something we are looking at. It's on our agenda. We will take a look at it.</p> <p>I think you asked about the rope business. The rope business is still continuing; but as you know as a company we have grown well beyond rope, and ropes is certainly a smaller part of our business now than it used to be. It is also reflecting in the name – the change in name and change in branding. We are much more broadly technical textiles now. And in ropes we really look for where value addition makes a lot of difference. Otherwise ropes can become commoditised. So we are a bit selective in the areas in which we focus in the rope business. I hope I have been able to answer your question.</p>
Chairman	<p>Mr. Purkayastha, Thank you very much for your well-considered questions. I must tell you that your comments on M&A very much resonate with ours. We have actually defined very strict rules for M&A process and very strict filters. Particularly being our first acquisition, we will be extremely careful. Integration and our ability to integrate is something we are looking at very carefully. So we will look at only businesses which we know how to add value and where we can see that our ability to add value is strong and consistent. We will certainly ensure that we don't lose focus and I think your points are very valid. M&A should be value additive and not become distraction and drain, that is certain for us. So our first acquisition will be smaller and will be something where we feel we can add good amount of value ad build on the platform that we have taken. WE are quite clear in the areas that we are targeting. And we are quite clear that the filters that we</p>

	<p>have set up through which we evaluate different opportunities and only the right ones come through the filters. So, I think your comments are valid and thank you for that. It very much resonates with what we are looking at as a team and as a company.</p> <p>Regarding the intercorporate deposits that you have raised, yes we will look at how to try and handle this aspect. We are dealing with short term liquidity, pluses and minuses because of our treasury is blocked in for longer term to get better rates. So this is the primary reason, but your point is also well thought and valid, and we will look at how to improve on this aspect.</p>
Chairman	A consolidated result along with the scrutinizer's report of the total votes cast in favour or against, if any, will be placed on the Company's website and sent to the stock exchanges not later than forty-eight (48) hours of the conclusion of this Meeting.
Chairman	<p>I thank you all for participating in the meeting through video conferencing. Stay safe and take good care of your health in these times.</p> <p>Thank You.</p>
Company Secretary	<p>Thank you Sir, I now formally propose a vote of thanks to the Chair and hereby declare the proceeding of the meeting as closed. Please note that NSDL platform shall remain open for the next 15 minutes to enable those members to cast their votes, who have not casted earlier. After that NSDL platform would be disabled.</p> <p>Now I propose the meeting to be closed.</p> <p>Thank You.</p>
Chairman	Thank You.