



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-FIFTH (45th) ANNUAL GENERAL MEETING of the Company will be held on Tuesday, 13th September, 2022 through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), at 10:30 a.m. (IST) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2022, together with the Reports of the Board of Directors and Auditors thereon; and
 - b. the Audited Consolidated Financial Statements for the financial year ended 31st March, 2022 and the Report of the Auditors thereon.
2. To declare Dividend on equity shares for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Ms. M. V. Garware (DIN 06948274), who retires by rotation and being eligible, offers herself for re-appointment.

4. Reappointment of Statutory Auditors:

To consider, and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, Mumbai (Firm Registration no. 106201W/W100598), be and is hereby appointed as Statutory Auditors of the Company, to hold the office for a second term of five (5) consecutive years from the conclusion of this Annual General Meeting till the conclusion of 50th Annual General Meeting of the Company, at such remuneration, as recommended by Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors plus taxes as applicable and re-imbursement of actual out-of-pocket expenses."

"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."

SPECIAL BUSINESS:

5. 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-imbursement 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, 2023, 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."

By Order of the Board of Directors

Sunil Agarwal

Company Secretary

FCS No.: 6407

Pune,
5th May, 2022

NOTES:

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2022 dated 5th May, 2022 read with General Circular Nos. 20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020 and General Circular No. 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.
2. 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 SEBI Circular dated 13th May, 2022 (hereinafter referred to as "SEBI Circular"), the Company has decided to convene its ensuing 45th 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.
3. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Item Nos. 4 and 5 to be transacted at the Meeting is annexed hereto.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. 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 and SEBI Circular, the facility to appoint a proxy to attend and cast vote for the Member is not made available for this AGM and hence, the Proxy Form, route map of venue of the AGM and Attendance Slip are not annexed to this Notice.

In terms of the provisions of Section 112 and 113 of the Act read with the said MCA Circulars and SEBI Circular, 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. Such Corporate Members are requested to refer "General Guidelines for Shareholders / Members" provided in the Point No. 15.D herein below, for more information.

5. 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 separately in this Notice.

6. **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.

7. In compliance with the aforementioned MCA Circulars and SEBI Circular, the Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members, whose email addresses are registered with the Company / Depository Participant(s). Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 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.

8. i) SEBI vide its Circular dated 3rd November, 2021, has stated that it is mandatory for all holders of physical securities to furnish their PAN, KYC and nomination details to the RTA (Registrar and Share Transfer Agent) of the Company in respect of all concerned Folios and the Folios wherein even any one of the PAN, Address with PIN Code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical securities are not available on or after April 01, 2023, shall be frozen by the RTA. SEBI has introduced Form ISR - 1 along with other relevant forms to lodge any request for registering PAN, KYC details or any change / updation thereof.

In terms of the aforesaid SEBI Circular, effective from 1st January, 2022, any service requests or complaints received from the Member, are not processed by RTA till the aforesaid details / documents are provided to RTA.

Members may also note that SEBI vide its Circular dated January 25, 2022 has mandated listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 along with documents specified therein, the format of which is available on the Company's website at www.garwarefibres.com.

- ii) Members who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and / or email address immediately to their respective Depository Participants.

9. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13, which is available on the website of the Company. Further, SEBI vide its Circular dated 3rd November, 2021 has mandated to furnish Form ISR-3 for opting out of Nomination by physical shareholders in case the Shareholder do not wish to register for the Nomination.

10. 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 2013-2014 have been transferred by the Company to the IEPF.

The unpaid / unclaimed dividend for the financial year 2014-15 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 2014-15 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 2014-2015, 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 2013-14 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.

11. Non-Resident Indian Members are requested to inform the Company, immediately of change in their residential status on return to India for permanent settlement.
12. As per the provisions of the Regulation 40 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, 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.

13. 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.

14. 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.

15. **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 Circular, the Company is providing only e-Voting facility to all the Members of the Company to transact the business set out in the Notice of AGM through the electronic voting system. The Company has engaged the services of NSDL for 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 ("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 Tuesday, 6th September, 2022, may cast their vote by e-Voting. The remote e-Voting period commences on Saturday, 10th September, 2022 at 9:00 a.m. (IST) and ends on Monday, 12th September, 2022, 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

I) 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.nsdl.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.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. 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. 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 Meeting on NSDL e-Voting system.

How to cast your vote electronically and join 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 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 cs@svdandassociates.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 Monday, 12th September, 2022 at 5.00 p.m.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 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 meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join 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 Tuesday, 6th September, 2022 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 Tuesday, 6th September, 2022 and 5:00 p.m. (IST) on Saturday, 10th September, 2022. 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.

16. Payment of Dividend

- i) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 7th September, 2022 to Tuesday, 13th September, 2022, (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 Tuesday, 13th September, 2022, in respect of shares held in physical form, to those Members whose names appear on the Register of Members as on Tuesday, 13th September, 2022, 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 Tuesday, 6th September, 2022.
 - 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 Friday, 8th July, 2022. The said email communication is available on the Company's Website: <https://garwarefibres.com/wp-content/uploads/2022/08/email-communication-tds-on-dividend-2022.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.
17. 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., Tuesday, 6th September, 2022.
 18. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Tuesday, 6th September, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company at secretarial@garwarefibres.com. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Cut-off date i.e. Tuesday, 6th September, 2022, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
 19. 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.
 20. 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.
 21. 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.
 22. 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, within two working days 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.
 23. 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.
 24. 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 5th May, 2022.

Item No. 4:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

At the 40th Annual General Meeting of the Company held on 4th August, 2017, M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, Mumbai (Firm Registration no. 106201W/W100598) were appointed as Statutory Auditors of the Company to hold the office for a term of five (5) consecutive years from the conclusion of the said Annual General Meeting till the conclusion of ensuing Annual General Meeting of the Company. M/s. Mehta Chokshi & Shah LLP, will hold the office as Statutory Auditors of the Company up to the conclusion of the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 139(2) of the Act, M/s. Mehta Chokshi & Shah LLP, are eligible for re-appointment for second term of five (5) consecutive years.

Considering the qualifications and experience of the proposed Statutory Auditors and after evaluating the performance and efficiency in conduct of audit, the Board of Directors upon recommendation of the Audit Committee has recommended for approval to the Members of the Company, appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, Mumbai (Firm Registration No. 106201W/W100598), as Statutory Auditors of the Company for a second term of five (5) consecutive years to hold the office from the conclusion of ensuing 45th Annual General Meeting, till the conclusion of 50th Annual General Meeting of the Company.

M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that, they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:-

a) Brief Profile / credentials of Statutory Auditors:

M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, has represented that it is a more than five (5) decades old firm of Chartered Accountants with eight (8) partners and is a single window professional outfit rendering an integrated range of audit, advisory and compliance services that one expects from a professional organization and is a member of the Institute of Chartered Accountants of India. It is a multi-disciplinary firm specializing in Audit, Assurance, Direct Tax, Indirect Tax and Company Law. It is also specialized in Ind AS and IFC implementation, Business and GST Advisory.

b) Basis of recommendation for appointment:

The Audit Committee and the Board of Directors, have while recommending the re-appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, as Statutory Auditors of the Company, taken into account the qualifications and experience of the proposed Statutory Auditors and evaluation of their performance and efficiency in conduct of Statutory Audit of the Company during the previous five (5) years.

c) Proposed fees payable to the statutory auditor(s): The fees proposed to be paid to M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, towards Statutory Audit and Limited Review for the financial year 2022-2023 shall not exceed ₹ 14/- Lakhs plus taxes as applicable and reimbursement of actual out-of-pocket expenses. The Board of Directors and the audit committee shall approve revisions to the remuneration of the statutory auditors for the remaining part of the tenure, if any.

The fees for other services in the nature of certifications and other professional work will be in addition to the audit fees as above, and will be decided by the management in consultation with Statutory Auditors, subject to approval of the Board of Directors and/or Audit Committee, wherever required.

d) Terms of re-appointment of Statutory Auditors: The re-appointment of the Statutory Auditors shall be for a second term of five (5) consecutive years to hold the office from the conclusion of ensuing 45th Annual General Meeting till the conclusion of 50th Annual General Meeting of the Company. The Letter of Engagement specifying the detailed terms and conditions, which include the conditions as mentioned in para 6(A) and 6(B) of the SEBI circular dated 18th October, 2019 and such other conditions as may be specified by applicable law in force, will be issued to the Statutory Auditors.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this item.

The appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, is placed before the Members for their approval at Item No. 4 of the Notice as an Ordinary Resolution. The Boards recommend the same.

Item No. 5:

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, 2023. Accordingly, M/s. Joshi Apte & Associates, Cost Accountants have been appointed as the Cost Auditors of the Company for the financial year 2022-23 by the Board of Directors in its meeting held on 5th May, 2022, 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 there solution set out at Item No. 5 of this Notice.

The Board of Directors commends the resolution set out at Item No. 5 for ratification by the Members of the Company as an Ordinary Resolution.

Details of the Director seeking re-appointment at the 45th 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	Ms. Mayuri Vayu Garware
Director Identification Number	06948274
Date of Birth and Age	23/02/1976 46 years
Date of Appointment on the Board	16th August, 2014
Qualifications	Studied at the Cathedral and John Connon school. Bachelor of Arts at St. Xavier's College, Mumbai, where she majored in Political Science.
Experience and nature of Expertise in specific Functional Area	Immediately after graduation, Ms. M. V. Garware worked with Pincer Communications and was involved in the production of various well known advertisement films. Ms. M. V. Garware is actively involved in various social activities through Charitable Trusts. Ms. M. V. Garware possess marketing knowledge, talent management qualities and leadership qualities.
Name of other Companies in which Director holds Directorship as on 31st March, 2022	Vimlabai Garware Research Institute Private Limited Garware Research Institute
Name of the Committees of the other Companies in which the Director holds Membership as on 31st March, 2022	Ms. M. V. Garware 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, 2022	10 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Ms. M. V. Garware is related to Mr. V. R. Garware, Chairman & Managing Director of the Company.

Other details such as the number of Meetings of the Board attended during the financial year 2021-22 and remuneration drawn have been given in Corporate Governance Report, which forms part of the Annual Report.

Pune,
5th May, 2022

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



SHINING BRIGHT
in Challenging Conditions

45th Annual Report 2021-2022



GARWARE
TECHNICAL FIBRES

INSIDE

2

From the
Chairman's Desk

9

Directors' Report

26

Corporate Governance
Report

39

Business Responsibility
Report

51

Management Discussion
and Analysis

53

Independent Auditors'
Report

60

Balance Sheet

61

Statement of Profit
and Loss

63

Cash Flow Statement

64

Notes to Financial
Statements

CONSOLIDATED FINANCIALS

103

Independent
Auditors' Report

108

Balance Sheet

109

Statement of Profit
and Loss

111

Cash Flow Statement

112

Notes to Financial
Statements

149

Form AOC-1

45th

ANNUAL GENERAL MEETING

DAY & DATE:
TUESDAY,
13TH SEPTEMBER, 2022

TIME:
10.30 AM (IST)



GARWARE

TECHNICAL FIBRES

Better Ideas In Action



Garware Technical Fibres Ltd. (GTFL) maintained its track record of continuous growth and profitability in FY 2021-22 despite an adverse business environment marked by strong inflationary winds and disruptions in global supply chains.

The performance was achieved through a strong commitment to ensure employee health and wellbeing, herculean efforts to overcome logistical hurdles and ensure dispatches, and strategic ramping up of modular production capacities.



From the Chairman's Desk



Dear Shareholders,

I am herewith presenting the annual report of your Company for the financial year (FY) 2021-22.

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, business operations across all sectors were affected. Due to a steep rise in the price of crude oil, our material costs increased. We had to also face an unprecedented hike in freight charges. As the domestic and global economies started to recover, there was a scramble to re-operationalise supply chains, and we faced huge challenges getting containers to dispatch shipments to our customers.

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.

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 Aquaculture and Sports segments stood out.



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 ₹ 1189.40 crores for the year ended 31st March

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

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 applications. 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.

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.

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.

With warm regards,

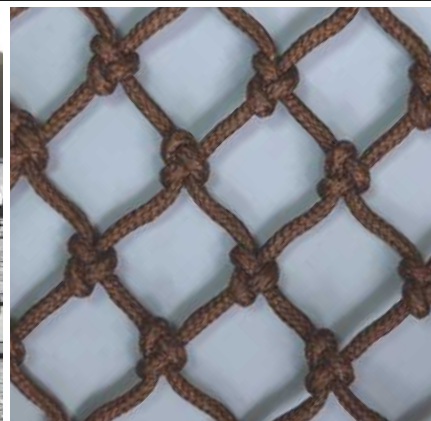
V. R. Garware
Chairman & Managing Director



Stellar International Performance



Known for value-enhancing innovation, quality and reliable performance, GTFL's products and solutions are the preferred choice for customers in more than 75 countries across the world. Global sales constitute a major part of the company's revenue, and that track record was maintained in FY 21-22 despite severe supply-chain challenges. The Company earned revenue of ₹ 771 crores from international markets, which accounted for 65% of the total consolidated revenue. The highlight of the year was a large order for GTFL's patented, environment-friendly V2 solution from one of the world's largest players in the aquaculture industry. The Company also notched remarkable growth in sale of its netting products for sports. GTFL's commitment to ensure deliveries to faraway locations in all corners of the globe despite immense logistical challenges was appreciated by many customers. As one major customer put it, GTFL 'truly delivered in one of the most disrupted periods for global procurement since World War II', displaying impressive 'professionalism and service'.





Great Place To Work



In FY 2021-22, Garware Technical Fibres Ltd. (GTFL) was ranked among the 50 'best companies to work for' in India by the Great Places to Work Institute (GPWI), a global authority on recognizing work places with a high-trust, high-performance culture. Covering over a thousand organizations employing around millions people in 2022, the GPWI survey aggregates employee experiences of the participating organizations, verifies if various employee groups experience a consistent level of trust, and evaluates the strength of the leadership towards enabling employee potential for better organizational performance. The prestigious top-ranking attained by GTFL, a rare feat for a manufacturing company, is testimony to the ways in which the Company channelizes its people power through an effective leadership, meaningful values and an empowering culture. GTFL's 'people first' culture was amply evident in its proactive response to the COVID pandemic. Led by the top management, the Company set up multiple channels of communication and support to ensure that all employees and their families stayed safe and healthy. While precautionary measures continue to followed, the Company also invested in ongoing leadership development and team building initiatives.





SHINING BRIGHT
in Challenging Conditions



Partner In Infrastructure Development



Through its geosynthetic solutions, GTFL plays a crucial role in infrastructure development along with environment protection. In India, the focus sectors are roads and railways, for which the Company provides proven solutions to protect slopes, control erosion, and mitigate landslides. In the environment space, the Company enjoys a niche position for technologically advanced solutions to deal with the challenge of safe disposal of hazardous and non-hazardous industrial waste. Significantly, the Company's solutions are finding increasing acceptance in international markets. Maintaining the growth trend of the past few years, revenue from geosynthetic exports grew in FY 21-22 at around 10%. New and promising markets were penetrated in South America and the Asia Pacific region. In the domestic market, the Company foresees scaling of demand due to enabling factors such as the Central government's National Infrastructure Pipeline with a massive financial outlay.

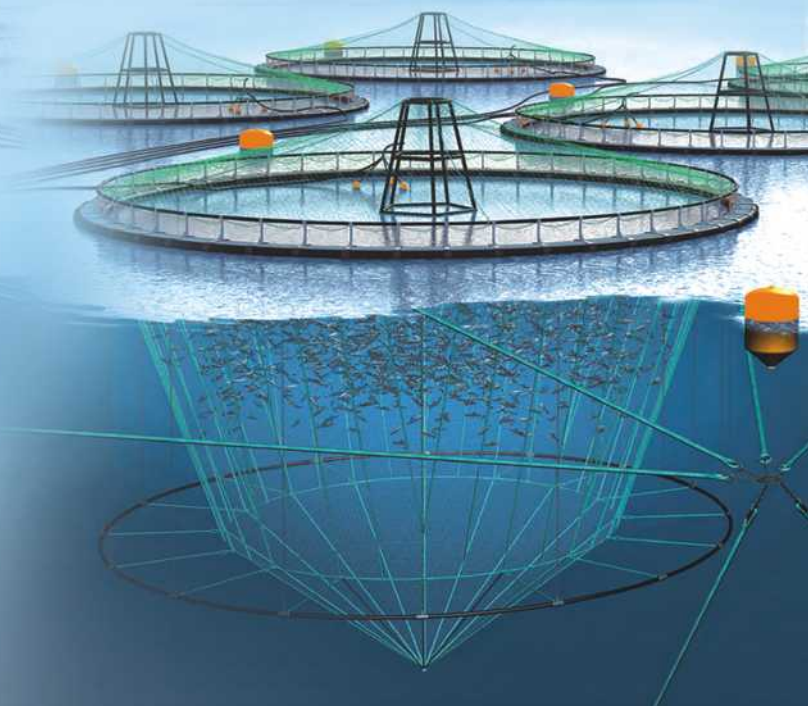




Focus On Innovation



In line with its mission of providing innovative, application-focused solutions to enhance the value of customers globally, GTFL makes concerted research and development (R&D) efforts attuned to customer needs and emerging concerns. Testifying to the R&D focus is the Company's impressive record of securing patents for advanced solutions. Till the end of FY 21-22, more than 75 patents were filed worldwide, and 23 patents were received. In FY 21-22, GTFL's path breaking solutions accounted for approx. 20% of the Company's revenue. Highlights of innovation in recent years include V2 net technology that tackles the problem of bio fouling in aquaculture cages and reduces operational costs; domestic fish trawl nets which lead to fuel saving and increased fish catch; V5 shade nets that resolve the critical issues of thermal cycling, temperature control and shading in high-value agriculture; and GuruKool, a cost-effective temperature management solution for the poultry industry.





SHINING BRIGHT
in Challenging Conditions



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
- S. S. Rajpathak
- Ms. Mallika Sagar

Chief Financial Officer

- Mukesh Surana

Company Secretary

- Sunil Agarwal

Bankers

- | | |
|-----------------------|-------------------|
| ■ Bank of India | ■ HDFC Bank Ltd. |
| ■ Bank of Baroda | ■ HSBC Bank Ltd. |
| ■ DBS Bank India Ltd. | ■ ICICI Bank Ltd. |
| ■ Citibank NA | |

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 : +91-20-4601 4473
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

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, 2022)

To The Members,

Your Directors have pleasure in presenting the Forty-Fifth Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2022.

■ FINANCIAL SUMMARY:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 2021-2022	Year ended 2020-2021	Year ended 2021-2022	Year ended 2020-2021
Revenue from Operations	1,17,605.46	1,01,726.21	1,18,939.87	1,03,456.98
Other Income	2,547.03	3,453.51	2,554.00	3,467.24
Total Income	1,20,152.49	1,05,179.72	1,21,493.87	1,06,924.22
Profit subject to Depreciation & Taxation	23,141.49	22,331.43	23,787.29	22,871.43
Less: Depreciation and Amortisation Expenses	2,140.75	2,063.99	2,145.98	2,064.59
Profit Before Tax	21,000.74	20,267.44	21,641.31	20,806.84
Less: Tax Expenses				
Current Tax	5,156.41	4,470.53	5,390.72	4,633.18
Deferred Tax	-228.73	333.93	-227.47	333.93
	4,927.68	4,804.46	5,163.25	4,967.11
Profit After Tax	16,073.06	15,462.98	16,478.06	15,839.73
Share of (Profit)/Loss from Investment in Associate & Joint Venture	-	-	0.03	(0.10)
Profit for the year	16,073.06	15,462.98	16,478.09	15,839.63

■ 2021-2022 – THE YEAR UNDER REVIEW:

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

Your Company recorded standalone revenue of ₹ 1,176.05 crore for the year ended 31st March, 2022, an increase of 16% over the previous year's standalone revenue of ₹ 1,017.26 crores.

Standalone Profit Before Tax is ₹ 210.01 crores against ₹ 202.67 crores of the previous year.

Domestic Sales amounted to ₹ 418.72 crores, and the Export Sales amounted to ₹ 757.33 crores for the year ended 31st March, 2022, on standalone basis.

Further, your Company earned consolidated revenue of ₹ 1,189.40 crores for the year ended 31st March, 2022, an increase of 15% over the previous year's consolidated revenue of ₹ 1,034.57 crores.

Consolidated Profit Before Tax is ₹ 216.41 crores against ₹ 208.07 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 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 ₹ 166.64 crores and earned net profit of ₹ 5.99 crores for the year ended 31st March, 2022, as compared to revenue of ₹ 103.44 crores and net profit of ₹ 3.98 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 is engaged in the business of sale and supply of the



SHINING BRIGHT in Challenging Conditions

products to technical textile industry in Chile markets. GTF Chile SpA recorded revenue of ₹ 63.71 crores and earned net profit of ₹ 2.22 crores for the year ended 31st March, 2022, as compared to revenue of ₹ 39.22 crores and net profit of ₹ 1.37 crores during the previous year.

Garware Environmental Services Private Limited ("GESPL") and Garware Technical Textile Private Limited ("GTTPL"), are Wholly Owned Subsidiaries of your Company. GESPL and GTTPL yet to start its commercial operations.

During the year under review, the Company has incorporated a Wholly Owned Subsidiary of your Company under Section 8 of the Companies Act, 2013, named as "Garware Technical Fibres Foundation" to undertake various Corporate Social Responsibility activities in areas or subjects specified in Schedule VII of the Companies Act, 2013.

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, which forms an integral part of this Report.

■ 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 except its wholly owned subsidiary Garware Technical Fibres Foundation, a company incorporated under Section 8 of the Companies Act, 2013.

Considering the nature and insignificant variability of its return, it has been concluded that it does not have 'control' over Garware Technical Fibres Foundation and thus, the same was not consolidated alongwith the Financial Statement of the 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.

■ RESERVES:

Your Directors do not propose to transfer any amount to the General Reserve and retain of ₹ 75016.34/- lakhs in the statement of the Profit and Loss.

■ DIVIDEND:

Your Directors after taking into account, the various provisions of Dividend Distribution Policy of the Company, have recommended a Dividend of ₹ 7.00/- per share (70%) 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, 2022, for your consideration at ensuing Annual General Meeting of the Company. The total proposed dividend for the year would absorb an amount of ₹ 14,43,27,183/-.

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, 2022.

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

There were 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, 2022 and the date of this Directors' Report i.e. 5th May, 2022.

COVID - 19 Pandemic and resulting Lockdown measures by the Government of India has 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, 2022.

■ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

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

The details of Ms. M. V. 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-fifth (45th) Annual General Meeting of the Company, which forms an integral part of this Report.

During the year under review, the Members of the Company, by passing of the resolution through Postal Ballot on 28th December, 2021, re-designated / appointed Dr. S. S. Rajpathak (DIN: 00040387) as Non-Executive Independent Director of the Company, to hold the office for a term of five (05) consecutive years with effect from 11th November, 2021.

Mr. S. V. Raut (DIN: 07808549), who was appointed as an Additional Director by the Board of Directors w.e.f. 11th November, 2021, was appointed by the Members of the Company, through Postal Ballot on 28th December, 2021, as a Non-Executive Non-Independent Director of the Company. Unfortunately, Mr. S. V. Raut expired on 7th January, 2022. The Board places on record its appreciation for his valuable services and contribution to the Company.

Mr. V. R. Garware (DIN 00092201), was re-appointed as Chairman & Managing Director of the Company for further period of five (05) years w.e.f. 1st December, 2021, in terms of the resolution passed by the Members of the Company at the 44th Annual General Meeting of the Company held on 16th September, 2021.

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 2021-22, 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



SHINING BRIGHT in Challenging Conditions

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 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 the attributes of integrity, 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, 2022, the applicable Accounting Standards have been followed and there are no material departures;
2. for the Financial Year ended 31st March, 2022, 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, 2022 and of the Profit and Loss of the Company for the year ended 31st March, 2022;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities in accordance with the provisions of the Companies Act, 2013;
4. the Annual Financial Statements have been prepared on a "Going Concern" basis;
5. proper Internal Financial Controls were followed by

the Company and that such Internal Financial Controls are adequate and were operating effectively; and

6. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

■ ANNUAL EVALUATION BY THE BOARD:

In view of the provisions of the Companies Act, 2013 and considering the Guidance Note dated 5th January, 2017, issued by the Securities and Exchange Board of India ("SEBI"), the Nomination & Remuneration Committee of the Board had laid down comprehensive framework including the criteria for evaluation of performance of the Board as a whole and various committees of the Board and individual Directors, including Independent Directors.

Based on the above mentioned 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 Thursday, 11th November, 2021, 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 four (04) 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/W100598), were appointed as Statutory Auditors at the 40th Annual General Meeting to hold the office for a term of five (5) consecutive years, from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company.

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Mehta Chokshi & Shah LLP are eligible for re-appointment for second term of five (5) consecutive years.

The Board of Directors had, at its meeting held on Thursday, 5th May, 2022, on the recommendation of the Audit Committee, made its recommendation for the re-appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants (Firm Registration no. 106201W/W100598), as Statutory Auditors of the Company to hold the office for a second term of five (5) consecutive years, from the conclusion of ensuing Annual General Meeting, till the conclusion of 50th Annual General Meeting.

The Company has received from M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, Mumbai a written consent and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder.

The Members are requested to approve the

appointment of M/s. Mehta Chokshi & Shah LLP, Chartered Accountants, Mumbai (Firm Registration No. 1106201W/W100598), as Statutory Auditors of the Company from the conclusion of this Annual General Meeting, till the conclusion of the 50th Annual General Meeting of the Company.

STATUTORY AUDITORS' REPORT:

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

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company 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, 2022.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended on 31st March, 2022 and the same as set out in "Annexure 2", forms an integral part of the Directors' Report. There are no qualifications, reservations or adverse remarks or disclaimers made in the Secretarial Audit Report.

■ **COST AUDIT AND COST COMPLIANCE:**

The Company made and maintained the Cost Accounting Records under Section 148 of the Companies Act, 2013 for the Financial Year 2021-22. 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 2021-22.

The Audit Report for the Cost Accounting records maintained by the Company for the Financial Year 2021-22, 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 2022-23.

A resolution proposing ratification of the remuneration of the said Cost Auditors' for the Financial Year ended 31st March, 2023, forms part of the Notice of the Forty-Fifth (45th) 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 2021-22, 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, which forms an integral part of this Report.

■ RELATED PARTY TRANSACTIONS:

All the transactions with Related Parties entered during the Financial Year 2021-22 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 the Related Party 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.

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 has been 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 the 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 meetings 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 2021-22 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 2021-22, there were no complaints reported under the Sexual Harassment Act.

■ **CORPORATE GOVERNANCE:**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

■ **OTHER DISCLOSURES:**

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

Except a Company application pending under section 9 of the Insolvency and Bankruptcy Code, 2016 filed by Operational Creditors in year 2020 for a claimed amount of ₹ 23.24 lakhs, against which interlocutory application challenging the maintainability of such IBC application filed by the Company is pending for hearing as on 31st March, 2022, there is no other application filed or pending under Insolvency and Bankruptcy Code, 2016 against the Company during the Financial Year 2021-22.

■ **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.



SHINING BRIGHT in Challenging Conditions

■ **ACKNOWLEDGMENT:**

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

Your Directors would further like to record their

appreciation for the unstinted efforts put in by all Employees of the Company during the year.

On behalf of the Board of Directors,

V. R. GARWARE

Chairman & Managing Director
DIN 00092201

Pune
5th May, 2022

ANNEXURE 1 TO DIRECTORS' REPORT 2021-22

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.

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

2. Effective date:

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

3. Applicability:

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

This Policy shall not apply to:

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

4. Objective:

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

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

The Company shall pay dividend (including Interim dividend), if any in the compliance with provisions of Section 123 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 and the Regulation or other 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 Directors would, inter alia consider the following parameters while declaring or recommending the dividend.

a. Internal factors / financial parameters:

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



- Any special event or achievement or events of similar nature.
- b. External factors:
 - Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable laws including tax laws;
 - Economic and regulatory environment including industry or sectoral considerations; and
 - Industry growth rate.

In addition to the above, the Board of Directors may consider such other factors as it may consider relevant before declaring or not declaring any dividend from time to time.
- 6. Circumstances under which shareholders may not expect any Dividend:**

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

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

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

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

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.
- 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 2021-22

Secretarial Audit Report - Form No. MR-3 (For the Financial Year ended 31st March, 2022)

[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,
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**, CIN:L25209MH1976PLC018939 (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, 2022** 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, 2022** according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made thereunder as amended from time to time respectively;
- 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 upto 12th August, 2021. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 with effect from 13th August, 2021 (**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 upto 15th August, 2021. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021 with effect from 16th August, 2021 (**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 (**not applicable to the Company during the audit Period**);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 upto 10th June, 2021. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2021, with effect from 11th June, 2021 (**not applicable to the Company during the audit Period**); and
 - h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**not applicable to the Company during the audit Period**);
- vi. We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

- 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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

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.

All decisions at Board Meetings, Committee Meetings and by way of circular resolutions of Board 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 formed a wholly owned subsidiary in the name and style "Garware Technical Fibres Foundation" pursuant to Section 8 of the Companies Act, 2013.
2. Mr. V. R. Garware has been re-appointed as Managing Director of the Company for a period of 5 years with effect from December 01, 2021 by the shareholders in the Annual General Meeting held on September 16, 2021.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar

Partner

FCS No: 6156

C P No: 2664

Place: Pune
Date: 5th May, 2022

Peer Review No: P2013MH075200
UDIN:F006156D000255262

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.

'ANNEXURE A'

To,
The Members,
Garware Technical Fibres 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,
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

Place: Pune
Date: 5th May, 2022

Peer Review No: P2013MH075200
UDIN:F006156D000255262



SHINING BRIGHT in Challenging Conditions

ANNEXURE 3 TO DIRECTORS' REPORT 2021-22

The Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2021-22

[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, 2022].

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.

A brief overview of your Company's CSR Projects / Program is given below:

Project Swasthaya Seva:

Good health is a vital asset for full individual development and sustainable progress of a society. Recognising the importance of this asset and the critical gaps that exist between demand and supply of health services in India, the Company has been contributing to strengthening health infrastructure and facilities. In FY 2021-22, the continued Covid 19 pandemic was a key area of intervention, and the Company responded proactively on different fronts. To augment the healthcare infrastructure for dealing effectively with the pandemic, the Company contributed in setting up Covid care centres and provided critical medical equipment like oxygen concentrators and ventilators. To prevent the spread of Covid 19, the Company ensured early detection by undertaking precautionary Covid testing and vaccination drives in the villages and area around its plants. As disruptions in livelihood led to food insecurity among low-income and disadvantaged families, the Company arranged for distribution of food to needy families in villages around its Wai plant.

Project Sarva Shiksha:

Partnering in the national goal of education for all, the Company has been contributing to improvements in zila parishad / primary schools which cater largely to marginalised sections of the society. The quality of education in over 100 schools in the vicinity of the Company's Wai plant has been improved by providing cycles to students, toilets, computer labs and other facilities in schools. In FY 2021-22, the Company provided books, educational materials, and school uniforms, and spent around ₹ 3.5 million on education of children from marginalised groups. Additionally, the Company supported higher education by providing support for post-doctoral research for the areas covered under the CSR to selected candidates. To increase awareness about traffic rules among all sections of society including the youth, the Company supported special drives on this vital but often overlooked issue.

Project Vikas:

The Company contributes to the overall development of disadvantaged communities, particularly fisher folk, by constructing community development centres for providing multiple benefits such as a library and reading room, and a venue for social, educational and other cultural programmes. The Company has initiated this programme with the aim of supporting the upliftment of the social life of marginalised sections in particular the fishing community and other disadvantaged groups. In continuation of its efforts, in FY 2021-22, the Company initiated the construction of one community centre at a rural coastal location.

Project Atmanirbhar:

To ensure sustainable and remunerative livelihoods, the Company focuses on the chronic challenge of low agricultural productivity resulting in low incomes to farmers. Partnering with Krishi Vigyan Kendras, the Company showcases protected agriculture through demonstration plots, to raise awareness of the myriad ways in which this form of cultivation increases productivity and net returns.


Project Paryavaran Suraksha:

The Company contributes to environment conservation and sustainable use of natural resources through various measures aimed at preserving the ecological balance and maintaining the quality of soil, air and water. Activities undertaken towards these objectives include maintenance of public gardens and tree plantation.

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	4	4
2	Mr. S. P. Kulkarni	Member, Independent-Non-Executive Director	4	4
3	Mr. V. R. Garware	Member, Executive and Non-Independent Director	4	4
4	Ms. M. V. Garware	Member, Non-Executive and Non-Independent Director	4	4

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) – ₹ 16001.80 lakhs.
7. (a) Two percent of average net profit of the company as per section 135(5) for the Financial Year – ₹ 320.04 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)– ₹ 320.04 lakhs
8. (a) CSR amount spent or unspent for the Financial Year 2021-22:

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
165.43	154.61	27-04-2022	Not Applicable	Nil	Not Applicable

SHINING BRIGHT in Challenging Conditions

(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 Implem entation- Direct (Yes / No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Project Sarva Shiksha	(ii)	Yes	Pan India		3 years	73.00	8.66	64.34	Direct and through Imple- menting Agency	University of Pennsylvania Institute for the Advanced Study of India	CSR 00013207
2.	Project Vikas	(x)	Yes	Pan India		3 years	35.00	0.00	35.00	No	Garware Technical Fibres Foundation	CSR 00023500
3.	Project Paryavaran Suraksha	(iv)	Yes	Pan India		3 years	55.28	0.00	55.28	No	Garware Technical Fibres Foundation	CSR 00023500
	Total						163.28	8.66	154.62			

(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.	Project Swasthya Seva	(i)	Yes	Pan India		83.26	Direct and through Implementing Agency	Modern Health Clinic Trust	CSR 00019210
								Indian Redcross Society Bel Air Hospital	CSR 00003239
2.	Project Atmanirbhar	(ii)	Yes	Maharashtra	Pune	21.29	Yes	NA	NA
3.	Project Sarva Shiksha	(iii)	Yes	Pan India		35.20	Direct and through Implementing Agency	Omkar Andh-apang Samajik Sanstha	CSR 00003196
4.	Promoting Sports	(vii)	Yes	Maharashtra	Pune	1.01	Yes	NA	NA
	Total					140.76			

(d) Amount spent in Administrative Overheads – ₹ 16.00 lakhs

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 320.04 lakhs**

(g) Excess amount for set off, if any: No

Sr. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	320.04
(ii)	Total amount spent for the Financial Year	320.04**
(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 ₹ 154.62 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 2021-22.



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.
1.	FY 31.03. 2021_1	Safety Traffic engineering and awareness through various Mediums	2020-21	1 year	8.72	1.62	8.72	Completed
2.	FY 31.03. 2021_2	Diagnostic Center at Hospital	2020-21	1 year	125	125	125	Completed
3.	FY 31.03. 2021_3	Community Development Center	2020-21	2 years	45	28.50	28.50	Ongoing
4.	FY 31.03. 2021_4	Project - Study on Indian Agricultural	2020-21	3 years	45	35	35	Ongoing
5.	FY 31.03. 2021_5	Support to Schools by way of Education materials and infrastructure facilities	2020-21	2 years	3.11	—	3.11	Ongoing

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):

Sr. No.	Particulars	Diagnostic Center at Hospital	Community Development Center
(a)	Date of creation or acquisition of the capital asset(s).	10th August, 2021	Community Development Center is under construction
(b)	Amount of CSR spent for creation or acquisition of capital asset	₹ 125 lakhs	₹ 28.50 lakhs
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	Jehangir Hospital 32, Sassoon Road, Pune - 411 001, INDIA	Kharva Gnati Mangrol Trust Mangrol Port, Dist. Junagadh, Gujarat
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Endoscopy Equipment's 32, Sassoon Road, Pune - 411 001, INDIA	Community Hall at Mangrol Port, Dist. Junagadh, Gujarat

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

SHINING BRIGHT in Challenging Conditions



ANNEXURE 4 TO DIRECTORS' REPORT 2021-22

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. Installation of High Pass harmonic filter for extrusion machines
 - b. Installation of Auto Power Factor Correction Panel
 - c. Installation of KVAH based Power Factor Improvement / Correction Panel
 - d. Replacement of Eddy Current Coupling drive used for Rope making machines by AC motor and Variable Frequency Drive
 - e. Replacement of 250W HPMV lamps by 120W LED lamps
- 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 ₹ 9.05/- lakhs as Capital Investment on energy conservation equipments during the Financial Year 2021-22.

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	43.53
b) Revenue / Recurring	924.67
d) Total (a + b)	<u>968.20</u>
e) Total of Research & Development as a percentage of Revenue from Operation	<u>0.82%</u>

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange earned and used:	(₹ in lakhs)
A. Total Foreign Exchange earned:	75,733.42
Total value of exports	<u>75,733.42</u>
B. Total Foreign Exchange used:	
a) Import of raw materials stores & spares, traded goods and capital goods	10,619.22
b) Expenditure in foreign currencies for business travel, subscription, professional fees, commission on export sales and overseas branch expenses, etc.	1,347.09
	<u>11,966.31</u>

On behalf of the Board of Directors

V. R. GARWARE

Chairman & Managing Director

DIN: 00092201

Pune,
5th May, 2022


ANNEXURE 5 TO DIRECTORS' REPORT 2021-22

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 2021-22.*	Mr. V. R. Garware, Chairman & Managing Director – 147.34
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 2021-22; (as compared to last year).	Mr. V. R. Garware, Chairman & Managing Director : 9.01% Mr. Mukesh Surana, Chief Financial Officer : 48.25% Mr. Sunil Agarwal, Company Secretary : 14.81%
3.	The percentage increase in the median remuneration of employees in the Financial Year 2021-22.	(1.35%)
4.	The number of permanent employees on the roll of the Company as on 31st March, 2022.	1,170 (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 the purpose, Sitting Fees paid to the Directors have not been considered as remuneration.

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.

SHINING BRIGHT in Challenging Conditions

ANNEXURE TO DIRECTORS' REPORT 2021-22: 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, 2022, 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	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.

- Four (04) meetings of the Board were held during the Financial Year 2021-22 - on 27th May, 2021, 11th August, 2021, 11th November, 2021 and 12th February, 2022.

2021, 11th November, 2021 and 12th February, 2022.

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, 2022**			No. of Equity Shares held as on 31st March, 2022
				Other Boards	Other Board Committees***		
					Chairman	Member	
Mr. V. R. Garware	4	N.A.	Yes	3****	—	—	*****3355739
Ms. M. V. Garware	4	80,000	Yes	—	—	—	10
Mr. R. M. Telang	4	80,000	Yes	—	—	—	0
Mr. S. P. Kulkarni	4	80,000	Yes	—	—	—	0
Dr. S. S. Rajpathak	4	80,000	Yes	—	—	—	300
Ms. Mallika Sagar	3	60,000	Yes	—	—	—	0
Mr. S. V. Raut*****	—	—	N.A.	—	—	—	840

* Dr. S. S. Rajpathak was re-designated / appointed as Non-Executive Independent Director of the Company with effect from 11th November, 2021, in terms of Resolution passed by the Members on 28th December, 2021, through Postal Ballot.

** 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.

***** Out of 33,55,739 equity shares, (a) 19,94,084 Equity Shares are registered in the name of Mr. Vayuramesh 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. (b) 20 Equity Shares are held by Mr. Vayuramesh Garware, on behalf of two Trusts, i.e. Vayur Garware Family Trust and VRG Family Trust.

***** Mr. S. V. Raut, who was appointed as an Additional Director by the Board of Directors w.e.f. 11th November, 2021, was appointed by the Members of the Company, through Postal Ballot on 28th December, 2021, as an Non-Executive Non-Independent Director of the Company. Unfortunately, Mr. S. V. Raut expired on 7th January, 2022.

- 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:

Name of the Member	Designation	Position
Mr. S. P. Kulkarni	Chairman	Independent - Non-Executive Director
Mr. R. M. Telang	Member	Independent - Non-Executive Director
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 2021-22 - on 26th May, 2021, 10th August, 2021, 11th November, 2021 and 12th February, 2022.

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 2021-22. 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.

ii. Composition:

Name of the Member	Designation	Position
Mr. S. P. Kulkarni	Chairman	Independent - Non-Executive Director
Mr. R. M. Telang	Member	Independent - Non-Executive Director
Mr. V. R. Garware	Member	Executive Director
Ms. M. V. Garware*	Member	Non-Executive Director
Dr. S. S. Rajpathak**	Member	Independent - Non-Executive Director

* upto 11th November, 2021

** with effect from 12th November, 2021

iii. Meetings and Attendance:

Three (03) Meetings of the Nomination & Remuneration Committee was held during the Financial Year 2021-22 on 27th May, 2021, 11th August, 2021 and 29th October, 2021.

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

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

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 11th November, 2021, 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 11th November, 2021.

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 an 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, 2021 and his appointment and terms thereof including remuneration was approved by the Members at Forty-Fourth Annual General Meeting of the Company held on Thursday, 16th September, 2021.

Particulars of the present remuneration payable are detailed below:

- a. Salary: Basic Salary of ₹ 22,00,000/- (Rupees Twenty Two Lakhs only) per month.
- b. Special Allowance: ₹ 9,00,000/- (Rupees Nine 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, 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.
 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 valued as per Income-Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be valued 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 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.

- e. 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.

- f. 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.

- g. 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.

- h. 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.

ii. Composition:

Name of the Member	Designation	Position
Mr. R. M. Telang	Chairman	Independent - Non-Executive Director
Mr. S. P. Kulkarni	Member	Independent - Non-Executive Director
Mr. V. R. Garware	Member	Executive Director
Ms. M. V. Garware	Member	Non-Executive Director

iii. Meetings and Attendance:

The details of meetings held during the Financial Year 2021-22, and the attendance thereat, are as follows: Four (04) meetings of the Corporate Social Responsibility Committee ("CSR Committee") were held during the Financial Year 2021-22 on 27th May, 2021, 11th August, 2021, 11th November, 2021 and 12th February, 2022.

Name of the Member	No. of Meetings attended
Mr. R. M. Telang	4
Mr. S. P. Kulkarni	4
Mr. V. R. Garware	4
Ms. M. V. Garware	4

The Company Secretary acted as Secretary to the CSR Committee.

D) STAKEHOLDERS RELATIONSHIP COMMITTEE

i. Constitution:

In terms of the requirements under the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, "Stakeholders Relationship Committee" has been constituted by the Board of Directors of the Company.

SHINING BRIGHT in Challenging Conditions

ii. Composition:

Name of the Member	Designation	Position
Mr. R. M. Telang	Chairman	Independent - Non-Executive Director
Mr. S. P. Kulkarni	Member	Independent - Non-Executive Director
Mr. V. R. Garware	Member	Executive Director
Dr. S. S. Rajpathak	Member	Independent - Non-Executive Director

ii. Functions, Role and Responsibility:

In terms of the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Schedule II Part D, clause B. of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors 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 2021-22, eight (08) meetings of the “Stakeholder Relationship Committee” were held.

iv. During the Financial Year 2021-22, one (01) Shareholder complaint was received and the same was resolved to the satisfaction of the Shareholder. Other communications received were also replied / resolved satisfactorily.

v. There were no unresolved / unattended communications / complaints of Shareholders pending as of 31st March, 2022.

vi. There were no pending share transfers as of 31st March, 2022.

vii. The Share Transfer Agents, M/s. Link Intime India Private Limited, has been authorized to authenticate all routine transfers, transmission and transposition of Shares Certificates. Presently, transfers, transmissions etc., are effected within fifteen (15) days.

viii. Mr. Sunil Agarwal, Company Secretary & Head-Legal, of the Company is appointed as a Compliance Officer.

ix. On receipt of authorization from the Board of Directors of the Company, the Stakeholder Relationship Committee (“SR Committee”) has formed a sub-committee in the name and style as Share Transfer Committee comprising of Mr. Sunil Agarwal, Company Secretary & Compliance Office and Mr. Santosh Purohit, 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 2021-22, twelve (12) meetings of the “Share Transfer Committee” were held.

E) RISK MANAGEMENT COMMITTEE:

i. Constitution:

In terms of the provisions of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, “Risk Management Committee” has been constituted by the Board of Directors of the Company.

ii. Composition:

Name of the Member	Designation	Position
Mr. V. R. Garware	Chairman	Executive Director
Mr. S. P. Kulkarni	Member	Independent - Non-Executive Director
Dr. S. S. Rajpathak	Member	Independent - Non-Executive Director

ii. Functions, Role and Responsibility:

In terms of the provisions of Regulation 21 read with Schedule II Part D, Clause C. of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors entrusted the following functions, role and responsibility to the “Risk Management Committee”:-

- a. To formulate a detailed risk management policy;



- b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- g. 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 and
- h. 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 2021-22, and the attendance thereat, are as follows: Two (02) meetings of the Risk Management Committee were held during the Financial Year 2021-22 on 18th September, 2021 and 15th March, 2022.

Name of the Member	No. of Meetings attended
Mr. V. R. Garware	2
Mr. S. P. Kulkarni	2
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, 17th Sept., 2019	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.	a. Re-appointment of Mr. R. M. Telang (DIN 00092103) as a Non-executive Independent Director of the Company. b. Re-appointment of Mr. S. P. Kulkarni (DIN 00006914) as a Non-executive Independent Director of the Company. c. To approve the continuation of payment of remuneration to Mr. V. R. Garware (DIN 00092201), Chairman & Managing Director of the Company. d. To approve the borrowing limit pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 e. To approve the limit for Loans and Investment by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013.
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 were deemed to be conducted at the Registered Office of the Company which the deemed Venue of the AGM.	a. Re-appointment of Ms. Mallika Sagar (DIN 02228386) as a Non-executive Independent Director of the Company.
Thursday, 16th Sept., 2021	10.30 a.m.		a. Re-appointment of Mr. V. R. Garware (DIN 00092201) as Managing Director of the Company:

- ii. During the Financial Year 2021-22, 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, 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

- 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 (UPSI)", "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 5th May, 2022 from Mr. Sridhar Mudaliar, 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 2021-22, 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 ₹44.31/- lakhs.

SHINING BRIGHT in Challenging Conditions



xviii. The details in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is as below:

- Number of complaints filed during the Financial Year 2021–22: Nil
- Number of complaints disposed of during the Financial Year 2021–22: Nil
- Number of complaints pending as on end of the Financial Year 2021–22: Nil

10) MEANS OF COMMUNICATION

- 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).
- A Management Discussion and Analysis Report is enclosed separately as part of this Annual Report.

11) GENERAL SHAREHOLDER INFORMATION

i. 45th Annual General Meeting

- Day, Date and Time Tuesday, 13th September, 2022, 10:30 a.m. (I.S.T.)

- 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 Nos. 20/2020 dated 5th May, 2020, 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 ("MCA Circulars") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Wednesday, 7th September, 2022 to Tuesday, 13th September, 2022 (both days inclusive)

iv. **Dividend payment date** Tuesday, 13th September, 2022 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
---	---

The Listing Fee has been paid up to date, to BSE Limited and National Stock Exchange of India Limited.

vi. Stock Code / Symbol

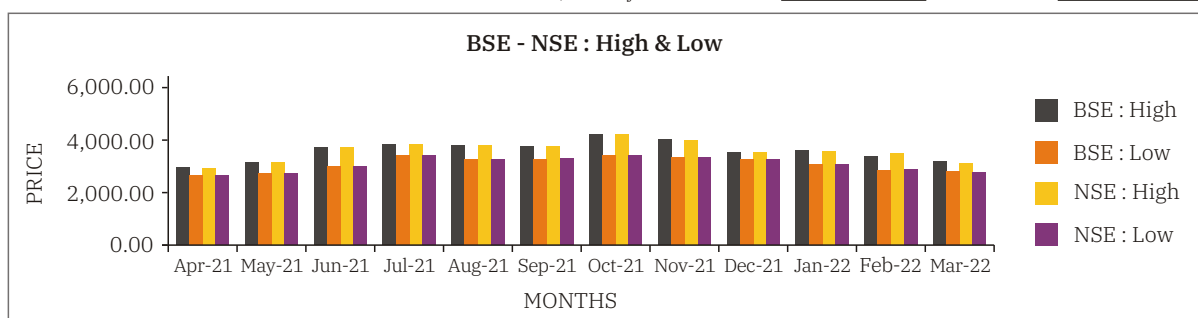
BSE Limited	Code No.: 509557
National Stock Exchange of India Limited	Symbol: GARFIBRES


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-21	2,733.95	2,493.00	2,734.95	2,486.20	50375.77	47204.50	15044.35	14151.40
May-21	2,967.00	2,560.00	2,945.90	2,570.00	52013.22	48028.07	15606.35	14416.25
Jun-21	3,542.00	2,829.00	3,550.00	2,827.80	53126.73	51450.58	15915.65	15450.90
Jul-21	3,640.50	3,260.95	3,644.70	3,254.45	53290.81	51802.73	15962.25	15513.45
Aug-21	3,590.35	3,104.45	3,592.00	3,087.05	57625.26	52804.08	17153.50	15834.65
Sep-21	3,594.60	3,101.00	3,540.30	3,100.05	60412.32	57263.90	17947.65	17055.05
Oct-21	4,033.40	3,250.00	4,030.00	3,280.50	62245.43	58551.14	18604.45	17452.90
Nov-21	3,816.00	3,173.90	3,843.40	3,175.00	61036.56	56382.93	18210.15	16782.40
Dec-21	3,355.00	3,104.50	3,360.00	3,099.00	59203.37	55132.68	17639.50	16410.20
Jan-22	3,414.95	2,910.00	3,418.95	2,909.65	61475.15	56409.63	18350.95	16836.80
Feb-22	3,324.90	2,708.15	3,194.70	2,702.65	59618.51	54383.20	17794.60	16203.25
Mar-22	2,964.65	2,611.20	3,000.00	2,619.80	58890.92	52260.82	17559.80	15671.45

(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) 4601 4473; 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, 2022

Distribution of Shareholding (Rupees)				Report Type = All (NSDL + CDSL + Physical)				
Sr. No.	Shareholding of Nominal Value of ₹ 10 each			No. of Shareholders	% to Total Shareholders	No. of Shares Held	Nominal Value (in ₹)	% to Total Shares
	From	-	To					
1	1	to	5,000	42237	94.92	2158102	21581020	10.47
2	5,001	to	10,000	1215	2.73	882786	8827860	4.28
3	10,001	to	20,000	577	1.30	815353	8153530	3.95
4	20,001	to	30,000	157	0.35	388923	3889230	1.89
5	30,001	to	40,000	79	0.18	276538	2765380	1.34
6	40,001	to	50,000	51	0.11	230669	2306690	1.12
7	50,001	to	1,00,000	71	0.16	481210	4812100	2.33
8	1,00,001	and	Above	109	0.24	15384588	153845880	74.62
Total				44496	100.00	20618169	206181690	100.00

SHINING BRIGHT in Challenging Conditions

(ii) Pattern of Shareholding as on 31st March, 2022.

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	17	1,08,48,730	1,08,48,730	52.62
(2)	Foreign Promoters	0	0	0	0
	Sub-Total (A)	17	1,08,48,730	1,08,48,730	52.62
(B)	Public Shareholding				
(1)	Institutions				
(a)	Mutual Fund	9	7,83,894	7,83,894	3.80
(b)	Alternate Investment Funds	10	3,44,503	3,44,503	1.67
(c)	Foreign Portfolio Investor	64	15,29,412	15,29,412	7.42
(d)	Financial Institutions / Banks	3	1,628	628	0.01
(e)	Insurance Companies	1	150	0	0.00
	Sub-Total (B)(1)	87	26,59,587	26,58,437	12.90
(2)	Non-Institutions				
(a)	Individuals	39900	56,91,142	54,05,678	27.60
(b)	NBFCs registered with RBI	1	5,558	5,558	0.03
(c)	Employee Trusts	0	0	0	0.00
(d)	Investor Education and Protection Fund Authority	1	1,02,223	1,02,223	0.50
(e)	Trusts	3	1,496	1,496	0.01
(f)	Foreign National	1	1,795	1,795	0.01
(g)	Hindu Undivided Family	584	2,62,109	2,62,109	1.27
(h)	Non Resident Indians (Non Repat)	588	1,62,109	1,60,173	0.79
(i)	Non Resident Indians (Repat)	942	1,31,137	1,31,137	0.64
(j)	Limited Liability Partnership	73	42,566	42,566	0.21
(k)	Clearing Member	39	7,559	7,559	0.04
(l)	Bodies Corporate	692	7,02,158	7,00,586	3.41
	Sub-Total (B)(2)	42,824	71,09,852	68,20,880	34.48
	Total Public Shareholding (B) = (B)(1)+(B)(2)	42,911	97,69,439	94,79,317	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)	42,928	2,06,18,169	2,03,28,047	100.00

Note: No Shares Pledged or otherwise Encumbered by Promoter and Promoter Group.

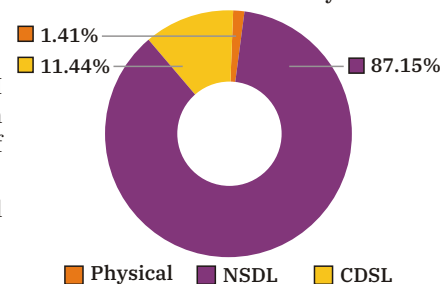
xi. Dematerialisation of Shares and Liquidity

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, 2022, 98.59% 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.

% of Shares in D-mat & Physical Form



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.)


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, 2022.

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) 4601 4473
Email: pune@linkintime.co.in

xvii. Credit Rating obtained by the Company along with any revisions thereto during the Financial Year 2021-22

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

Bank Facilities	Previous Rated Amount (₹ Crore)	Current Rated Amount (₹ Crore)	Assigned Rating	Rating Action
Long-Term, Fund Based	145.39	145.00	[ICRA] AA (Positive) (pronounced ICRA double A)	Reaffirmed. Outlook revised from Stable to Positive on Long-Term Scale.
Long-Term / Short-Term, Non-Fund Based	90.00	90.00	[ICRA] AA (Positive) (pronounced ICRA double A) / [ICRA]A1+ (pronounced ICRA A one plus)	
Commercial Paper	15.00	0.00	[ICRA]A1+ (pronounced ICRA A one plus)	Reaffirmed and Withdrawn. (On request of the Company as there is no outstanding against the said instrument)

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 the Managing Director of the Chief Executive Officer: 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 2021-22.



SHINING BRIGHT in Challenging Conditions

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 2021-2022 on compliance with Code of Conduct of the Company as applicable to them respectively.

Pune,
01st April, 2022

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** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2022, 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 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, 2022.

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,
5th May, 2022

Abhay R. Mehta
(Partner)
M. No. 046088
UDIN: 22046088AIKY03642



ANNEXURE TO DIRECTORS' REPORT 2021-22: 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 the global footprint of Garware Technical Fibres 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, 2022, 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, 2021 to 31st March, 2022			
Sector(s) that the Company is engaged in (industrial activity code-wise)	Main Activity group code	Description of Main Activity group	Class	Description of Business Activity
	C	Manufacturing	1394	Manufacture of cordage, rope, twine and netting
			2030	Manufacture of man-made fibres
			3290	Other manufacturing n.e.c.
	G	Trade	4690	Wholesale trade
(Based upon NIC-2008 codes.)				
List three key products / services that the Company manufactures / provides (as in balance sheet)	1. Netting, 2. Twines, Ropes and Yarns 3. Coated products			
Total number of locations where business activity is undertaken by the Company	26			
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	20			
Markets served by the Company - Local / State / National / International	National and International			

SHINING BRIGHT in Challenging Conditions



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

1. Paid up Capital (INR)	₹ 20,61,81,690
2. Total Turnover (INR)	₹ 1,20,152.49 lakhs
3. Total profit after taxes (INR)	₹ 16,073.06 lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of average net profits of last three years (%)	2.00% (₹ 320.04 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.

- **Project - Swasthya Seva:** Promoting health care including preventive health care under item (i) of Schedule VII of the Companies Act, 2013.
- **Project - Sarva Shiksha:** Promoting education under item (ii) of Schedule VII of the Companies Act, 2013.
- **Project - Vikas:** Rural development projects under item (x) of Schedule VII of the Companies Act, 2013.
- **Project - Project Atamnirbhar:** Livelihood enhancement projects under (ii) item of Schedule VII of the Companies Act, 2013.
- **Project - Paryavaran Suraksha:** Ensuring environmental sustainability under item (iv) of Schedule VII of the Companies Act, 2013.

** 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 five (05) 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 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 Private Limited

CIN: U74900PN2007PTC130686

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

iv. Garware Technical Textile Private Limited

CIN: U17301PN2020PTC194993

Garware Technical Textile Private Limited, is a wholly owned subsidiary of your Company. The Wholly Owned Subsidiary is yet to start its commercial operations.

v. Garware Technical Fibres Foundation

CIN: U85300PN2021NPL203132

Garware Technical Fibres Foundation, is a wholly owned subsidiary of your Company incorporated under Section 8 of the Companies Act, 2013 on 3rd August, 2021 to undertake various Corporate Social Responsibility activities in areas or subjects specified in Schedule VII of the Companies Act, 2013.

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).

Garware Technical Fibres Foundation was incorporated as Section 8 company and participates in implementation of CSR activity / program of your Company. 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 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.								
4.	Has the policy being approved by the Board? If yes, has it been signed by the MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policies?	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								
6.	Indicate the link for the policy to be viewed online?*	Y	Y	Y	Y	Y	Y	-	Y	Y
		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.								
		Wherever mandated by applicable Rules/Regulations, GTFL has posted the respective policies on its website as per details below. 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://garwarefibres.com/investors/ems-policy/ 8. https://www.garwarefibres.com/remuneration-policy/ The remaining Policies are circulated to respective Stakeholders for ensuring adherence.								

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

SHINING BRIGHT in Challenging Conditions

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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
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. There is no defined frequency for such assessment but the BR performance is periodically assessed by the management as per the requirement. The Corporate Social Responsibility Committee meets every quarter to plan, implement and assess the Corporate Social Responsibility activities of the Company.

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 its Directors 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?

During the year under review, we have received one (01) shareholder complaint and the same was resolved to the satisfaction of the shareholder. Other communications received from shareholders were also replied / resolved satisfactorily.

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.

GTFL 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 and products with lower carbon footprint as well as to provide sustainable solutions which result into reduced use of toxic chemicals.

Man-made fibres contribute to Greenhouse gas emissions and also contribute to the ever-increasing problem of micro-plastics. We, at GTFL focus our R&D developments towards key initiatives such as low emission plastics, extremely abrasion resistant fibres, recycling plastic waste and work closely with industry partners to grow sustainably.

We at GTFL, pioneered the development of HDPE solutions for the aquaculture industry. HDPE has a lower carbon footprint as compared to Nylon. Plastics Europe has published a document in 2014, Eco-profiles and Environmental Product Declarations of the European Plastics Manufacturers, which shows the Global Warming Potential (GWP - Kg CO₂ equivalent) per kilo of Nylon resin is 6.7 while that of HDPE resin is 1.8. To add to this, HDPE is inert and a hydrophobic polymer (does not absorb water as compared to Nylon (hydrophilic) which absorbs water, hence HDPE does not lose strength in water. HDPE nets show longer service life due to this hydrophobic property. Longer service life directly translates into reduced carbon footprint. Over the last decade, GTFL has provided more than 25,000 metric tons of HDPE netting solutions to the aquaculture industry, this directly translates to a reduction of 122.5 million Kilograms of CO₂ equivalent. This saving in the carbon footprint is equivalent to approximately 1.11 million passenger flight trips from Mumbai to Delhi.

Continuation of our efforts for sustainable product development, we introduced to the industry Green HDPE net cage. Green HDPE Net cage is manufactured from Bio-based HDPE sourced from a renewable resources. The Green HDPE net results in further 70% reduction in the carbon footprint. In its efforts to convert waste materials into usable products, Garware was awarded with ET Polymers award.

GTFL's vision for the Agri sector is to provide sustainable solutions whereby the farmer can achieve maximum yield with the least impact on the environment. GTFL's innovative Agricultural shade nets result in reduced temperatures within the shade net house results in more water retention and hence more water conservation. Our non-toxic insect repellent insect nets result in lesser use of insecticides thereby giving the farmers increased yield with minimal use of insecticides.

We have also provided support to our fish farming customers, through our R&D efforts. Our innovation in netting with high strength to weight ratio result in reduction of drag underwater and hence increase in catch and reduction in fuel costs.

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

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 GHG estimation, energy & water



SHINING BRIGHT in Challenging Conditions

mapping activity to know GTFL's carbon, energy & water footprint through a competent agency under our sustainability project based on which a roadmap will be prepared to become carbon neutral,

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.

As 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 both 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.

1,170 (Including apprentice and probationer)

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

265*

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

3. Please indicate the Number of permanent women employees.

23

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.

As on 31st March, 2022, there are no complaints relating to child labour, forced labour, involuntary labour, sexual harassment received and thus pending.

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

(a) Permanent Employees – 97%

(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 2021-22, GTFL imparted 6175 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 under its CSR activities during the Financial Year 2021-22 are:

- Project - Swasthya Seva: Promoting health care including preventive health care under item (i) of Schedule VII of the Companies Act, 2013.
- Project - Sarva Shiksha: Promoting education under item (ii) of Schedule VII of the Companies Act, 2013.
- Project - Vikas: Rural development projects under item (x) of Schedule VII of the Companies Act, 2013.
- Project - Atamnirbhar: Livelihood enhancement projects under (ii) item of Schedule VII of the Companies Act, 2013.
- Project - Paryavaran Suraksha: Ensuring environmental sustainability under item (iv) of Schedule VII of the Companies Act, 2013.

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 15,500 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.



SHINING BRIGHT in Challenging Conditions

- 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.
- Under its CSR activities, Company is taking various steps for environment sustainability by tree plantation, maintaining of gardens and protection of flora and fauna.

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 and were reported to the 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)
- Confederation of Indian Industry (CII)
- Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA)
- Sports Goods Export Promotion Council
- Indian Fishnet Manufacturers Association (IFMA)
- International Geosynthetics Society (IGS)
- International Erosion Control Association (IECA)
- The Coir Board

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

GTFL is actively participates in discussions and discourses on growth and sustainable development of the industry at various industry forums. Over the years, the Company has been proactively collaborating with several industry associations to address industry concerns related to taxations, foreign and domestic trade policies, etc., before appropriate authorities of Central and State Governments. GTFL is continuously working with NCPAH to uplift the income level of farmers by developing innovative products to protect their crops. GTFL is providing data, inputs, information through various associations required by Government agencies to formulate 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:



- Project - SwasthyaSeva: Promoting health care including preventive health care under item (i) of Schedule VII of the Companies Act, 2013.
- Project - SarvaShiksha: Promoting education under item (ii) of Schedule VII of the Companies Act, 2013.
- Project - Vikas: Rural development projects under item (x) of Schedule VII of the Companies Act, 2013.
- Project - Atamnirbhar: Livelihood enhancement projects under (ii) item of Schedule VII of the Companies Act, 2013.
- Project - Paryavaran Suraksha: Ensuring environmental sustainability under item (iv) of Schedule VII of the Companies Act, 2013.

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 through Garware Technical Fibres Foundation a Section 8 company, who participate in implementation and monitoring CSR activity / program of your Company. In addition, your Company also undertake projects 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 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.

- Project - Swasthya Seva: Promoting health care including preventive health care under item (i) of Schedule VII of the Companies Act, 2013.
- Project - Sarva Shiksha: Promoting education under item (ii) of Schedule VII of the Companies Act, 2013.
- Project - Vikas: Rural development projects under item (x) of Schedule VII of the Companies Act, 2013.
- Project - Atamnirbhar: Livelihood enhancement projects under (ii) item of Schedule VII of the Companies Act, 2013.
- Project - Paryavaran Suraksha: Ensuring environmental sustainability under item (iv) of Schedule VII of the Companies Act, 2013.

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?

As on 31st March, 2022, except one complaint received and pending, there are no judicial cases filed or pending 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, 2022.

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.

SHINING BRIGHT in Challenging Conditions



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. ● Tool box talks (TBT) Conducted at beginning of every shift for enhancing safety awareness amongst workers.
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. ● SOP's Prepared in local language covering activities & Sub-activities for all processes and displayed at work stations. ● 100 % employees covered in safety trainings & re trainings. ● Recognition Policy established for best safety practices demonstrated by dept. appreciation with safety rotatory trophy. ● Team of safety champions is formed dept.wise to monitor workplace safety. ● Core safety team formed to conduct cross functional audits & monitor unsafe acts & conditions. ● Discussion with safety champions on regular basis for identification of hazards, near miss incidents, unsafe acts & conditions to control accidents. ● Dept. wise safety suggestion boxes installed & daily review taken by safety champion of their dept. ● External safety consultant involved in training & safety audit activities. ● Enhancement in lux level for better visibility.
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. ● Safety interlocks installed at power winches & DS machines to prevent accidents.
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.
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. ● Utilization of Drum Lifter for handling of Chemicals & Lubricant Drums for accident / incident prevention.



S.No.	GM Compliance / Safety Risk	Initiatives / Organisational Objectives
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, 15,500 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 LSHS a less pollution extensive fuel with lesser sulphur content as compared to FO which results into lesser SO₂ emissions from Boiler. ● GHG / Carbon footprint estimation undertaken w.r.t. climate change for setting up road map to become carbon neutral.

SHINING BRIGHT in Challenging Conditions



S.No.	Environmental Risk	Initiatives / Organisational Objectives
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. ● Proper Collection and disposal of E waste as per E Waste Management Rules 2016 to prevent Land Pollution. ● Prevention of Land and Ground water pollution by utilization of Drum Lifter for handling of Chemicals & Lubricant Drums. ● Modification of Oil spill collection trays below Doubler machines to prevent oil spillages / slippery floor. ● Installation of sludge drying beds at ETP.
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 20% 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 10% to minimise natural resources depletion. ● Reduction in compressed air electricity consumption by 10% 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. ● Eco friendly Product developed to minimise fuel consumption during fishing to minimise depletion of natural resources and also helps to reduce carbon footprint. ● Reuse of packing material Raffia, pallets for Captive Netting, Reuse of packing material like Paper tubes, plastic bags for twine production to minimise natural resources depletion. ● We consume 30% of renewable energy generated through wind power thus minimising natural resources depletion and CO2 emission reduction. ● Reduction in use of thermal energy (energy derived from fossil fuels) by 10% thus minimising natural resources depletion. ● Rain water harvesting done at Boiler Area to minimise fresh water consumption. ● Waterless urinals installed at Wai & Pune to minimise fresh water consumption.
4	Noise pollution	Installation to reduce noise level from pneumatic conveyer from 95 dB to below 90 dB at extrusion department.
5	Threat to bio diversity	Protection of birds against water scarcity threat in summer season under bird conservation program.
6	Legal	Compilation of Plastic waste data started for getting Registered under Brand Owner Category as PWM Amendment Rules 2022.



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. Through its value-added propositions, your Company has established a dominant presence in domestic ocean fisheries, the international aquaculture business, and several other industry segments.

Business Environment in FY 2021-22

Business in the beginning of the financial year was impacted due to the effects of the second wave of COVID-19 and the consequent disruptions in supply. As the year progressed, inflationary pressures leading to higher costs of raw material and other commodities, steep increase in freight costs and container availability impacted international product dispatches and also impeded the margin growth, as we could not pass on the entire cost-increase considering the orders in hand. Despite these challenges, we could reasonably service the market requirements and register sales growth. Profitability across businesses was supported by a high-value product portfolio and cost optimisation.

In the international markets, your Company recorded growth in the aquaculture, sports and geosynthetics segments, and improved its market share. Although shipments to overseas market were hindered, through close coordination with the market, we could ensure dispatch of critical deliveries, and meet customer expectations.

Our differentiated solutions-approach continued to help us to maintain our margins and mitigate the impact of higher costs to a certain extent in select businesses.

Your Company continued to invest in R&D, and during the year, applications for 10 patents were filed, and 2 patents were received.

Opportunities and Threats

The overall recovery of the global economy from the impact of COVID-19 provides opportunities for a range of solutions offered by your Company.

However, COVID-19 effects continue to be felt in some parts of the world, and the situation in Ukraine, the threat of inflationary pressures, high freight costs, and supply chain challenges continue to be issues of concern.

The market trust enjoyed by your Company, our wide range of products, supply capability and our differentiated solution strategy would hopefully enable us to sail through the probable headwinds and continue the growth journey.

As most of our business is related to food-oriented industries and consumption and coupled with our mix of domestic and international business gives us some cushion to offset vagaries of demand across different markets.

Company's Consolidated Financial Performance in FY 2021-22

Your Company registered total consolidated revenue of ₹ 1189.40 crores for the year ended 31st March 2022, an increase of 15% over the previous year's consolidated revenue of ₹ 1034.57 crores. Consolidated Operating EBITDA was ₹ 222.90 crores increased by 9% comparing to previous year. Consolidated profit before tax in the year under review was ₹ 216.41 crores, an increase of 4% over the previous year despite an adverse business environment marked by strong inflationary winds and disruptions in global supply chains.

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 – 16%.
- *Current ratio of the Company – 1.60 (previous year 1.27)
- *Debt-equity ratio – 0.08 (previous year 0.13)
- Earnings per share – ₹ 79.92
- Return on capital employed (ROCE) – 21.1%
- Return on average net worth – 18.5% (previous year 20.4%)**
- Return on Invested Capital – Pre-tax (RoIC) – 45.8% ***

Risks and Concerns

The anticipated continuity of the effects of the COVID-19 pandemic are 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, inflationary pressures, supply shortages, and anticipated decline in global economic growth poses a challenge for your Company's customers and suppliers.

As international sales constitute 65% 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 in the Company. Close interaction between all teams and the top management was ensured through task forces and regular communication channels. Your Company's deep connect with its employees was reflected in the 2022 'Great Place to Work' survey which adjudged your Company to be among the top 50 business organisations in India. 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.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing your Company's objectives, projections, estimates, and expectations may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied.

** Due to reduction of borrowing, your Company was able to achieve a better current ratio and debt-equity ratio compared to the previous year.*

*** Compared to FY 2020-21, the return on average net worth in FY 2021-22 on standalone and consolidated basis was lower by 9%, mainly due to 4% growth in profit after tax (PAT) and 14% growth in the net worth.*

**** ROIC = $\frac{\text{PBIT} - \text{Other Income}}{(\text{Avg. Capital Employed} - \text{Avg. Treasury Surplus Investment})}$*



INDEPENDENT AUDITORS' REPORT

To,
 The Members,
GARWARE TECHNICAL FIBRES LIMITED

1. Opinion

We have audited the accompanying Standalone Financial Statements of **GARWARE TECHNICAL FIBRES LIMITED** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2022, 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, 2022, its profit and other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Inventory Existence: The inventory's carrying value in the Balance Sheet as at 31st March, 2022 is ₹ 19,324.86 lakhs. The inventory of the Company is held across various locations including its Plants, Sales Depots, Warehouses and Contract Manufacturers' locations. We focussed on this matter because of the: <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 	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: <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 There were no significant exceptions noted from these procedures. We tested a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold. We did not identify any exceptions.

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

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information



SHINING BRIGHT in Challenging Conditions

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.

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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. 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. 43 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, 2022.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) With respect to dividends

- a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b. There was no interim dividend declared by the Company.
- c. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

II. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

ABHAY R. MEHTA
Partner

M. No.: 046088

UDIN: 22046088AIKVUA4295

Place: Mumbai
Date: 5th May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

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.

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, 2022 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, 2022, 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 over Financial Reporting 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: 22046088AIKVUA4295

Place: Mumbai
 Date: 5th May, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (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 maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular programme of physical verification of its property plant and equipment by which all material items of property plant and equipment are periodically verified by the management according to phased programme. 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) The title deeds of immovable properties are held in the name of the Company.
 - (d) During the year, the Company has not made any revaluation of its property plant and equipment or its intangible assets. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on the aforesaid verification.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks on the basis of security of current assets. Monthly returns/statements filed by the Company with the banks are in agreement with books of accounts.
- (iii) During the year, the Company has made investment only in a Section 8 wholly owned subsidiary company namely Garware Technical Fibres Foundation and has not granted any loan/guarantee/securities to any companies, firms or

SHINING BRIGHT in Challenging Conditions



LLPs. During the year, the Company has granted loan only to its employees and hence in our opinion reporting under paragraph 3 (iii) of the Order is not applicable.

- (iv) During the year, the Company has made investment only in a Section 8 wholly owned subsidiary company namely Garware Technical Fibres Foundation and has not granted any loan/guarantee/securities to any companies, firms or LLPs. During the year, the Company has granted loan only to its employees and hence in our opinion reporting under paragraph 3 (iv) of the Order regarding compliance with the provisions of Section 185 and Section 186 of the Act is not applicable.
- (v) 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) 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. 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, 2022 for a period of more than six months from the date they became payable.
 - (b) Details of dues of Income Tax, Sales Tax, Service Tax, Value Added Tax and Goods and Service Tax which have not been deposited as at 31st March, 2022 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
Income Tax Act	Income Tax	Income Tax Department	2013-14	541.51
			2014-15	401.97
			2015-16	280.72
			2016-17	126.17
			2017-18	205.44
			2018-19	844.40
			2019-20	723.64
Total				3,133.00

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) 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.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans on security of assets of its subsidiaries/associates/joint ventures.



- (x) (a) 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.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under paragraph 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle-blower complaints received during the year by the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year the Company has not entered into non-cash transactions with Directors or persons connected with the Directors. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under paragraph 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

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

ABHAY R. MEHTA
Partner

Place: Mumbai
Date: 5th May, 2022

M. No.: 046088
UDIN: 22046088AIKVUA4295

SHINING BRIGHT in Challenging Conditions

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2022

		As at 31st March, 2022	(₹ in lakhs) As at 31st March, 2021
A ASSETS	Note No.		
(1) Non-current assets			
(a) Property, Plant and Equipment	3	23,567.24	24,219.48
(b) Intangible Assets	4	414.75	469.74
(c) Financial Assets			
(i) Investments in Subsidiary and Associate	5	4,830.61	4,829.61
(ii) Other Investments	6	34,100.24	22,686.67
(iii) Trade Receivables	7	163.09	199.81
(iv) Loans	8	331.66	331.43
(v) Other non-current Financial Assets	9	631.40	590.43
(d) Other non-current Assets	10	739.62	737.48
Total Non-Current Assets		64,778.61	54,064.65
(2) Current Assets			
(a) Inventories	11	19,324.86	17,708.10
(b) Financial Assets			
(i) Investments	12	17,856.21	23,893.70
(ii) Trade Receivables	13	25,997.38	21,587.91
(iii) Cash and Cash Equivalents	14	3,730.69	292.21
(iv) Bank Balances other than (iii) above	14	141.56	5,172.58
(v) Loans	15	194.04	20.63
(vi) Other Financial Assets	16	408.27	1,176.33
(c) Current Tax Assets	17	10.76	298.12
(d) Other Current Assets	18	10,558.49	8,080.35
Total Current Assets		78,222.26	78,229.93
TOTAL - ASSETS		143,000.87	132,294.58
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	19	2,061.82	2,061.82
(b) Other Equity	20	97,562.31	82,073.97
Total Equity		99,624.13	84,135.79
(2) LIABILITIES			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	21	333.31	135.03
(ii) Other Financial Liabilities	22	301.26	4.90
(b) Provisions	23	754.16	1,065.26
(c) Deferred Tax Liabilities (net)	24	3,349.71	3,590.41
Total Non-current liabilities		4,738.44	4,795.60
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	7,957.29	9,691.63
(ii) Trade Payables	26	20,683.98	24,219.32
(iii) Other Current Financial Liabilities	27	1,985.56	2,369.81
(b) Other Current Liabilities	28	7,546.45	6,581.38
(c) Provisions	29	465.02	501.05
Total Current Liabilities		38,638.30	43,363.19
TOTAL - EQUITY AND LIABILITIES		143,000.87	132,294.58

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

As per our Report of even date

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

(ABHAY MEHTA)
Partner
M. No. 046088

Mumbai,
5th May, 2022

MUKESH SURANA
Chief Financial Officer

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

Pune,
5th May, 2022

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

MALLIKA SAGAR
Director
DIN: 02228386


STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

			(₹ in lakhs)
	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1 INCOME			
Revenue from Operations	30	117,605.46	101,726.21
Other Income	31	2,547.03	3,453.51
Total Income		120,152.49	105,179.72
2 EXPENSES			
Cost of Materials Consumed	32	33,755.23	24,586.82
Purchases of stock-in-trade		3,066.47	3,036.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(1,247.61)	2,022.49
Employee Benefits Expenses	34	14,765.15	14,988.39
Finance Cost	35	1,045.00	996.97
Depreciation and Amortisation Expenses	3,4	2,140.75	2,063.99
Other expenses	36		
i) Processing and Testing Charges		10,963.95	9,592.17
ii) Others		34,662.81	27,625.24
Total Expenses		99,151.75	84,912.28
Profit Before Tax		21,000.74	20,267.44
Tax Expenses	37		
1. Current Tax		5,156.41	4,470.53
2. Deferred Tax		(228.73)	333.93
TOTAL TAX EXPENSE		4,927.68	4,804.46
Profit for the year		16,073.06	15,462.98
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Investment in Equity Instruments		0.87	782.04
Remeasurement of Defined Benefit Obligation		(82.18)	(36.43)
(ii) Income tax related to items that will not be reclassified to profit or loss			
		12.15	(7.42)
Total Other Comprehensive Income for the year		(69.16)	738.19
Total Comprehensive Income for the year		16,003.90	16,201.17
EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10 each)			
Basic (₹) and Diluted (₹)	41	77.96	72.87

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

As per our Report of even date

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

(ABHAY MEHTA)
 Partner
 M. No. 046088

 Mumbai,
 5th May, 2022

MUKESH SURANA
 Chief Financial Officer

SUNIL AGARWAL
 Company Secretary
 M. No. FCS 6407

 Pune,
 5th May, 2022

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

MALLIKA SAGAR
 Director
 DIN: 02228386

SHINING BRIGHT in Challenging Conditions

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

Other Equity

For the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Equity Share Capital	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, 2020	2188.21	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)	94.65	—	(306.29)	—	—	—	—	—	(211.64)
Transfer to Capital Redemption Reserve	—	—	31.74	—	(31.74)	—	—	—	—	—
Buyback of Shares (including Transaction Charges) (Refer Note: 18)	(31.74)	—	—	(7,268.25)	(1,751.46)	—	—	—	—	(9,019.71)
Transfer to General Reserve	—	—	—	—	20,000.00	(20,000.00)	—	—	—	—
Foreign currency translation credit	—	—	—	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—	(36.43)	774.62	738.19
Total Comprehensive income for the year	(126.39)	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	2,061.82	119.40	214.37	125.56	22,086.64	58,945.90	—	(402.37)	984.47	82,073.97
Balance as at 1st April, 2021	2061.82	119.40	214.37	125.56	22,086.64	58,945.90	—	(402.37)	984.47	82,073.97
Profit for the year	—	—	—	—	—	16,073.06	—	—	—	16,073.06
Reduction of Employee Welfare Trust Shares (Refer Note: 18)	—	—	—	—	—	—	—	—	—	—
Transfer to Capital Redemption Reserve	—	—	—	—	—	—	—	—	—	—
Buyback of Shares (including Transaction Charges) (Refer Note: 18)	—	—	—	—	—	—	—	—	—	—
Transfer to General Reserve	—	—	—	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—	(82.18)	13.02	(69.16)
Total Comprehensive income for the year	—	—	—	—	—	16,073.06	—	(82.18)	13.02	16,003.89
Dividends paid	—	—	—	—	—	(515.55)	—	—	—	(515.55)
Balance as at 31st March, 2022	2061.82	119.40	214.37	125.56	22,086.64	74,503.41	—	(484.54)	997.48	97,562.31

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,
5th May, 2022

MUKESH SURANA
Chief Financial Officer

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

Pune,
5th May, 2022

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

MALLIKA SAGAR
Director
DIN: 02228386


STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

I. CASH FLOW FROM OPERATING ACTIVITIES

Net Profit Before Tax

Adjustments for reconcile Profit Before Tax To Net Cash Flows:

Depreciation and Amortisation Expenses

Unrealised Exchange Difference

Finance Cost

Interest and Dividend Income Received

Fair Value Gain at Financial Instruments at FVTPL

Gain on sale/redemption of Investments

(Profit) / Loss on sale of Fixed Assets

Bad Debts

Provision for Doubtful Debts

Operating Profit before Working Capital Changes
Working Capital Adjustments

(Increase) / Decrease in Trade & Other Receivable and Other Assets

(Increase) / Decrease in Inventories

Increase / (Decrease) in Trade and Other Payables

Cash generated from Operations

Direct Taxes paid

Net cash provided by Operating Activities
II. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment and Intangible Assets

Sale of Property, Plant & Equipment

(Increase)/ Decrease of Investments

(Increase)/ Decrease of Other Investments

Interest and Dividend Income Received

Net cash provided by / (used in) Investing Activities
III. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from/ (Repayment of) Short-term / Long-term Borrowings

Buyback of Shares (incl. Buyback Tax and Transaction Charges)

Reduction of Employee Welfare Trust shares

Finance Cost

Dividend paid including Dividend Distribution Tax

Net cash from Financing Activities
Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)

Cash & Cash Equivalents at the beginning of the year

Cash & Cash Equivalents at year end

**For the year ended
31st March, 2022**
**For the year ended
31st March, 2021**

21,000.74

20,267.44

2,140.75

2,063.99

36.82

466.69

1,045.00

996.97

(403.63)

(896.51)

(1,935.19)

(2,111.10)

(208.21)

(445.89)

21.10

(1.26)

47.75

100.02

76.57

14.77

21,821.70

20,455.11

(6,460.74)

(1,506.64)

(1,616.76)

984.16

(2,889.20)

5,050.61

10,855.00

24,983.24

(4,868.87)

(4,447.30)

5,986.13

20,535.93

(1,472.35)

(2,330.91)

17.73

27.85

(1.00)

(74.57)

(344.18)

(13,131.84)

2,547.03

3,453.51

747.23

(12,055.96)

(1,734.33)

(346.07)

-

(9,051.45)

-

(306.29)

(1,045.00)

(996.97)

(515.55)

-

(3,294.88)

(10,700.78)

3,438.48

(2,220.81)

292.21

2,513.02

3,730.69

292.21

Reconciliation of cash flow in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2020	10,037.70
Cash movements	(346.07)
As at 31st March, 2021	9,691.63
Cash movements	(1,734.33)
As at 31st March, 2022	7,957.29

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

As per our Report of even date

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

MUKESH SURANA
 Chief Financial Officer

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

M. V. GARWARE
 Director
 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,
 5th May, 2022

 Pune,
 5th May, 2022

S. S. RAJPATHAK
 Director
 DIN: 00040387

MALLIKA SAGAR
 Director
 DIN: 02228386

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

1 COMPANY INFORMATION

Garware Technical Fibres Limited (the “Company”) is incorporated under the Provision of Companies Act, 1956 (as amended by the Companies Act 2013) and domiciled in India. The 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 5, 2022 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 and Recent accounting Pronouncements:

(A) Significant Accounting Policies:

2.1 Statement of compliance and 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 and defined benefit plans measured at fair value (refer accounting policy no. 2.10 and 2.11 regarding financial instruments and employee benefits respectively). 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.

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

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

- 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. The Company has considered an operating cycle of 12 months.

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. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

2.6 Intangible Assets and Amortisation thereof:

2.6.1 Internally generated Intangible Assets (Research and Development):

- Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:
 - The technical feasibility of completing the intangible asset so that it will be available for use or sale.
 - Its intention to complete the asset.
 - Its ability to use or sell the asset.
 - How the asset will generate future economic benefits.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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

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

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

2.7 Impairment of Property Plant & Equipment and Intangible Assets:

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

2.8 Inventories:

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

- 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.

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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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.

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:

The statement of cash flows have been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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:

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.

During the year, income tax assessment orders for AY 2013-14 to AY 2019-20 were passed. There is an aggregate income tax liability of ₹ 3,123.85 lakhs pertaining to the said assessment orders.

The Company has filed appeals for all the assessment years, which are pending before the first appellate authority. In preparing the Financial Statements, management has made a judgement that the Company will succeed in the appeal and the demands will be deleted.

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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

(C) Recent accounting pronouncements

2.24 Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The said amendment is not likely to have material impact on the Financial Statements of the Company.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The said amendment is not likely to have material impact on the Financial Statements of the Company.

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 Carrying Value (at cost or deemed cost)										
As at 1st April 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
Additions	–	96.96	569.16	43.53	25.42	24.60	187.90	417.54	–	1,365.11
Disposals	–	(1.09)	(102.42)	–	–	(0.21)	(37.81)	(61.28)	–	(202.81)
As at 31st March 2022	512.01	4,517.79	20,030.10	3,610.74	824.70	412.59	783.15	1,263.50	112.78	32,067.36
Accumulated Depreciation and Impairment										
At at 1st April 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
Charge for the year	5.68	225.30	1,169.72	226.82	64.69	38.52	100.63	140.13	6.91	1,978.40
Disposals	–	(0.75)	(94.01)	–	–	(0.20)	(36.00)	(32.90)	–	(163.87)
As at 31st March 2022	31.54	1,511.90	4,435.69	975.60	342.97	205.33	418.19	558.17	20.74	8,500.12
Net Carrying Value										
As at 31st March 2022	480.47	3,005.89	15,594.41	2,635.15	481.74	207.26	364.96	705.33	92.05	23,567.24
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

Notes:

- During the year ₹ Nil (previous year ₹ 0.69 lakhs) has been withdrawn from Revaluation Reserve on account of depreciation on revalued portion.
- There were no immovable properties whose title deeds were not held in the name of the Company.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
4 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Technical Knowhow	Product Development	Computer Software	Patent	Trade Mark	Total
Gross Carrying Value (at cost or deemed cost)						
As at 1st April 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
Additions	12.67	–	75.75	10.17	8.66	107.25
Disposals	–	–	–	–	–	–
As at 31st March 2022	28.60	445.28	893.86	92.35	8.66	1,468.75
Accumulated Amortisation and Impairment						
At at 1st April 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
Charge for the year	5.51	14.05	119.46	23.20	0.13	162.35
Disposals	–	–	–	–	–	–
As at 31st March 2022	7.57	375.31	625.58	45.52	0.13	1,054.11
Net Carrying Value						
As at 31st March 2022	21.03	69.97	268.28	46.83	8.53	414.75
As at 31st March 2021	13.87	84.02	311.99	59.87	–	469.74

5 FINANCIAL ASSETS

(₹ in lakhs)

INVESTMENTS IN SUBSIDIARY AND ASSOCIATE
a) In Subsidiary Company carried at cost:

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

Shares in Garware Technical Fibres USA Inc

Shares in Garware Technical Fibres Chile SPA

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

Shares in Garware Technical Fibres Foundation of ₹ 10/- each

b) In Associate Company carried at cost :

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

Total investment in Subsidiary & Associate

As at 31st March, 2022		As at 31st March, 2021	
No. of Shares/units	Amount	No. of Shares/units	Amount
1,000,000	55.00	1,000,000	55.00
100	4,699.54	100	4,699.54
5,000	73.57	5,000	73.57
10,000	1.00	10,000	1.00
10,000	1.00	-	-
5,000	0.50	5,000	0.50
	<u>4,830.61</u>		<u>4,829.61</u>



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

6 OTHER INVESTMENTS

A. INVESTMENTS at FVTOCI

In Equity instruments:

Quoted

Shares in Garware Marine Industries Limited
of ₹ 10/- each

Shares in Garware Hi-Tech Films Limited of
₹ 10/- each

Sub-total

Unquoted

Shares in Intermedia Interactive Solutions
Pvt. Limited of ₹ 10/- each

Shares of Gujarat Filament Corporation
Limited of ₹ 10/- each

Sub-total

Total Equity Investment

B. INVESTMENTS at FVTPL

a. Non Convertible Debentures

Tata Capital Financial Service

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

Invesco India Banking & PSU Debt Fund - Direct Plan
Growth

Invesco India Banking & PSU Debt Fund - Regular Plan
Growth

Sundaram Corporate Bond Fund CBDG Direct Growth

HDFC Bank FMP 1100D

HDFC FMP 1381D Direct Plan (Growth)

Nippon India Fixed Horizon Fund - XLIII - Series 1 -
Direct Growth Plan 1775 Days

Nippon India Fixed Horizon Fund - XLIII - Series 1 -
Regular Growth Plan 1775 Days

SBI Fixed Maturity Plan (FMP) - Series 43 (1616 Days)
Regular Growth

SBI Fixed Maturity Plan (FMP) - Series 43 (1616 Days)
Direct Growth

SBI Fixed Maturity Plan (FMP) - Series 44 (1855 Days)
Regular Growth

SBI Fixed Maturity Plan (FMP) - Series 44 (1855 Days)
Direct Growth

SBI Fixed Maturity Plan (FMP) - Series 45 (1840 Days)
Regular Growth

SBI Fixed Maturity Plan (FMP) - Series 45 (1840 Days)
Direct Growth

As at 31st March, 2022		As at 31st March, 2021	
No. of Shares/units	Amount	No. of Shares/units	Amount
50,000	5.83	50,000	2.30
146,350	1,020.35	146,350	1,023.72
	<u>1,026.18</u>		<u>1,026.02</u>
890,680	73.13	890,680	72.23
50	0.01	50	0.01
	<u>73.14</u>		<u>72.24</u>
	<u>1,099.32</u>		<u>1,098.26</u>
-	-	200	2,458.49
	<u>-</u>		<u>2,458.49</u>
	0.16		0.16
	17.50		17.50
	<u>17.66</u>		<u>17.66</u>
-	-	3,051,236	590.44
-	-	3,021,641	586.90
51,511	1,021.58	-	-
54,325	1,018.17	-	-
-	-	3,705,900	1,186.73
-	-	5,000,000	593.37
-	-	20,000,000	2,571.36
4,999,750	514.63	-	-
4,999,750	513.84	-	-
4,999,750	527.23	-	-
4,999,750	528.01	-	-
7,499,625	783.52	-	-
7,499,625	784.56	-	-
12,499,375	1,303.20	-	-
12,499,375	1,304.85	-	-


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares/units	Amount	No. of Shares/units	Amount
SBI FMP Ser 9 R Plan 1178 DAYS Regular Growth	—	—	5,000,000	585.10
SBI FMP Ser 9 R Plan 1178 DAYS Direct Growth	—	—	5,000,000	587.71
SBI FMP Ser 11 Plan 1178 DAYS Regular Growth	—	—	5,000,000	582.66
SBI FMP Ser 11 Plan 1178 DAYS Direct Growth	—	—	5,000,000	585.18
SBI Fixed Maturity Plan (FMP) - Series 41 - 1498 days Regular Growth	9,999,500	1,057.08	9,999,500	999.95
SBI Fixed Maturity Plan (FMP) - Series 41 - 1498 days Direct Growth	9,999,500	1,059.24	9,999,500	999.95
SBI Fixed Maturity Plan (FMP) - Series 46 (1850 Days) Regular Growth	4,999,750	521.86	—	—
SBI Fixed Maturity Plan (FMP) - Series 46 (1850 Days) Direct Growth	4,999,750	522.51	—	—
Aditya Birla Sun Life Fixed Term Plan - Series TI (1837 days) - Direct Growth	9,999,500	1,042.26	—	—
Aditya Birla Sun Life Fixed Term Plan - Series TI (1837 days) - Regular Growth	9,999,500	1,041.48	—	—
Aditya Birla Sun Life Fixed Term Plan Series RC(1295)	—	—	20,000,000	2,496.22
Kotak FMP Series 292 Regular - Growth - 1735 days	9,999,500	1,030.27	—	—
Kotak FMP Series 292 Direct - Growth - 1735 days	9,999,500	1,032.23	—	—
Kotak FMP Series 233 Growth	—	—	—	—
Kotak FMP Series 261 Growth	—	—	10,000,000	1,218.26
ICICI Series 82-1199Days	—	—	—	—
ICICI FMP - Plan Series 85 - 1127 Days	—	—	15,000,000	1,787.63
L&T FMP Series XVIII plan 1155D Direct - Growth	—	—	5,000,000	607.07
L&T FMP Series XVIII plan Regular - Growth	—	—	5,000,000	609.00
(ii) EXCHANGE TRADED FUND (ETF)				
Edelweiss Mutual Find - Bharat Bond ETF - April 2025	246,508	2,672.54	246,508	2,524.73
Nippon India ETF Nifty SDL - 2026 Maturity	1,000,000	1,080.70	—	—
Nippon India ETF Nifty SDL - 2026 Maturity	1,000,000	1,080.70	—	—
Axis AAA Bond PLUS SDL ETF - 2026	15,000,000	1,582.50	—	—
Nippon India ETF Nifty SDL - 2026 Maturity	1,500,000	1,621.05	—	—
(iii) CORPORATE BOND FUND				
L&T Triple Ace Bond Fund - Growth	3,474,626	2,073.18	—	—
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Direct Plan Growth	14,505,721	1,557.99	—	—
L&T Triple Ace Bond Fund Direct Plan Growth	1,653,473	1,039.37	—	—
L&T Triple Ace Bond Fund Direct Plan Growth	1,653,473	1,039.37	—	—
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Regular Plan Growth	14,522,111	1,557.28	—	—
(iv) GILT FUND				
IDFC Gilt 2027 Index Fund Direct Plan Growth	9,817,484	1,037.12	—	—
IDFC Gilt 2027 Index Fund Regular Plan Growth	9,822,016	1,035.00	—	—
Sub-total (c)		32,983.26		19,112.26
Total Investments measured at FVTPL (a+b+c)		33,000.92		21,588.41
Total other Investments		34,100.24		22,686.67

SHINING BRIGHT in Challenging Conditions



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022	As at 31st March, 2021
7 TRADE RECEIVABLE		
Non-Current		
(Unsecured, considered good measured at amortised cost)		
Trade Receivable (Includes retention money)	163.09	199.81
Total	163.09	199.81

(₹ in lakhs)

As at 31st March, 2021

Trade Receivable ageing Schedule for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment						Total
	Not Due	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	7.78	75.61	48.48	31.23	–	–	163.09
	53.00	41.05	99.11	1.78	4.87		199.81
Total	7.78	75.61	48.48	31.23	–	–	163.09
	53.00	41.05	99.11	1.78	4.87	–	199.81

(Amounts in Italics font pertains to previous year)

8 LOANS - NON CURRENT		
(Unsecured, considered good, measured at amortised cost)		
(i) Staff loans	229.55	329.40
(ii) Other Loans	102.11	2.03
Total	331.66	331.43

9 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured, considered good, measured at amortised cost)		
Security Deposits	419.73	378.25
Other Deposit Current Assets (measured at amortised cost)	211.67	211.68
Bank Deposits with maturity of more than 12 months	–	0.50
(Above bank deposits are pledged as margin money)		
	631.40	590.43

10 OTHER NON-CURRENT ASSETS		
Taxes Receivable (other than Income Tax)	619.74	616.63
Capital Advances	46.36	47.37
Other Non-Current Assets*	73.52	73.48
Total	739.62	737.48
*Other Non-Current Assets includes advance to a Partnership Firm i.e. Sopan D. Patil & GWRL	21.20	21.20

11 INVENTORIES - CURRENT ASSET		
Raw Materials	5,862.23	6,232.60
Work-in-Progress	3,833.53	3,490.80
Finished Goods (Including Goods-in-Transit)	5,941.64	5,040.86
Traded Goods	670.11	666.01
Stores, Spares, Fuel and Packing Materials	3,017.35	2,277.83
Total	19,324.86	17,708.10

Note:

11.1 For details of inventories pledged refer Note 25 and refer Note 2.8 for basis of valuation.

11.2 There was no material difference between books of accounts and the monthly returns or statements of current assets filed by the Company with banks.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares/units	Amount	No. of Shares/units	Amount
12 INVESTMENTS - CURRENT (measured at FVTPL)				
(a) NON CONVERTIBLE DEBENTURES				
ICICI Home Finance Ltd NCD - 730 Days	—	—	100	572.78
Sub-total (a)		<u>—</u>		<u>572.78</u>
(b) INVESTMENTS IN MUTUAL FUNDS				
(i) DEBT MUTUAL FUND				
ICICI Prudential Saving Fund Growth	153,450	665.00	153,450	638.36
Sundaram Corporate Bond Fund CBDG Direct Growth	3,705,900	1,240.36	—	—
IDFC Banking & PSU Debt Fund -Regular Plan Growth	3,051,236	610.75	—	—
IDFC Banking & PSU Debt Fund - Direct Plan Growth	3,021,641	616.39	—	—
(ii) DEBT MUTUAL FUND (FMP)				
HDFC Bank FMP 1100D	5,000,000	617.51	—	—
Aditya Birla Sun Life Fixed Term Plan Series RC (1295 days)	20,000,000	2,589.48	—	—
L&T FMP Series XVIII - Direct plan 1155D Growth	5,000,000	633.68	—	—
L&T FMP Series XVIII - Regular plan Growth	5,000,000	630.70	—	—
SBI Debt Fund Series C-10 1150 Days Regular Growth	—	—	10,008,824	1,246.66
SBI Debt Fund Ser C-12 1122 Days - Regular	—	—	2,500,000	303.96
SBI Debt Fund Ser C-12 1122 Days - Direct	—	—	2,500,000	307.26
SBI Sdfs C 18 1100 Days	—	—	5,000,965	622.18
SBI FMP Ser 9 R Plan 1178 DAYS Regular Growth	5,000,000	608.29	—	—
SBI FMP Ser 9 R Plan 1178 DAYS Direct Growth	5,000,000	612.54	—	—
SBI FMP Ser 11 Plan 1178 DAYS Regular Growth	5,000,000	607.00	—	—
SBI FMP Ser 11 Plan 1178 DAYS Direct Growth	5,000,000	611.15	—	—
ICICI Prud. FMP Series 82-Plan H	—	—	10,000,000	1,263.02
ICICI Series 82 -1199 Days	—	—	10,008,937	1,265.11
ICICI Bank FMP Series 83 -1108 Days	—	—	10,000,000	1,265.78
ICICI FMP - Plan Series 85 - 1127 Days Q	15,000,000	1,860.59	—	—
HDFC Bank FMP 1143 Days - Direct	—	—	2,500,000	314.03
HDFC Bank FMP 1143 Days - Regular	—	—	2,500,000	311.64
HDFC FMP 1381D Direct Plan Growth	20,000,000	2,681.06	—	—
ABSL Fixed Term Plan Series Pe 1159 Days	—	—	10,000,000	1,252.53
ABSL Fixed Term Plan Series Pe 1159 Days	—	—	5,000,000	629.56
DSPBR FMP Series 220 Growth	—	—	10,000,000	1,263.21
IDFC Ftp Series-154 Direct-Growth	—	—	5,001,010	628.41
Kotak FMP Series-217-1240 Days	—	—	10,000,000	1,270.60
Kotak FMP Series 230 - 1140 Days	—	—	5,001,038	626.94
Kotak FMP Series 261 Growth	10,000,000	1,270.71	—	—
Kotak FMP Series 233(1140D) Regular-Growth	—	—	5,001,010	621.68
Sub-total (b)		<u>15,855.21</u>		<u>13,830.92</u>
(c) FIXED DEPOSITS WITH NBFCs				
LIC Housing Finance Limited	—	—	—	5,000.00
Shriram Transport Finance Company Limited	—	2,001.00	—	—
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>2,001.00</u>		<u>9,490.00</u>
Total Current Investments (a+b+c)		<u>17,856.21</u>		<u>23,893.70</u>

SHINING BRIGHT in Challenging Conditions



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022	As at 31st March, 2021
(₹ in lakhs)		
13 TRADE RECEIVABLES		
(Unsecured, considered good, measured at amortised cost)		
(a) Receivable from parties other than related parties		
Unsecured, Considered Good	18,905.79	16,985.24
Less: Provision for expected credit loss	(25.27)	—
	<u>18,880.52</u>	<u>16,985.24</u>
Unsecured, Credit impaired	229.06	177.76
Less: Provision for credit impairment	(229.06)	(177.76)
	<u>—</u>	<u>—</u>
(b) Receivable from related parties		
Garware Technical Fibres US INC	3,594.65	2,116.19
Garware Technical Fibres Chile SPA	3,522.21	2,486.48
	<u>7,116.86</u>	<u>4,602.67</u>
Total	<u>25,997.38</u>	<u>21,587.91</u>

Before accepting any new customer, the company has appropriate levels of control procedures which ensures the potential customer's credit quality and the same are periodically reviewed by the management.

Movement in allowance for doubtful debts

Balance at the beginning of the year	177.76	162.98
Allowance for doubtful debts during the year	76.57	89.14
Reversal of allowance for doubtful debts during the year	—	(74.36)
Balance at the end of the year	<u>254.33</u>	<u>177.76</u>

Ageing Schedule of Trade Receivables for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment						Total
	Not Due	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	19505.54	5230.53	408.73	288.08	229.84	234.66	25897.38
	<i>14299.13</i>	<i>5701.78</i>	<i>299.43</i>	<i>457.86</i>	<i>232.60</i>	<i>349.56</i>	<i>21340.36</i>
(ii) Undisputed Trade receivables - Credit Impaired	—	—	—	—	—	353.32	353.32
	—	—	—	60.43	186.11	177.76	424.3
(iii) Disputed Trade receivables - Credit impaired	—	—	—	—	—	1.01	1.01
	—	—	—	—	—	1.01	1.01
Total Trade Receivables (gross)	19505.54	5230.53	408.73	288.08	229.84	588.99	26251.71
	<i>14299.13</i>	<i>5701.78</i>	<i>299.43</i>	<i>518.29</i>	<i>418.71</i>	<i>528.33</i>	<i>21765.67</i>
Less: Provision for expected Credit Loss / Credit Impairment							(254.33)
							<i>(177.76)</i>
Total Trade Receivables (net)							25997.38
							<i>21587.91</i>

(Amounts in Italics font pertains to previous year)

14 CASH AND BANK BALANCES

(A) CASH AND CASH EQUIVALENTS

Cash on hand	20.58	16.76
Balances with banks in current accounts	3,710.11	275.45
Total Cash and Cash Equivalents (a)	<u>3,730.69</u>	<u>292.21</u>


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022		As at 31st March, 2021	
			(₹ in lakhs)	
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				
Unpaid dividend accounts	73.94		78.84	
Inaccessible balance in bank account	34.24		—	
Pledged Term Deposits with maturity less than three months	33.38		—	
Term Deposit with maturity above three months and less than twelve months	—		5,093.73	
Total Bank balances other than cash and cash equivalents (b)	141.56		5,172.58	
Total Cash and bank balances (a)+(b)	3,872.25		5,464.79	
15 LOANS				
(Unsecured, considered good, measured at amortised cost)				
Staff Loan	194.04		20.63	
Total	194.04		20.63	
16 OTHER FINANCIAL ASSET				
(Unsecured, considered good, measured at amortised cost)				
Security Deposit	259.63		520.41	
Other Financial Assets	51.57		12.88	
Interest Accrued on Other Deposits	97.07		643.04	
Total	408.27		1,176.33	
17 OTHER CURRENT TAX ASSET (NET)				
Advance Tax and Tax Deducted at Source (net of provision)	10.76		298.12	
Total	10.76		298.12	
18 OTHER CURRENT ASSET				
Balance with Government authorities	8,885.62		6,709.02	
Trade Advances	956.42		1,044.73	
Prepayments	183.16		158.83	
Advance to Employees	72.39		57.71	
Others	460.90		110.06	
Total	10,558.49		8,080.35	
19 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
	60,000,000	6,000.00	60,000,000	6,000.00
b) Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	20,618,169	2,061.82	20,618,169	2,061.82
	20,618,169	2,061.82	20,618,169	2,061.82
i) Reconciliation of Number of Shares				
Opening Balance	20,618,169	2,061.82	21,882,060	2,188.21
Shares bought back during the year	—	—	(317,391)	(31.74)
Reduction of capital of equity shares held by GWRL managerial staff welfare trust	—	—	(946,500)	(94.65)
Closing Balance	20,618,169	2,061.82	20,618,169	2,061.82
ii) 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.				

SHINING BRIGHT in Challenging Conditions



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

iii) Details of Shareholders holding more than 5% Shares in the Company Equity Shares

As at 31st March, 2022

As at 31st March, 2021

Mr. V. R. Garware*

3,355,739

3,352,219

16.28%

16.26%

Garware Capital Markets Limited

3,568,170

3,568,170

17.31%

17.31%

The above Shareholding represents the legal ownership of shares

* Out of 33,55,739 equity shares, (1) 19,94,084 Equity Shares are registered in the name of Mr. V. R. Garware as Partner of Partnership Firms. Beneficial interest in the said shares is held by the Partnership firms. (2) 20 Equity Shares are held by Mr. V. R. Garware, on behalf of Trusts.

iv) In the period of five years immediately preceding 31st March, 2022:

During the year ended 31st March, 2021, the Company has bought back 317,391 number of equity shares

During the year ended 31st March, 2021, the Company has made Reduction of capital of 946,500 number of equity shares held by GWRL managerial staff welfare trust.

No bonus shares issued.

v) Share held by the promoters at end of the year

Sr. No	Name	No. of Shares		% of total Share		% change during the year
		31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022
Promoter						
1	Mr. V. R. Garware	1,361,635	1,361,635	6.60	6.60	–
Promoter group						
2	Mr. V. R. Garware, Partner. Beneficial interest in these shares is with Ramesh Trading Co.	1,108,393	1,106,643	5.38	5.37	0.01
3	Mr. V. R. Garware, Partner. Beneficial interest in these shares is with Sunita Trading Co.	885,691	883,941	4.30	4.29	0.01
4	Mrs. M. V. Garware	10	10	–	–	–
5	Garware Capital Markets Limited	3,568,170	3,568,170	17.31	17.31	–
6	VMIR Investment Limited	922,211	922,211	4.47	4.47	–
7	VRG Investments Limited	881,400	881,400	4.27	4.27	–
8	Vimlabai Garware Research Institute Private Limited	554,339	554,339	2.69	2.69	–
9	Moonshine Investments and Trading Company Private Limited	457,945	459,695	2.22	2.23	(0.01)
10	Manmit Investments and Trading Company Private Limited	284,185	284,185	1.38	1.38	–
11	Sanand Investments and Trading Company Private Limited	275,032	275,032	1.33	1.33	–
12	Sukukar Holdings and Trading Company Private Limited	256,600	256,600	1.24	1.24	–
13	Starshine Comtrade Private Limited	201,720	201,720	0.98	0.98	–
14	Gurukrupa Comtrade Private Limited	89,079	90,849	0.43	0.44	(0.01)
15	Garware Research Institute	2,300	2,300	0.01	0.01	–
16	Vayu Ramesh Garware on behalf of VRG Family Trust	10	–	–	–	–
17	Vayu Ramesh Garware on behalf of Vayu Garware Family Trust	10	–	–	–	–


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

	As at 31st March, 2022	As at 31st March, 2021
20 OTHER EQUITY		
RETAINED EARNINGS	75,016.34	59,527.99
OTHER RESERVES		
a) Capital Reserve	119.40	119.40
b) Capital Redemption Reserve	214.37	214.38
c) Share Premium	125.56	125.56
d) General Reserve	22,086.64	22,086.64
Total	<u>22,545.97</u>	<u>22,545.98</u>
Grand Total	<u>97,562.31</u>	<u>82,073.97</u>
21 NON-CURRENT TRADE PAYABLE		
(Measured at Amortised Cost)		
Retention money payable	333.31	135.03
Total	<u>333.31</u>	<u>135.03</u>

Trade Payables ageing Schedule for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment					Total
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	–	0.44	–	–	–	0.44
	–	–	–	–	–	–
(ii) Undisputed dues - Others	332.87	–	–	–	–	332.87
	135.03	–	–	–	–	135.03
	–	–	–	–	–	–
Total	332.87	0.44	–	–	–	333.31
	135.03	–	–	–	–	135.03

(Amounts in Italics font pertains to previous year)

22 NON-CURRENT FINANCIAL LIABILITY		
(Measured at Amortised Cost)		
Security Deposit from Contractor	301.26	4.90
Total	<u>301.26</u>	<u>4.90</u>
23 NON CURRENT PROVISIONS		
Provision for Employee Benefits *	754.16	1065.26
Total	<u>754.16</u>	<u>1065.26</u>
* Provision for employee benefits includes provision for Leave encashment, Super annuation and Gratuity (refer Note No. 38)		
24 DEFERRED TAX (ASSET) / LIABILITIES		
Deferred Tax relates to the following		
Depreciation and Amortisation	2,984.20	2,764.65
Employee Benefit Obligation	(207.61)	14.12
Expenditure Disallowed	(29.61)	(8.81)
Financial Asset / Liabilities measured at FVTPL	545.82	730.20
Financial Asset / Liabilities measured at FVOCI	78.84	90.81
Financial Asset / Liabilities measured at Amortised Cost	–	(0.56)
Others	(21.93)	–
Deferred Tax Liability (Net)	<u>3,349.71</u>	<u>3,590.41</u>

SHINING BRIGHT in Challenging Conditions



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

25 BORROWING-CURRENTS

(Measured at Amortised Cost)

Secured

- From banks

Working Capital Facilities

Packing Credit in Rupee refer note 11.2

Total

As at 31st March, 2022

As at 31st March, 2021

7,957.29

9,691.63

7,957.29

9,691.63

Note:

Loans availed from Bank of India Consortium are secured by a first charge, pari passu, by way of hypothecation of the Company's current assets, viz. raw materials, stock-in-process, semi-finished goods, finished goods, stores & spares (not relating to Plant & Machinery), bills receivable, and book debts. Secured loan including post shipment credit carries an interest rate ranging from 5.60% to 7.30 % p.a. for repayments on various dates ranging up to 180 days.

26 TRADE PAYABLE-CURRENT

(Measured at Amortised Cost)

Outstanding dues of Micro Enterprises & Small Enterprises

Outstanding dues of creditors other than Micro Enterprises & Small Enterprises

Total

544.66

470.82

20,139.32

23,748.50

20,683.98

24,219.32

Trade Payables ageing Schedule for the year ended as at 31st March, 2022 and 31st March, 2021:

Particulars	Outstanding for the following periods from due date of payment					
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	496.31	45.70	0.35	1.70	0.60	544.66
	<i>349.13</i>	<i>82.06</i>	<i>29.92</i>	<i>8.63</i>	<i>1.08</i>	<i>470.82</i>
(ii) Undisputed dues - Others	15,927.20	3,757.24	119.63	58.99	119.39	19982.45
	<i>18803.77</i>	<i>4406.57</i>	<i>164.87</i>	<i>103.16</i>	<i>113.26</i>	<i>23591.64</i>
(iii) Disputed dues - MSME	—	—	—	—	—	—
	—	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	—	156.87	156.87
	—	—	—	—	<i>156.87</i>	<i>156.87</i>
Total	16423.52	3802.94	119.98	60.69	276.86	20683.98
	<i>19152.91</i>	<i>4488.63</i>	<i>194.79</i>	<i>111.79</i>	<i>271.21</i>	<i>24219.32</i>

(Amounts in Italics font pertains to previous year)

27 OTHER CURRENT FINANCIAL LIABILITIES

(Measured at Amortised Cost)

Payable to Employees

Unpaid Dividend (refer note below)

Security deposit from Customer

Other Payables

Total

1,267.10

1,856.21

73.94

78.84

144.60

141.15

499.92

293.61

1,985.56

2,369.81

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, 2022

	(₹ in lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
28 OTHER CURRENT LIABILITY		
Unearned revenue	4,500.08	4,368.84
Advance received from Customers	2,874.31	2,169.07
Statutory dues and other liabilities	172.06	43.47
Total	7,546.45	6,581.38
29 CURRENT PROVISIONS		
Provision for Employee Benefits*	465.02	501.05
Total	465.02	501.05
* Provision for employee benefits includes provision for Leave Encashment, Super Annuation and Gratuity (refer Note No. 38)		
	(₹ in lakhs)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
30 REVENUE		
Sale of Products and Services		
Manufactured Goods	109,105.86	92,866.09
Traded Goods	1,459.06	2,682.93
Contracts for Supply & Installation	5,259.63	4,778.39
Other operating Revenue		
Sale of Scrap	1,000.76	1,091.44
Sale of Raw Material	527.01	243.38
Miscellaneous Receipts	253.14	63.98
Total	1,780.91	1,398.80
Disaggregation of revenue		
Revenue based on Geography		
Domestic	41,872.04	38,166.86
Export	75,733.42	63,559.35
Revenue from operations	117,605.46	101,726.21
Revenue based on Business Segment		
Synthetic Cordage	101,257.39	85,597.83
Fibre and Industrial Products & Projects	16,348.07	16,128.38
Total Revenue from operation	117,605.46	101,726.21
Reconciliation of Revenue from operations with contract price		
Contract Price	118,559.77	102,887.51
Less:- Discounts and Incentives	(954.31)	(1,161.30)
Total Revenue from operation	117,605.46	101,726.21
31 OTHER INCOME		
Interest income from financial asset carried at amortise cost		
Bank deposits	364.30	851.28
From other financial assets	26.16	29.33
Dividend income from equity investments designated at FVTOCI	13.17	14.64
Fair Value Gain at financial instruments at FVTPL	1,935.19	2,111.11
Gain on sale/redemption of investments	208.21	445.89
Profit on sale of Fixed Asset	—	1.26
Total	2,547.03	3,453.51

SHINING BRIGHT in Challenging Conditions



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	(₹ in lakhs)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
32 COST OF MATERIAL CONSUMED		
Opening Stock at the beginning of the year	6,232.60	5,447.43
Add : Purchases	33,384.86	25,371.99
Less : Closing Stock at the end of the year	(5,862.23)	(6,232.60)
Total	33,755.23	24,586.82
33 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock at the beginning of the year		
Work-in-Progress	3,490.80	4,653.48
Finished Goods	5,040.86	6,023.81
Traded Goods	666.01	542.87
	9197.67	11,220.16
(b) Closing Stock at the end of the year		
Work-in-Progress	3,833.53	3,490.80
Finished Goods	5,941.64	5,040.86
Traded Goods	670.11	666.01
	10,445.28	9,197.67
Net Total (Increase) / Decrease	(1,247.61)	2,022.49
34 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	13,062.20	13,349.83
Contribution to Provident and other Funds (Note No. 38)	820.35	727.20
Staff Welfare	882.60	911.36
Total	14,765.15	14,988.39
35 FINANCE COST		
Interest expenses on borrowings *	769.86	739.16
Bank charges	275.14	257.81
Total	1,045.00	996.97
* Interest expenses includes ₹ 433.93 lakhs (previous year ₹ 353.69 lakhs) on account of interest on borrowings from related parties.		
36 OTHER EXPENSES		
Stores and Spares consumed	9,583.44	8,069.07
Packing materials consumed	1,567.52	1,336.36
Power, Fuel and Water Charges	4,091.15	3,302.73
Processing and Testing Charges	10,963.95	9,592.17
Installation Contract related expenses	1,954.70	2,246.08
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	624.20	347.00
Rent	455.54	437.34
Rates, Taxes and Octroi	131.52	78.33
Insurance	252.23	315.78
Transport and Forwarding Charges -Export	8,650.70	4,736.63
Transport and Forwarding Charges -Domestic	2,433.54	2,001.06


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

		(₹ in lakhs)
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Repairs and Maintenance		
Buildings	39.57	26.37
Plant and Machinery	1,814.12	1,441.42
Others	449.43	409.99
Travelling Expenses	702.35	273.34
Discount and Commission on sales	216.77	606.41
Bad Debts	47.75	100.02
Provision for Doubtful Debts	76.57	14.77
Legal and Professional Charges	1,215.86	1,128.13
Auditors' Remuneration		
Audit Fees	16.50	14.15
Fees for other Services	25.43	34.80
Out of pocket expenses	2.13	1.28
Establishment and other miscellaneous expenses	2,068.03	1,813.55
Exchange (Gain) / Loss (net)	(1,784.35)	(1,115.97)
Preliminary Expenses	—	—
Directors' Fees	7.00	6.60
(Profit) / Loss on Fixed Assets Discarded	21.10	—
Total	<u>45,626.76</u>	<u>37,217.41</u>

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	924.67	890.04
Capital expenditure	43.53	41.34

37 Income taxes

The major components of income tax expenses for the year ended 31st March, 2022 & 31st March, 2021.

Statement of Profit and Loss:

Current income tax charges		
Current income tax	5,156.41	4,470.53
Deferred tax		
Relating to origination and reversal of temporary differences	(228.73)	333.93
Income tax expenses reported in the Statement of profit and loss	<u>4927.68</u>	<u>4804.46</u>

Other comprehensive income

Remeasurement of Investment in Equity Instruments	0.87	782.04
Net gain or loss on remeasurements of defined benefit plans	(82.18)	(36.43)
Income tax related to items that will not be reclassified to profit or loss	12.15	(7.42)

SHINING BRIGHT in Challenging Conditions



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2021 & 31st March, 2022.

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Accounting profit before tax (before exceptional items)	21,000.74	20,267.44
At India's statutory income tax rate of 25.168%	5,285.47	5,100.91
Fair value gain of FVTOCI investment Dividend income	(539.45)	(643.54)
Difference in book and IT depreciation	53.01	24.20
Others	3.37	(197.18)
Tax on Capital gain income	354.02	186.14
Income Tax expenses reported in the Statement of Profit and Loss (A)	5,156.41	4,470.53
Tax Expenses recognised in Statement of Profit and Loss		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(16.41)	(41.92)
Incremental Deferred Tax Liability / (Asset) on account of Financial Assets and Other items	(212.32)	375.85
Deferred Tax Provision (B)	(228.73)	333.93
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)	4927.68	4,804.46

During the year, income tax assessment orders for AY 2013-14 to AY 2019-20 were passed. There is an aggregate income tax demand of ₹ 3,183.65 lakh pertaining to the said assessment orders. Out of this a majority pertains to procedural delays in issuance of certain documents from concerned authority which is required to be submitted to the department. The Company has filed appeals for all the assessment years, which are pending before the appellate authority. The Company expects a positive outcome and hence the same is treated as a contingent liability.

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 deficit (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, 2020	2,417.77	(1,887.24)	530.53
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


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current Service Cost	158.89	–	158.89
Interest Cost / (Income)	192.78	(142.52)	50.26
Total amount recognised in Profit or Loss	351.67	(142.52)	209.15
Actuarial (Gains)/Losses on Obligations - Due to Experience	210.26	–	210.26
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(109.45)	–	(109.45)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(3.03)		(3.03)
Return on Plan Assets, Excluding Interest Income		(15.60)	(15.60)
Total amount recognised in Other Comprehensive Income	97.78	(15.60)	82.18
Contributions by the Employer	–	(644.52)	(644.52)
Benefit Paid From the Fund	(197.65)	197.65	–
31st March, 2022	3,086.79	(2,700.82)	385.97

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

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Present value of funded obligation	(3,086.79)	(2,834.99)	(2,417.77)
Fair value of plan assets	2,700.82	2,095.84	1,887.24
Funded Status (Surplus/ (Deficit))	(385.97)	(739.15)	(530.53)

III Significant estimates

The principal actuarial assumptions were as follows :

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Discount rate	7.23%	6.80%	6.87%
Salary growth rate	6.00% p.a. for the next 2 years, 5% p.a. thereafter, starting from the 3rd year	6.00% p.a. for the next 2 years, 5% p.a. thereafter, starting from the 3rd year	5%
Normal retirement age	58/60 years	58/60 years	58/60 years
Mortality table	Indian Assured Lives Mortality (2012-14)	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, 2022	31st March, 2021
Discount rate		
1.00% increase	Decrease by 232.15	Decrease by 207.53
1.00% decrease	Increase by 264.46	Increase by 236.48
Future salary increase		
1.00% increase	Increase by 267.46	Increase by 237.91
1.00% decrease	Decrease by 238.66	Decrease by 212.35
Attrition Rate		
1.00% increase	Increase by 39.97	Increase by 27.11
1.00% decrease	Decrease by 44.30	Decrease by 30.11

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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, 2022	31st March, 2021
Within next 12 months	240.72	335.63
Between 1-10 years	2319.20	1911.19
11 years & above	3651.34	3115.41

V The major categories of plan assets are as follows:

(%)

Particulars	31st March, 2022	31st March, 2021
Investments with Insurer (LIC of India)	0.01%	0.01%
HDFC Standard Life Insurance	99.99%	99.99%

39 Segment Reporting

- The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. These business segments are : 1. Synthetic Cordage 2. Fibre and Industrial Products & Projects. Segments based on the location of the customers are identified as secondary segments.
- Segment Accounting Policies are the same as those used in the preparation of the Financial Statements. The company generally accounts for intersegment sales and transfers at cost plus appropriate margins.
- The segment revenues and segment expenses are directly attributable to the segments, except certain expenses which are not allocated to any segments by using appropriate basis. All other expenses which are not attributable or allocable to the segments have been disclosed as unallocable expenses.
- The segment assets and liabilities are directly attributable to the segments, except certain assets and liabilities which are allocated to the segments using appropriate basis. All other assets and liabilities are disclosed as unallocable.

i) Primary Segment Report

(₹ in lakhs)

Year 2021-2022

Year 2020-2021

Particulars	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total
i) Segment Revenue	101,697.68	18,420.07		120,117.75	86,253.29	17,276.94		103,530.23
Inter-segment revenue	(440.29)	(2,072.00)		(2,512.29)	(655.46)	(1,148.56)		(1,804.02)
Sales/Income From operations	101,257.39	16,348.07		117,605.46	85,597.83	16,128.38		101,726.21
ii) Depreciation and amortization	1,900.61	240.14		2,140.75	1,715.47	240.04	108.48	2,063.99
iii) Segment Result	21,079.53	2,212.56	-	23,292.09	18,552.54	2,564.19	-	21,116.74
Less -								
i) Interest				(1,045.00)				(996.97)
ii) Other Unallocable expenditure net of unallocable (income)				(1,246.35)				147.68
Total profit before tax				21,000.74				20,267.44
iv) Segment Assets	60,582.46	10,637.59	71,780.82	143,000.86	56,149.00	10,009.59	66,135.99	132,294.58
v) Segment Liabilities	26,475.63	5,375.57	11,525.53	43,376.73	31,003.21	3,751.24	13,404.35	48,158.79


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Reconciliation of Profit

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Segment Profit	23,292.09	21,116.74
Other Income	2,547.03	3,453.51
Finance Cost	(1,045.00)	(996.97)
Other Corporate Costs	(3,793.38)	(3,305.83)
Profit Before Tax and discontinued operations	21,000.74	20,267.44

Reconciliation of Assets

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Segment operating assets	71,220.05	66,158.59
Investments	56,787.05	51,409.98
Cash and bank balances	3,872.25	5,464.79
Balances with government authorities	6,709.02	6,709.02
Other unallocable assets	4,412.49	2,552.20
Total assets	143,000.86	132,294.58

Reconciliation of liabilities

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Segment operating liabilities	31,851.20	34,754.44
Borrowings	7,957.29	9,691.63
Income tax liabilities (Net)	3,349.71	3,590.41
Other unallocable liabilities	218.53	122.32
Total liabilities	43,376.73	48,158.79

ii) Information about geographic segment

Revenue from external customers

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
India	41,872.04	38,166.86
Outside India	75,733.42	63,559.35
Total	117,605.46	101,726.21

iii) Notes :

The business segments viz. 'Synthetic Cordage' and 'Fibre and Industrial Products and Projects' are considered as the primary segments. Synthetic Cordage comprises of Ropes, Twines and nettings made of Twine. Fibre and Industrial Products & Projects segment comprises of fibre, Synthetic fabric, Yarn, Woven and Non-woven textiles, Secugrids, Coated steel gabions, Machinery and project. Intersegment sales are accounted for at market value.

The geographical segments on the basis of location of customers are considered as secondary segments. Sales are recognised as sales to customers in India and sales to customers outside India. As the Company has integrated manufacturing facilities, it is not possible to directly attribute or allocate on a reasonable basis, the expenses, assets and liabilities to the geographical segment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

40 DISCLOSURE OF THE TRANSACTIONS WITH RELATED PARTIES, FOR THE YEAR ENDED ON 31st MARCH, 2022

(I) List of Related Parties & Relationship :

A. Subsidiary

1. Garware Technical Fibres USA Inc.
2. Garware Technical Fibres Chile SPA
3. Garware Environmental Services Pvt. Ltd.
4. Garware Technical Textile Pvt. Ltd.
5. Garware Technical Fibres Foundation (w.e.f. 3rd August, 2021)

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. S. S. Rajpathak - Independent Director
5. Ms. Mallika Sagar - Independent Director
6. Mr. S. V. Raut (w.e.f. 11th November, 2021, upto 7th January, 2022)

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)
20. Vayu Garware Family Trust
21. VRG Family Trust


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(II) Following are the transactions with the related parties mentioned in A, B, C, D & E above during the year ended on 31st March, 2022:

(₹ in lakhs)

Sr. No.	Particulars	Subsidiaries Companies	Associate Companies	Enterprises Owned or significantly Influenced by Key Management Personnel or their Relatives	Executive Directors - Key Management Personnel	Non-Executive Directors	Total
	Transactions with Related Parties						
1	Deposit Received	–	–	4038.00	–	–	4038.00
		–	–	<i>4089.00</i>	–	–	<i>4089.00</i>
2	Deposit Refund	–	–	4038.00	–	–	4038.00
		–	–	<i>4089.00</i>	–	–	<i>4089.00</i>
3	Interest paid on Deposits	–	–	433.93	–	–	433.93
		–	–	<i>353.68</i>	–	–	<i>353.68</i>
4	Director Remuneration *	–	–	–	992.76	–	992.76
		–	–	–	<i>903.07</i>	–	<i>903.07</i>
5	Directors Sitting Fees	–	–	–	–	7.20	7.20
		–	–	–	–	<i>6.60</i>	<i>6.60</i>
6	Dividend paid	–	–	237.18	34.04	0.01	271.23
		–	–	–	–	–	–
7	Sale of Goods/Services	21700.76	–	–	–	–	21700.76
		<i>12532.95</i>	–	–	–	–	<i>12532.95</i>
8	Reimbursement of Expenses received	6.36	–	–	–	–	6.36
		<i>13.78</i>	–	–	–	–	<i>13.78</i>
9	Investment in Subsidiary**	1.00	–	–	–	–	1.00
		<i>74.57</i>	–	–	–	–	<i>74.57</i>
Balance as on 31st March, 2022							
10	Sundry Debtors from subsidiary	7116.86	–	–	–	–	7116.86
		<i>4602.67</i>	–	–	–	–	<i>4602.67</i>
11	Investment in Equity Shares	4830.11	0.50	–	–	–	4830.61
		<i>4699.54</i>	<i>0.50</i>	–	–	–	<i>4699.54</i>
12	Balance (Payable) / Receivable *	–	–	–	(670.00)	–	(670.00)
		–	–	–	<i>(700.00)</i>	–	<i>(700.00)</i>

(Amounts in Italics font pertains to previous year)

* 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 ₹ 670 lakhs (Previous year ₹ 700 lakhs)

** During the year, the Company has invested an amount of ₹ 1/- lakh in Garware Technical Fibres Foundation, a Section 8 wholly owned subsidiary of the Company. The same was not consolidated along with the Financial Statement of the Company.

For Investment in related parties as at 31st March, 2022 refer Note No. 5.

(₹ in lakhs)

41 EARNINGS PER SHARE (EPS)
BASIC AND DILUTED EPS

Net Profit attributable to Equity Shareholders of the Company
 Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs)
 Basic And Diluted Earning Per Share (₹)

31st March, 2022

31st March, 2021

16,073.06	15,462.98
206.18	212.21
77.96	72.87



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

	31st March, 2022	31st March, 2021
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
In respect of matters under dispute		
- Sales Tax	9.15	9.15
- BG Encashment claim	—	25.34
- Income tax	3,183.65	—
- Octroi	21.64	21.64

43 Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹ 569.15 lakhs (As at 31st March, 2021 ₹ 117.14 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 31.03.2022, the said partnership has incurred a loss of ₹ (0.01) lakhs (As at 31st March, 2021 ₹ (0) lakhs).

Current assets	0.77	0.78
Non-current assets	15.40	15.40
Current liabilities	—	—
Non-current liabilities	(21.04)	(21.04)
Reserve & Surplus	4.87	4.86
Revenue	—	—
Cost of material consumed	—	—
Employee benefit expenses	—	—
Other expenses	(0.01)	—
Profit / (loss) before tax	(0.01)	—
Income-tax expenses	—	—
Profit / (loss) after tax	(0.01)	—


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
45 Analytical Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Formula	For the year ended 31st March, 2022	For the year ended 31st March, 2021	Variance
A Balance Sheet related ratios:				
Current Ratio	Total Current assets / Total Current Liabilities	78,222.26	78,229.93	
		38,638.30	43,363.19	
		2.02	1.80	12%
Debt-Equity Ratio *	Total borrowing / Net worth	7,957.29	9,691.63	
		99,624.13	84,135.79	
		0.08	0.12	(31%)
Debt Service Coverage Ratio	Earnings available for debt service / Debt Service (Interest Payment + Principal Repayment)	19,258.81	18523.94	
		1,045.00	996.97	
		18.43	18.58	(1%)
Inventory turnover ratio	Cost of Goods Sold / Average Inventory	35,574.09	29,645.52	
		18,516.48	18,200.18	
		1.92	1.63	18%
Trade receivable turnover ratio	Total Sales / Average Trade receivables	117,605.46	101,726.21	
		23,974.09	21,765.17	
		4.91	4.67	5%
Trade payable turnover ratio	Total Purchase + Other Expenses / Average Trade payable	82,078.08	65,625.61	
		22,685.82	22,224.13	
		3.62	2.95	23%
Net capital turnover ratio	Total Sales / Average Working Capital	117,605.46	101,726.21	
		37,225.35	28,659.93	
		3.16	3.55	(11%)
B Profit & Loss related ratios				
Return on equity ratio	Profit After Tax / Net worth	16,073.06	15,462.98	
		99,624.13	84,135.79	
		16.1%	18.4%	(12%)
Net profit ratio	Profit After Tax / Sales	16,073.06	15,462.98	
		120,152.49	105,179.72	
		13.4%	14.7%	(9%)
Return on capital employed	Earnings Before Interest and Tax / Average Capital Employed	22,045.74	21,264.42	
		104,174.48	93,998.91	
		21.2%	22.6%	(6%)
Return on investment **	Treasury Income / Average invested funds in treasury investments	2,143.39	2,557.00	
		46,922.72	38,677.97	
		4.6%	6.6%	(31%)

* Mainly due to reduction in borrowing and corresponding increase in networth on account of profit during the year.

** Mainly due to reduction in lending rate by RBI which has resulted in reduction in rate of return on debt mutual funds.

46 There have been no transactions carried out in Crypto Currency or Virtual Currency during the year, neither the Company holds any balances in the same.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

47 Relationship with Struck-off companies Balances as at 31st March, 2022

Name of struck off company	Nature of Transaction with struck off company	Balanace outstanding	Relationship with struck off company
Genex Infraproject Limited	Company's shares held	100	Share holder
Sujeer Nayak Trading Enterprises Pvt. Ltd.	Company's shares held	208	Share holder
	Investments in securities	NA	
	Receivables	NA	
	Payables	NA	
	Other outstanding balances (to be specified)	NA	

Balances as at 31st March, 2021

Name of struck off company	Nature of Transaction with struck off company	Balanace outstanding	Relationship with struck off company
Genex Infraproject Limited	Company's shares held	100	Share holder
Sujeer Nayak Trading Enterprises Pvt. Ltd.	Company's shares held	208	Share holder
	Investments in securities	NA	
	Receivables	NA	
	Payables	NA	
	Other outstanding balances (to be specified)	NA	

48 Disclosures pertaining to Corporate Social Responsibility

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Amount required to be spent by the company during the year	320.04	284.86
Amount of expenditure incurred during the year on:		
(i) Construction/acquisition of asset	—*	153.50**
(ii) On purposes other than (i) above	320.04*	131.36**
Shortfall at the end of the year	—	—
Total of previous years shortfall	—	—
Reason for shortfall	NA	NA
Details of related party transactions	—	—

Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.

* Includes an amount of ₹ 154.61 lakhs earmarked for ongoing projects (including construction / acquisition of assets) transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the Financial Year 2021-22.

** 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.

Nature of CSR activity:

Activities like Promoting health care, Education, Environmental Sustainability, Rural Development and Livelihood enhancement projects.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
49 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, 2022.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	–	–	4,830.61	4,830.61
Other Investments-Non Current	1,099.32	33,000.92	–	34,100.24
Trade Receivables-Non Current	–	–	163.09	163.09
Loans-Non Current	–	–	331.66	331.66
Other Financial Assets-Non Current	–	–	631.40	631.40
Other Investments-Current	–	17,856.21	–	17,856.21
Trade Receivables-Current	–	–	25,997.38	25,997.38
Loans-Current	–	–	194.04	194.04
Other Financial Assets-Current	–	–	408.27	408.27
Total	1,099.32	50,857.13	32,556.44	84,512.89
Financial Liabilities				
Trade Payable-Non Current	–	–	333.31	333.31
Other Financial Liabilities-Non Current	–	–	301.26	301.26
Borrowings-Current	–	–	7,957.29	7,957.29
Trade Payable-Current	–	–	20,683.98	20,683.98
Other Financial Liabilities-Current	–	–	1,985.56	1,985.56
Total	–	–	31,261.40	31,261.40

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	–	–	331.43	331.43
Other Financial Assets-Non Current	–	–	590.43	590.43
Other Investments-Current	–	23,893.70	–	23,893.70
Trade Receivables-Current	–	–	21,587.91	21,587.91
Loans-Current	–	–	20.63	20.63
Other Financial Assets-Current	–	–	1,176.33	1,176.33
Total	1,098.26	45,482.11	28,736.15	75,316.52
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, 2022

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, 2022

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	1,026.18	–	–	1,026.18
Unquoted equity instruments	–	–	73.14	73.14
FVTPL financial investments				
Other Debt Instrument	17.66	50,839.47	–	50,857.13
Unquoted debt instruments	–	–	–	–
Unquoted equity instruments	–	–	–	–

As at 31st March, 2021

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	1,026.02	–	–	1,026.02
Unquoted equity instruments	–	–	72.24	72.24
FVTPL financial investments				
Foreign Currency Forward Contract	–	–	–	–
Other Debt Instrument	17.66	43,005.96	–	43,023.62
Unquoted debt instruments	–	2,458.49	–	2,458.49
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.


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

- (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:

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

(₹ in lakhs)

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Trade Receivable	USD	18263.01	14,919.18
Trade Payable	USD	(1275.39)	(2,655.64)
Net		16987.62	12,263.53
Forward Contracts to Sell (Hedge of Receivables)	USD	(15382.91)	(8,435.91)
Net Exposure		1604.71	3,827.63

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)

Particulars	Currency	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Impact on profit before tax			
INR/USD - Increase by 1%	USD	345.11	400.16
INR/USD - Decrease by 1%	USD	(345.11)	(400.16)



NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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, 2022	For the year ended 31st March, 2021
Interest expense	Increase	100 basis point	(61.08)	(70.09)
	Decrease	100 basis point	61.08	70.09
Interest income/Fair Value gain	Increase	100 basis point	535.89	540.19
	Decrease	100 basis point	(535.89)	(540.19)

e 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.

f 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.

g 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.

h 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)

Financial Liabilities	Year	Total	More than 1 year	Less than 1 year
Trade Payables	31st March, 2022	21,017.29	333.31	20,683.98
	31st March, 2021	24,354.35	135.03	24,219.32
Borrowings	31st March, 2022	7,957.29	–	7,957.29
	31st March, 2021	9,691.63	–	9,691.63
Other Financial Liabilities	31st March, 2022	2,286.82	301.26	1,985.56
	31st March, 2021	2,374.71	4.90	2,369.81


NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
i 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.

50 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, 2022	As at 31st March, 2021
Short Term Debt (including current maturities of long term loan)	7,957.29	9,691.63
Long Term Debt	—	—
Trade Payables	20,683.98	24,219.32
Less: Cash and cash equivalents	(3872.25)	(5,464.79)
Net Debt	24,769.02	28,446.16
Equity	99,624.13	84,135.79
Capital and net debt	124,393.15	112,581.95
Net Debt to Capital Ratio (Debt/Equity plus debt)	0.20	0.25

51 COVID - 19 Pandemic and resulting Lockdown measures by the Government of India has impacted economic activities worldwide and as a result, impacted operations and financial results of the Company. The Company has considered all available information, while preparing its Financial Results for the year ended 31st March, 2022.

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

(ABHAY MEHTA)
Partner
M. No. 046088

Mumbai,
5th May, 2022

MUKESH SURANA
Chief Financial Officer

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

Pune,
5th May, 2022

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

MALLIKA SAGAR
Director
DIN: 02228386

CONSOLIDATED FINANCIAL STATEMENTS





INDEPENDENT AUDITORS' REPORT

To,
 The Members of,
GARWARE TECHNICAL FIBRES LIMITED
Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Financial Statements of **GARWARE TECHNICAL FIBRES LIMITED** 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, 2022, 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, 2022, 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
Inventory Existence: The inventory's carrying value in the Consolidated Balance Sheet as at 31st March, 2022 is ₹ 22,393.43 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: <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. 	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: <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 There were no significant exceptions noted from these procedures. We tested a sample of inventory items to assess whether they were recorded at a value higher than that for which they could be sold. We did not identify any exceptions.

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

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial



SHINING BRIGHT in Challenging Conditions

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 ₹ 164.60 lakh as at 31st March, 2022, total revenue of ₹ 6.97 lakh, Profit after tax ₹ 4.75 lakh and net cash flow amounting to ₹ (1.59) 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, 2022, 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 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, 2022, 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, 2022 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 the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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



SHINING BRIGHT in Challenging Conditions

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, 2022 on the consolidation financial position of the group and associate - Refer Note No.43 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, 2022.
- (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) With respect to dividends
 - a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - b. There was no interim dividend declared by the Company.
 - c. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.
- II. With respect to the matters specified in paragraphs 3(xx) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report of subsidiaries.

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

ABHAY R. MEHTA
Partner

M. No.: 046088

UDIN: 22046088AIKWRY1126

Place: Mumbai
Date: 5th May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GARWARE TECHNICAL FIBRES LIMITED FOR THE YEAR ENDED 31ST MARCH, 2022

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

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, 2022, 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, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. The Guidance Note and those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

ABHAY R. MEHTA
 Partner

Place: Mumbai
 Date: 5th May, 2022

M. No.: 046088
 UDIN: 22046088AIKWRY1126

SHINING BRIGHT in Challenging Conditions

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022

		(₹ in lakhs)	
		As at	As at
		31st March, 2022	31st March, 2021
A ASSETS			
(1) Non-Current Assets	Note No.		
(a) Property, Plant and Equipment	3	23,582.27	24,236.31
(b) Intangible Assets	4	419.92	476.31
(c) Financial Assets			
(i) Investments in Subsidiaries, Associates	5	1.00	—
(ii) Other Investments	6	34,218.29	22,799.73
(iii) Trade Receivables	7	163.09	199.81
(iv) Loans	8	331.66	331.43
(v) Other Financial Assets	9	668.57	590.43
(d) Other non-current Assets	10	739.62	737.48
Total Non-Current Assets		60,124.42	49,371.50
(2) Current Assets			
(a) Inventories	11	22,393.43	19,041.83
(b) Financial Assets			
(i) Investments	12	17,856.21	23,893.70
(ii) Trade Receivables	13	25,793.97	24,177.55
(iii) Cash and Cash Equivalents	14	3,905.74	531.93
(iv) Bank Balances other than (iii) above	14	141.56	5,207.96
(v) Loans	15	194.04	20.63
(vi) Other Financial Assets	16	408.27	1,176.33
(c) Other Current Tax Assets	17	104.94	324.11
(d) Other Current Assets	18	10,585.30	8,142.24
Total Current Assets		81,383.46	82,516.28
TOTAL - ASSETS		141,507.88	131,887.78
B EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	19	2,061.82	2,061.82
(b) Other Equity	20	94,996.71	79,048.88
Total Equity		97,058.53	81,110.70
(2) Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payable	21	333.31	135.03
(ii) Other Financial Liabilities	22	301.26	4.90
(b) Provisions	23	754.16	1,065.26
(c) Deferred Tax Liabilities (Net)	24	3,350.97	3,590.41
Total Non-Current Liabilities		4,739.70	4,795.60
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	7,957.29	10,181.39
(ii) Trade Payables	26	21,049.57	24,991.38
(iii) Other Current Financial Liabilities	27	2,071.39	2,486.90
(b) Other Current Liabilities	28	8,017.75	7,733.57
(c) Provisions	29	465.02	501.05
(d) Current Tax Liabilities (Net)	30	148.63	87.19
Total Current Liabilities		39,709.65	45,981.48
TOTAL - EQUITY AND LIABILITIES		141,507.88	131,887.78

C NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-53

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,
5th May, 2022

Pune,
5th May, 2022

S. S. RAJPATHAK
Director
DIN: 00040387

MALLIKA SAGAR
Director
DIN: 02228386


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

			(₹ in lakhs)
	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1 INCOME			
Revenue from Operations	31	118,939.87	103,456.98
Other Income	32	2,554.00	3,467.24
Total Income		121,493.87	106,924.22
2 EXPENSES			
Cost of Materials Consumed	33	34,781.56	25,395.87
Purchases of stock-in-trade		3,147.65	3,051.54
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(2,983.23)	1,162.22
Employee Benefits Expenses	35	14,981.95	15,273.55
Finance Cost	36	1,057.31	1,032.01
Depreciation and Amortisation Expenses	3,4	2,145.98	2,064.59
Other expenses	37		
i) Processing and Testing Charges		10,963.95	9,592.83
ii) Others		35,757.39	28,544.77
Total Expenses		99,852.56	86,117.38
Profit Before Tax		21,641.31	20,806.84
Tax Expenses	38		
1. Current Tax		5,390.72	4,633.18
2. Deferred Tax		(227.47)	333.93
TOTAL TAX EXPENSE		5,163.25	4,967.11
Profit After Tax		16,478.06	15,839.73
Share of profit/(loss) from Investment in Associate & Join Venture		0.03	(0.10)
Profit for the year		16,478.09	15,839.63
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurement of Investment in Equity Instruments		0.88	782.04
Remeasurement of Defined Benefit Obligation		(82.18)	(36.43)
(ii) Income tax related to items that will not be reclassified to profit or loss		12.15	(7.42)
Total Other Comprehensive Income for the year		(69.16)	738.19
Total Comprehensive Income for the year		16,408.93	16,577.82
EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10 each)			
Basic (₹) and Diluted (₹)	42	79.92	74.64
Profit for the year			
Attributable to:			
Equity holder of parent		16,478.06	15,839.73
Non-controlling interest		0.03	(0.10)
Other Comprehensive income for the year			
Attributable to:			
Equity holder of parent		(69.16)	738.19
Non-controlling interest		—	—
Total comprehensive income for the year			
Attributable to:			
Equity holder of parent		16,408.90	16,577.92
Non-controlling interest		0.03	(0.10)

3 NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-53

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,
 5th May, 2022

 Pune,
 5th May, 2022

S. S. RAJPATHAK
 Director
 DIN: 00040387

MALLIKA SAGAR
 Director
 DIN: 02228386

SHINING BRIGHT in Challenging Conditions

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

Other Equity

For the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Equity Share Capital	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, 2020	2188.21	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	-	-	-	-	-	-	15,839.72	(0.69)	-	-	15,839.04
Capital reserve GTF USA Inc	-	-	-	-	-	-	-	-	-	-	-
Reduction of Employee Welfare Trust Shares (Refer Note: 18)	(94.65)	94.65	-	(306.29)	-	-	-	-	-	-	(211.64)
Transfer to Capital Redemption Reserve	-	-	31.74	-	(31.74)	-	-	-	-	-	-
Buyback of Shares (including Transaction Charges) (Refer Note: 18)	(31.74)	-	-	(7,268.25)	(1,751.45)	-	-	-	-	-	(9,019.70)
Transfer to General Reserve	-	-	-	-	20,000.00	-	(20,000.00)	-	-	-	-
Foreign currency translation credit	-	-	-	-	-	(21.65)	-	-	-	-	(21.65)
Capital Reserve GTF USA Inc	-	-	-	-	-	-	-	-	(36.43)	774.62	738.19
Other comprehensive income	-	-	-	-	-	-	-	-	(36.43)	774.62	738.19
Total Comprehensive income for the year	(126.39)	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	2,061.82	294.38	214.37	125.56	22,086.65	(21.65)	55,767.46	-	(402.36)	984.47	79,048.88
Balance as at 1st April, 2021	2,061.82	294.38	214.37	125.56	22,086.65	-	55,767.46	-	(402.36)	984.47	79,048.88
Profit for the year	-	-	-	-	-	-	16,478.06	-	-	-	16,478.06
Foreign currency translation credit	-	-	-	-	-	54.47	-	-	-	-	54.47
Capital reserve GTF USA Inc	-	-	-	-	-	-	-	-	-	-	-
Reduction of Employee Welfare Trust Shares (Refer Note: 18)	-	-	-	-	-	-	-	-	-	-	-
Transfer to Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-
Buyback of Shares (including Transaction Charges) (Refer Note: 18)	-	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	(82.18)	13.03	(69.16)
Total Comprehensive income for the year	-	-	-	-	-	54.47	16,478.06	-	(82.18)	13.03	16,463.38
Dividends paid	-	-	-	-	-	-	(515.55)	-	-	-	(515.55)
Dividends distribution tax paid	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	2,061.82	294.38	214.37	125.56	22,086.65	32.82	71,729.97	-	(484.54)	997.49	94,996.71

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,
5th May, 2022

MUKESH SURANA
Chief Financial Officer

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

Pune,
5th May, 2022

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

MALLIKA SAGAR
Director
DIN: 02228386


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

(₹ in lakhs)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	21,641.31	20,806.84
Adjustments for reconcile Profit Before Tax to Net Cash Flows:		
Depreciation and Amortisation Expenses	2,145.98	2,064.59
Unrealised Exchange Difference	36.87	466.69
Finance Cost	1,057.30	1,032.01
Interest and Dividend Income Received	(410.60)	(910.25)
Fair Value Gain at Financial Instruments at FVTPL	(1,935.19)	(2,111.10)
Gain on sale/redemption of investments	(208.21)	(445.89)
(Profit) / Loss on sale of Fixed Assets	21.10	(1.26)
Bad Debts	51.37	101.17
Provision for Doubtful Debts	76.56	14.77
Operating Profit before Working Capital Changes	22,476.49	21,017.57
Working Capital Adjustments		
(Increase) / Decrease in Trade & Other Receivable and Other Assets	(3,690.77)	(2,055.03)
(Increase) / Decrease in inventories	(3,351.61)	123.90
Increase / (Decrease) in Trade and Other Payables	(3,921.80)	8,311.72
Cash generated from Operations	11,512.31	27,398.15
Direct Taxes paid	(5,127.74)	(4,590.80)
Net cash provided by Operating Activities	6,384.57	22,807.35
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment and Intangible Assets	(1,470.78)	(2,354.84)
Sale of Property, Plan & Equipment	17.77	27.85
(Increase)/ Decrease of Investments	(1.00)	-
(Increase)/ Decrease of Other Investments	(313.79)	(13,176.73)
Interest and Dividend Income Received	2,554.00	3,467.24
Net cash provided by / (used in) Investing Activities	786.20	(12,036.48)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short-term / Long-term Borrowings	(2,224.10)	(3,072.28)
Buyback of Shares (incl. Buyback Tax and Transaction Charges)	-	(9,051.45)
Reduction of Employee Welfare Trust shares	-	(306.29)
Expenses for buyback of equity shares		
Finance Cost	(1,057.31)	(1,032.01)
Dividend paid including Dividend Distribution Tax	(515.55)	-
Foreign currency translation credit		
Net cash from Financing Activities	(3,796.96)	(13,462.03)
Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)	3,373.81	(2,691.16)
Cash & Cash Equivalents at the beginning of the year	531.93	3,223.07
Cash & Cash Equivalents at year end	3,905.74	531.93

Reconciliation of cash flow in liabilities arising from financing activities

(₹ in lakhs)

Particulars	Amount
As at 1st April, 2020	13,253.68
Cash movements	(3,072.29)
As at 31st March, 2021	10,181.39
Cash movements	(2,224.10)
As at 31st March, 2022	7,957.29

IV. NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 1-53

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,
 5th May, 2022

 Pune,
 5th May, 2022

S. S. RAJPATHAK
 Director
 DIN: 00040387

MALLIKA SAGAR
 Director
 DIN: 02228386

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

1 COMPANY INFORMATION

Garware Technical Fibres Limited ("the Holding Company") is incorporated under the Provision of Companies Act, 1956 (as amended by the 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 Holding Company's financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 05, 2022 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 and Recent accounting Pronouncements:

(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.

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

Assets and liabilities of entities with functional currency other than the functional currency of the Company have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss of such entities has been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity. When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to statement of profit and loss as part of the gain or loss on disposal.

(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.

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

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 from 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 yearend 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.

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

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 Holding 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:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. 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.

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)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Financial Assets at Amortised Cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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:

- The rights to receive cash flows from the asset have expired, or
- 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:
 - The Group has transferred substantially all the risks and rewards of the asset, or
 - 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.

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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 Holding 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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 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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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.

2.17 Government Grants and Subsidy

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

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

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

2.18 Earnings Per Share:

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

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

2.19 Cash and Cash Equivalent:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

2.20 Cash Flow Statement

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

2.21 Commitments

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

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

2.22 Segment Reporting

(A) Operating Segments

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

Identification of Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Management.

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

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

During the year, income tax assessment orders for AY 2013-14 to AY 2019-20 were passed. There is an aggregate income tax liability of ₹ 3,123.85 lakh pertaining to the said assessment orders.

The Holding Company has filed appeals for all the assessment years, which are pending before the first appellate authority. In preparing the Financial Statements, management has made a judgement that the Holding Company will succeed in the appeal and the demands will be deleted.

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.

(C) Recent accounting pronouncements

2.24 Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 16 Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022. The said amendment is not likely to have material impact on the Financial Statements of the Holding Company.

Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted. The said amendment is not likely to have material impact on the Financial Statements of the Holding Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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 Carrying Value (at cost or deemed cost)										
As at 1st April 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	88.28	66.26	-	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	388.16	650.51	907.24	112.78	30,922.47
Additions	-	96.96	569.16	43.53	25.42	24.60	187.90	417.54	-	1,365.12
Disposals	-	(1.09)	(102.42)	-	-	(0.21)	(37.81)	(61.28)	-	(202.81)
As at 31st March 2022	512.01	4,517.79	20,030.10	3,610.74	824.70	412.54	800.59	1,263.50	112.78	32,084.77
Depreciation and Impairment										
As at 1st April 2020	20.18	1,015.20	2,299.60	531.20	212.49	128.49	269.63	371.29	6.91	4,854.99
Charge for the year	5.68	272.16	1,077.88	217.58	65.78	38.92	99.41	123.63	6.91	1,907.95
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	167.02	354.14	450.95	13.82	6,686.16
Charge for the year	5.68	225.30	1,169.72	226.82	64.69	38.52	102.44	140.13	6.91	1,980.21
Disposals	-	(0.75)	(94.01)	-	-	(0.20)	(36.00)	(32.90)	-	(164.87)
As at 31st March 2022	31.54	1,511.90	4,435.69	975.60	342.97	205.33	420.57	558.17	20.74	8,502.50
Net Carrying Value										
As at 31st March 2022	480.47	3,005.89	15,594.41	2,635.15	481.74	207.21	380.02	705.33	92.05	23,582.27
As at 31st March 2021	486.15	3,134.56	16,203.38	2,818.44	521.01	221.18	279.56	456.29	98.96	24,236.31

Notes:

- During the year ₹ Nil (previous year ₹ 0.69 lakhs) has been withdrawn from Revaluation Reserve on account of depreciation on revalued portion.
- There were no immovable properties whose title deeds were not held in the name of the Company.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
4 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Technical Knowhow	Product Development	Computer Software	Patent	Total
Gross Carrying Value (at cost or deemed cost)					
As at 1st April 2020	3.42	445.28	727.17	48.84	1,224.71
Additions	12.51	–	97.54	33.34	143.39
Disposals	–	–	–	–	–
As at 31st March 2021	15.93	445.28	824.72	82.18	1,368.10
Additions	12.67	–	75.75	10.17	98.58
Disposals	–	–	–	–	–
As at 31st March 2022	28.60	445.28	900.46	92.35	1,466.69
Amortisation and Impairment					
As at 1st April 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
Charge for the year	5.51	14.05	121.03	23.20	163.79
Disposals	–	–	(8.81)	–	(8.81)
As at 31st March 2022	7.57	375.31	618.37	45.52	1,053.98
Net Carrying Value					
As at 31st March 2022	21.03	69.97	282.09	46.83	419.92
As at 31st March 2021	13.86	84.02	318.56	59.87	476.31

5 FINANCIAL ASSETS

(₹ in lakhs)

INVESTMENTS IN SUBSIDIARY AND ASSOCIATE
a) In Subsidiary Company carried 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
 Shares in Garware Technical Fibres Foundation 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, 2022		As at 31st March, 2021	
No. of Shares/units	Amount	No. of Shares/units	Amount
1,000,000	–	1,000,000	–
100	–	100	–
5,000	–	5,000	–
10,000	–	10,000	–
10,000	1.00	–	–
5,000	–	5,000	–
	1.00		–



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

6 OTHER INVESTMENTS

A. INVESTMENTS at FVTOCI

In Equity instruments:

Quoted

Shares in Garware Marine Industries Limited
of ₹ 10/- each

Shares in Garware Hi-Tech Films Limited of ₹ 10/- each
Sub-total

Unquoted

Shares in Intermedia Interactive Solutions Private Limited
of ₹ 10/- each

Shares of Gujarat Filament Corporation Limited
of ₹ 10/- each
Sub-total

Total Equity Investment

B. INVESTMENTS at FVTPL

a. NON CONVERTIBLE DEBENTURES

Tata Capital Financial Service

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
Invesco India Banking & PSU Debt Fund - Direct
Plan Growth
Invesco India Banking & PSU Debt Fund - Regular
Plan Growth
Sundaram Corporate Bond Fund CBDG Direct Growth
HDFC Bank FMP 1100D
HDFC FMP 1381D Direct Plan (Growth)
Nippon India Fixed Horizon Fund - XLIII - Series 1 -
Direct Growth Plan 1775 Days
Nippon India Fixed Horizon Fund - XLIII - Series 1 -
Regular Growth Plan 1775 Days
SBI Fixed Maturity Plan (FMP) - Series 43 (1616 Days)
Regular Growth
SBI Fixed Maturity Plan (FMP) - Series 43 (1616 Days)
Direct Growth
SBI Fixed Maturity Plan (FMP) - Series 44 (1855 Days)
Regular Growth
SBI Fixed Maturity Plan (FMP) - Series 44 (1855 Days)
Direct Growth
SBI Fixed Maturity Plan (FMP) - Series 45 (1840 Days)
Regular Growth
SBI Fixed Maturity Plan (FMP) - Series 45 (1840 Days)
Direct Growth
SBI FMP Ser 9 R Plan 1178 DAYS Regular Growth
SBI FMP Ser 9 R Plan 1178 DAYS Direct Growth

As at 31st March, 2022		As at 31st March, 2021	
No. of Shares/units	Amount	No. of Shares/units	Amount
50,000	5.83	50,000	2.30
146,350	1,020.35	146,350	1,023.72
	<u>1,026.18</u>		<u>1,026.02</u>
890,680	73.13	890,680	72.23
50	0.01	50	0.01
	<u>73.14</u>		<u>72.24</u>
	<u>1,099.32</u>		<u>1,098.26</u>
-	-	200.00	2,458.49
	<u>-</u>		<u>2,458.49</u>
-	0.16	-	0.16
-	-	-	-
-	17.50	-	17.50
	<u>17.66</u>		<u>17.66</u>
-	-	3,051,236	590.44
-	-	3,021,641	586.90
51,511	1,021.58	-	-
54,325	1,018.17	-	-
-	-	3,705,900	1,186.73
-	-	5,000,000	593.37
-	-	20,000,000	2,571.36
4,999,750	514.63	-	-
4,999,750	513.84	-	-
4,999,750	527.23	-	-
4,999,750	528.01	-	-
7,499,625	783.52	-	-
7,499,625	784.56	-	-
12,499,375	1,303.20	-	-
12,499,375	1,304.85	-	-
-	-	5,000,000	585.10
-	-	5,000,000	587.71


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares/units	Amount	No. of Shares/units	Amount
SBI FMP Ser 11 Plan 1178 DAYS Regular Growth	—	—	5,000,000	582.66
SBI FMP Ser 11 Plan 1178 DAYS Direct Growth	—	—	5,000,000	585.18
SBI Fixed Maturity Plan (FMP) - Series 41 - 1498 days Regular Growth	9,999,500	1,057.08	9,999,500	999.95
SBI Fixed Maturity Plan (FMP) - Series 41 - 1498 days Direct Growth	9,999,500	1,059.24	9,999,500	999.95
SBI Fixed Maturity Plan (FMP) - Series 46 (1850 Days) Regular Growth	4,999,750	521.86	—	—
SBI Fixed Maturity Plan (FMP) - Series 46 (1850 Days) Direct Growth	4,999,750	522.51	—	—
Aditya Birla Sun Life Fixed Term Plan - Series TI (1837 days) - Direct Growth	9,999,500	1,042.26	—	—
Aditya Birla Sun Life Fixed Term Plan - Series TI (1837 days) - Regular Growth	9,999,500	1,041.48	—	—
Aditya Birla Sun Life Fixed Term Plan Series RC(1295)	—	—	20,000,000	2,496.22
Kotak FMP Series 292 Regular - Growth - 1735 days	9,999,500	1,030.27	—	—
Kotak FMP Series 292 Direct - Growth - 1735 days	9,999,500	1,032.23	—	—
Kotak FMP Series 261 Growth	—	—	10,000,000	1,218.26
ICICI Series 82-1199Days	—	—	—	—
ICICI FMP - Plan Series 85 - 1127 Days	—	—	15,000,000	1,787.63
L&T FMP Series XVIII plan 1155D Direct - Growth	—	—	5,000,000	607.07
L&T FMP Series XVIII plan Regular - Growth	—	—	5,000,000	609.00
(ii) EXCHANGE TRADED FUND (ETF)	—	—	—	—
Edelweiss Mutual Find - Bharat Bond ETF - April 2025	246,508	2,672.54	246,508	2,524.73
Nippon India ETF Nifty SDL - 2026 Maturity	1,000,000	1,080.70	—	—
Nippon India ETF Nifty SDL - 2026 Maturity	1,000,000	1,080.70	—	—
Axis AAA Bond PLUS SDL ETF - 2026	15,000,000	1,582.50	—	—
Nippon India ETF Nifty SDL - 2026 Maturity	1,500,000	1,621.05	—	—
(iii) CORPORATE BOND FUND	—	—	—	—
L&T Triple Ace Bond Fund - Growth	3,474,626	2,073.18	—	—
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Direct Plan Growth	14,505,721	1,557.99	—	—
L&T Triple Ace Bond Fund Direct Plan Growth	1,653,473	1,039.37	—	—
L&T Triple Ace Bond Fund Direct Plan Growth	1,653,473	1,039.37	—	—
Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 - Regular Plan Growth	14,522,111	1,557.28	—	—
(iv) GILT FUND	—	—	—	—
IDFC Gilt 2027 Index Fund Direct Plan Growth	9,817,484	1,037.12	—	—
IDFC Gilt 2027 Index Fund Regular Plan Growth	9,822,016	1,035.00	—	—
SBI FMP-Dir Growth-LD605G	—	59.21	—	56.43
SBI FMP-Reg Growth-L605G	—	58.85	—	56.63
Sub-total (c)		33,101.31		19,225.32
Total Investments measured at FVTPL (a+b+c)	—	33,118.97		21,701.47
Total other Investments		34,218.29		22,799.73

SHINING BRIGHT in Challenging Conditions



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022	As at 31st March, 2021
7 TRADE RECEIVABLE		
Non-Current		
(Unsecured, considered good measured at amortised cost)		
Trade Receivable (Includes retention money)	163.09	199.81
Total	163.09	199.81

Trade Receivable ageing Schedule for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment						Total
	Not Due	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	7.78	75.61	48.48	31.23	–	–	163.09
	53.00	41.05	99.11	1.78	4.87	–	199.81
Total	7.78	75.61	48.48	31.23	–	–	163.09
	53.00	41.05	99.11	1.78	4.87	–	199.81

(Amounts in Italics font pertains to previous year)

8 LOANS - NON CURRENT		
(Unsecured, considered good, measured at amortised cost)		
(i) Staff loans	229.55	329.40
(ii) Other Loans	102.11	2.03
Total	331.66	331.43

9 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured, considered good, measured at amortised cost)		
Security Deposits	419.72	378.25
Other Deposit Current Assets (measured at amortised cost)	211.68	211.68
Bank Deposits with maturity of more than 12 months	37.17	0.50
(Above bank deposits are pledged as margin money)		
	668.57	590.43

10 OTHER NON-CURRENT ASSETS		
Taxes Receivable (other than Income Tax)	619.74	616.63
Capital Advances	46.36	47.37
Other Non-Current Assets*	73.52	73.48
Total	739.62	737.48
* Other Non-Current Assets includes advance to a Partnership Firm i.e. Sopan D. Patil & GWRL	21.20	21.20

11 INVENTORIES - CURRENT ASSET		
Raw Materials	5,862.23	6,232.60
Work-in-Progress	3,834.28	3,491.53
Finished Goods	9,009.46	6,373.86
Traded Goods	670.11	666.01
Stores, Spares, Fuel and Packing Materials	3,017.35	2,277.83
Total	22,393.43	19,041.83

Note:

11.1 For details of inventories pledged refer Note 25 and refer Note 2.8 for basis of valuation.

11.2 There was no material difference between books of accounts and the monthly returns or statements of current assets filed by the Company with banks.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares/units	Amount	No. of Shares/units	Amount
12 INVESTMENTS - CURRENT				
(measured at FVTPL)				
(a) NON CONVERTIBLE DEBENTURES				
ICICI Home Finance Ltd NCD - 730 Days	—	—	100	572.78
Sub-total (a)		—	100	572.78
(b) INVESTMENTS IN MUTUAL FUNDS				
(i) DEBT MUTUAL FUND				
ICICI Prudential Saving Fund Growth	153,450	665.00	153,450	638.36
Sundaram Corporate Bond Fund CBDG Direct Growth	3,705,900	1,240.36	—	—
IDFC Banking & PSU Debt Fund -Regular Plan Growth	3,051,236	610.75	—	—
IDFC Banking & PSU Debt Fund - Direct Plan Growth	3,021,641	616.39	—	—
(ii) DEBT MUTUAL FUND (FMP)				
HDFC Bank FMP 1100D	5,000,000	617.51	—	—
Aditya Birla Sun Life Fixed Term Plan Series RC (1295 days)	20,000,000	2,589.48	—	—
L&T FMP Series XVIII - Direct plan 1155D Growth	5,000,000	633.68	—	—
L&T FMP Series XVIII - Regular plan Growth	5,000,000	630.70	—	—
SBI Debt Fund Series C-10 1150 Days Regular Growth	—	—	10,008,824	1,246.66
SBI Debt Fund Ser C-12 1122 Days - Regular	—	—	2,500,000	303.96
SBI Debt Fund Ser C-12 1122 Days - Direct	—	—	2,500,000	307.26
SBI Sdfs C 18 1100 Days	—	—	5,000,965	622.18
SBI FMP Ser 9 R Plan 1178 DAYS Regular Growth	5,000,000	608.29	—	—
SBI FMP Ser 9 R Plan 1178 DAYS Direct Growth	5,000,000	612.54	—	—
SBI FMP Ser 11 Plan 1178 DAYS Regular Growth	5,000,000	607.00	—	—
SBI FMP Ser 11 Plan 1178 DAYS Direct Growth	5,000,000	611.15	—	—
ICICI Prud. FMP Series 82-Plan H	—	—	10,000,000	1,263.02
ICICI Series 82 -1199 Days	—	—	10,008,937	1,265.11
ICICI Bank FMP Series 83 -1108 Days	—	—	10,000,000	1,265.78
ICICI FMP - Plan Series 85 - 1127 Days Q	15,000,000	1,860.59	—	—
HDFC Bank FMP 1143 Days - Direct	—	—	2,500,000	314.03
HDFC Bank FMP 1143 Days - Regular	—	—	2,500,000	311.64
HDFC FMP 1381D Direct Plan Growth	20,000,000	2,681.06	—	—
ABSL Fixed Term Plan Series Pe 1159 Days	—	—	10,000,000	1,252.53
ABSL Fixed Term Plan Series Pe 1159 Days	—	—	5,000,000	629.56
DSPBR FMP Series 220 Growth	—	—	10,000,000	1,263.21
IDFC Ftp Series-154 Direct-Growth	—	—	5,001,010	628.41
Kotak FMP Series-217-1240 Days	—	—	10,000,000	1,270.60
Kotak FMP Series 230 - 1140 Days	—	—	5,001,038	626.94
Kotak FMP Series 261 Growth	10,000,000	1,270.71	—	—
Kotak FMP Series 233(1140D) Regular-Growth	—	—	5,001,010	621.68
Sub-total (b)	—	15,855.21	—	13,830.92
(c) FIXED DEPOSITS WITH NBFCs				
LIC Housing Finance Limited	—	—	—	5,000.00
Shriram Transport Finance Comapany Limited	—	2,001.00	—	—
Housing Development Finance Corporation Limited	—	—	—	3,000.00
Bajaj Finance Limited	—	—	—	500.00
Mahindra and Mahindra Financial Services Ltd	—	—	—	990.00
Sub-total (c)	—	2,001.00	—	9,490.00
Total Current Investments (a+b+c)	—	17,856.21	—	23,893.70

SHINING BRIGHT in Challenging Conditions



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

13 TRADE RECEIVABLES

(Unsecured, considered good, measured at amortised cost)

(a) Receivable from parties other than related parties

Unsecured, Considered Good

Less: Provision for expected credit loss

Unsecured, Credit impaired

Less: Provision for credit impairment

b) Receivable from related parties

Garware Technical Fibres US INC

Garware Technical Fibres Chile SPA

Total

As at 31st March, 2022

As at 31st March, 2021

25,819.24

(25.27)

25,793.97

229.06

(229.06)

—

—

—

—

25,793.97

24,177.55

—

24,177.55

(177.76)

177.76

—

—

—

—

24,177.55

Before accepting any new customer, the company has appropriate levels of control procedures which ensures the potential customer's credit quality and the same are periodically reviewed by the management.

Movement in allowance for doubtful debts

Balance at the beginning of the year

Allowance for doubtful debts during the year

Reversal of allowance for doubtful debts during the year

Balance at the end of the year

177.76

76.57

—

254.33

162.98

89.14

(74.36)

177.76

Ageing Schedule of Trade Receivables for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment						Total
	Not Due	Less Than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	18,599.00	5,933.59	408.73	288.16	229.84	234.66	25,693.98
	16034.11	6444.25	411.62	457.86	232.60	349.56	23930.00
(ii) Undisputed Trade receivables Credit Impaired	—	—	—	—	—	353.32	353.32
	—	—	—	60.43	186.11	177.76	424.3
(iii) Disputed Trade receivables - Credit impaired	—	—	—	—	—	1.01	1.01
	—	—	—	—	—	1.01	1.01
Total Trade Receivables (gross)	18,599.00	5,933.59	408.73	288.16	229.84	588.99	26,048.31
	16034.11	6444.25	411.62	518.29	418.71	528.33	24355.31
Less: Provision for expected Credit Loss/Credit Impairment							(254.33)
							(177.76)
Total Trade Receivables (net)							25793.97
							24177.55

(Amounts in Italics font pertains to previous year)

14 (A) CASH AND BANK BALANCES

Cash on hand

Balances with banks in current accounts

Pledged Term Deposits with maturity less than three months in Liquid Fund

Total Cash and Cash Equivalents (A)

20.77

3,884.97

—

3,905.74

16.95

514.98

—

531.93


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

	As at 31st March, 2022		As at 31st March, 2021	
(₹ in lakhs)				
(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS				
Unpaid dividend accounts		73.94		78.84
Inaccessible balance in bank account		34.24		—
Pledged Term Deposits with maturity less than three months		33.38		—
Term Deposit with maturity above three months and less than twelve months		—		5,129.12
Total Bank balances other than cash and cash equivalents (B)		141.56		5,207.96
Total (A+B)		4,047.29		5,739.89
15 LOANS				
Measured at amortised cost				
Unsecured, considered good				
Staff Loan		194.04		20.63
Total		194.04		20.63
16 OTHER FINANCIAL ASSET				
(Unsecured, considered good, measured at amortised cost)				
Security Deposit		259.63		520.41
Other Financial Assets		51.57		12.88
Interest Accrued on Other Deposits		97.07		643.04
Total		408.27		1,176.33
17 OTHER CURRENT TAX ASSET (NET)				
Advance Tax and Tax Deducted at Source (net of provision)		104.94		324.11
Total		104.94		324.11
18 OTHER CURRENT ASSET				
Balance with Government authorities		8,885.62		6,709.02
Trade Advances		975.84		1,095.98
Prepayments		183.89		169.47
Advance to Employees		72.39		57.71
Others		467.56		110.06
Total		10,585.30		8,142.24
19 EQUITY SHARE CAPITAL	As at 31st March, 2022		As at 31st March, 2021	
a) Authorised Share Capital	No. of Shares	Amount	No. of Shares	Amount
i) Equity Shares of ₹ 10/- each	50,000,000	5,000.00	50,000,000	5,000.00
ii) Unclassified Shares of ₹ 10/- each	10,000,000	1,000.00	10,000,000	1,000.00
	60,000,000	6,000.00	60,000,000	6,000.00
b) Issued, Subscribed and Fully Paid up				
Equity Shares of ₹ 10/- each	20,618,169	2,061.82	20,618,169	2,061.82
	20,618,169	2,061.82	20,618,169	2,061.82
i) Reconciliation of Number of Shares				
Opening Balance	20,618,169	2,061.82	21,882,060	2,188.21
Shares bought back during the year	—	—	(317,391)	(31.74)
Reduction of capital of equity shares held by GWRL managerial staff welfare trust	—	—	(946,500.00)	(94.65)
Closing Balance	20,618,169	2,061.82	20,618,169	2,061.82

ii) 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.

SHINING BRIGHT in Challenging Conditions



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

iii) Details of Shareholders holding more than 5% Shares in the Company Equity Shares

As at 31st March, 2022

As at 31st March, 2021

Mr. V. R. Garware*

3,355,739

3,352,219

16.28%

16.26%

Garware Capital Markets Limited

3,568,170

3,568,170

17.31%

17.31%

The above Shareholding represents the legal ownership of shares

* Out of 33,55,739 equity shares, (1) 19,94,084 Equity Shares are registered in the name of Mr. V. R. Garware as Partner of Partnership Firms. Beneficial interest in the said shares is held by the Partnership firms. (2) 20 Equity Shares are held by Mr. V. R. Garware, on behalf of Trusts.

iv) In the period of five years immediately preceding 31st March, 2022:

During the year ended 31st March, 2021, the Company has bought back 317,391 number of equity shares.

During the year ended 31st March, 2021, the Company has made Reduction of capital of 946,500 number of equity shares held by GWRL managerial staff welfare trust.

No bonus shares issued.

v) Share held by the promoters at end of the year:

Sr. No	Name	No. of Shares		% of total Share		% change during the year
		31.3.2022	31.3.2021	31.3.2022	31.3.2021	31.3.2022
Promoter						
1	Mr. V. R. Garware	1,361,635	1,361,635	6.60	6.60	–
Promoter group						
2	Mr. V. R. Garware, Partner. Beneficial interest in these shares is with Ramesh Trading Co.	1,108,393	1,106,643	5.38	5.37	0.01
3	Mr. V. R. Garware, Partner. Beneficial interest in these shares is with Sunita Trading Co.	885,691	883,941	4.30	4.29	0.01
4	Mrs. M. V. Garware	10	10	–	–	–
5	Garware Capital Markets Limited	3,568,170	3,568,170	17.31	17.31	–
6	VMIR Investment Limited	922,211	922,211	4.47	4.47	–
7	VRG Investments Limited	881,400	881,400	4.27	4.27	–
8	Vimlabai Garware Research Institute Private Limited	554,339	554,339	2.69	2.69	–
9	Moonshine Investments and Trading Company Private Limited	457,945	459,695	2.22	2.23	(0.01)
10	Manmit Investments and Trading Company Private Limited	284,185	284,185	1.38	1.38	–
11	Sanand Investments and Trading Company Private Limited	275,032	275,032	1.33	1.33	–
12	Sukukar Holdings and Trading Company Private Limited	256,600	256,600	1.24	1.24	–
13	Starshine Comtrade Private Limited	201,720	201,720	0.98	0.98	–
14	Gurukrupa Comtrade Private Limited	89,079	90,849	0.43	0.44	(0.01)
15	Garware Research Institute	2,300	2,300	0.01	0.01	–
16	Vayu Ramesh Garware on behalf of VRG Family Trust	10	–	–	–	–
17	Vayu Ramesh Garware on behalf of Vayu Garware Family Trust	10	–	–	–	–


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

	As at 31st March, 2022	As at 31st March, 2021
20 OTHER EQUITY		
RETAINED EARNINGS	72,242.93	56,349.60
OTHER RESERVES		
(a) Capital Reserve	294.38	294.38
(b) Capital Redemption Reserve	214.37	214.38
(c) Share Premium	125.56	125.56
(d) General Reserve	22,086.65	22,086.65
(e) Foreign Currency Translation Reserve	32.82	(21.69)
Total	22,753.78	22,699.28
Grand Total	94,996.71	79,048.88
21 NON-CURRENT TRADE PAYABLE		
(Measured at Amortised Cost)		
Retention money payable	333.31	135.03
Total	333.31	135.03

Trade Payables ageing Schedule for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment					
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	–	0.44	–	–	–	0.44
	–	–	–	–	–	–
(ii) Undisputed dues - Others	332.87	–	–	–	–	332.87
	135.03	–	–	–	–	135.03
Total	332.87	0.44	–	–	–	333.31
	135.03	–	–	–	–	135.03

(Amounts in Italics font pertains to previous year)

22 NON-CURRENT FINANCIAL LIABILITY

Measured at Amortised Cost

Security Deposit from Contractor

301.26

4.90

301.26

4.90

23 NON CURRENT PROVISIONS

Provision for Employee Benefits *

754.16

1,065.26

Total

754.16

1,065.26

* Provision for employee benefits includes provision for
 Leave encashment, Super annuation and Gratuity (refer Note No. 38)

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

Depreciation and Amortisation

2,984.20

2,764.65

Employee Benefit Obligation

(207.61)

14.12

Provision for Doubtful Debts

(29.61)

(8.81)

Financial Asset / Liabilities measured at FVTPL

545.82

730.20

Financial Asset / Liabilities measured at FVOCI

78.84

90.81

Financial Asset / Liabilities measured at Amortised Cost

–

(0.56)

Others

(20.67)

–

Deferred Tax Liability (Net)

3,350.97

3,590.41

SHINING BRIGHT in Challenging Conditions



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

25 BORROWING-CURRENTS

Secured (at amortised cost)

- From banks

Working Capital Facilities

Total

As at 31st March, 2022

As at 31st March, 2021

7,957.29

10,181.39

7,957.29

10,181.39

Note :

Loans availed from Bank of India Consortium are secured by a first charge, pari passu, by way of hypothecation of the Company's current assets, viz. raw materials, stock-in-process, semi-finished goods, finished goods, stores & spares (not relating to Plant & Machinery), bills receivable, and book debts. Secured loan including post shipment credit carries an interest rate ranging from 5.60% to 7.30 % p.a. for repayments on various dates ranging up to 180 days.

26 TRADE PAYABLE-CURRENT

Measured at Amortised Cost

Outstanding dues of Micro Enterprises & Small Enterprises

Outstanding dues of creditors other than Micro Enterprises & Small Enterprises

Total

544.66

470.82

20,504.92

24,520.56

21,049.57

24,991.38

Note:

Refer Note 50 for discussion on company's credit risk management policies and procedures.

Trade Payables ageing Schedule for the year ended as at 31st March, 2022 and 31st March, 2021 :

Particulars	Outstanding for the following periods from due date of payment					
	Not Due	Less Than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	496.31	45.70	0.35	1.70	0.60	544.66
	<i>349.13</i>	<i>82.06</i>	<i>29.92</i>	<i>8.63</i>	<i>1.08</i>	<i>470.82</i>
(ii) Undisputed dues - Others	16,275.00	3,775.04	119.63	58.99	119.39	20348.05
	<i>19575.82</i>	<i>4406.57</i>	<i>164.87</i>	<i>103.16</i>	<i>113.26</i>	<i>24363.69</i>
(iii) Disputed dues - MSME	-	-	-	-	-	-
	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	156.87	156.87
	-	-	-	-	<i>156.87</i>	<i>156.87</i>
Total	16771.32	3820.74	119.98	60.69	276.86	21049.57
	<i>19924.96</i>	<i>4488.63</i>	<i>194.79</i>	<i>111.79</i>	<i>271.21</i>	<i>24991.38</i>

(Amounts in Italics font pertains to previous year)

27 OTHER CURRENT FINANCIAL LIABILITIES

Payable to Employees

Unpaid Dividend (refer note below)

Security deposit from Customer

Other Payables

Total

1,304.77

2,001.43

73.94

78.84

144.60

141.15

548.08

265.48

2,071.39

2,486.90

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, 2022

		(₹ in lakhs)
	As at 31st March, 2022	As at 31st March, 2021
28 OTHER CURRENT LIABILITY		
Unearned revenue	4,500.08	4,368.84
Advance received from Customers	3,109.44	3,155.21
Statutory dues and other liabilities	408.23	209.52
Upload difference	—	—
Total	<u>8,017.75</u>	<u>7,733.57</u>
29 CURRENT PROVISIONS		
Provision for Employee Benefits*	<u>465.02</u>	501.05
Total	<u>465.02</u>	<u>501.05</u>
* Provision for employee benefits includes provision for Leave Encashment, Super Annuation and Gratuity (refer Note No. 38)		
30 CURRENT TAX LIABILITY (NET)		
Provision for Taxation (net of Advance Tax and Tax Deducted at Source)	<u>148.63</u>	87.19
Total	<u>148.63</u>	<u>87.19</u>
		(₹ in lakhs)
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
31 REVENUE		
Sale of Products and Services		
Manufactured Goods	110,311.66	94,512.35
Traded Goods	1,587.67	2,767.44
Contracts for Supply & Installation	5,259.63	4,778.39
Other operating Revenue	—	—
Sale of Scrap	1,000.76	1,091.44
Sale of Raw Material	527.01	243.38
Miscellaneous Receipts	253.14	63.98
Total	<u>1,780.91</u>	1398.80
	<u>118,939.87</u>	<u>103,456.98</u>
Disaggregation of revenue		
Revenue based on Geography		
Domestic	41,872.04	38,166.86
Export	77,067.83	65,290.12
Revenue from operations	<u>118,939.87</u>	<u>103,456.98</u>
Revenue based on Business Segment		
Synthetic Cordage	102,591.80	87,190.76
Fibre and Industrial Products & Projects	16,348.07	16,266.22
Total Revenue from operation	<u>118,939.87</u>	<u>103,456.98</u>
Reconciliation of Revenue from operations with contract price		
Contract Price	119,894.18	104,618.28
Less:- Discounts and Incentives	(954.31)	(1,161.30)
Total Revenue from operation	<u>118,939.87</u>	<u>103,456.98</u>
32 OTHER INCOME		
Interest income from financial asset carried at amortise cost		
Bank deposits	366.28	853.29
From other financial assets	26.16	29.33
Dividend income from equity investments designated at FVTOCI*	13.17	14.64
Fair Value Gain at financial instruments at FVTPL	1,940.18	2,111.11
Gain on sale/redemption of investments	208.21	455.38
Profit on sale of Fixed Asset	—	1.26
Other non-operating income	—	2.23
Total	<u>2,554.00</u>	<u>3,467.24</u>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

		(₹ in lakhs)
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
33 COST OF MATERIAL CONSUMED		
Opening Stock at the beginning of the year	6,232.60	5,447.43
Add : Purchases	34,411.19	26,181.04
Less : Closing Stock at the end of the year	(5,862.23)	(6,232.60)
Total	34,781.56	25,395.87
34 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS		
(a) Opening Stock at the beginning of the year		
Work-in-Progress	3,491.53	4,653.48
Finished Goods	6,373.85	6,497.25
Traded Goods	666.01	542.87
	10,531.39	11,693.61
(b) Closing Stock at the end of the year		
Work-in-Progress	3,834.28	3,491.53
Finished Goods	9,010.24	6,373.85
Traded Goods	670.10	666.01
	13,514.62	10,531.39
Net Total	(2,983.23)	1,162.22
35 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	13,272.91	13,632.56
Contribution to Provident and other Funds (Note No. 38)	820.35	727.20
Staff Welfare	888.69	913.79
Total	14,981.95	15,273.55
36 FINANCE COST		
Interest expenses on borrowings *	776.83	757.32
Bank charges	280.48	274.69
Total	1,057.31	1,032.01
* Interest expenses includes ₹ 433.93 lakhs (Previous year ₹ 353.69 lakhs) on account of interest on borrowings from related parties.		
37 OTHER EXPENSES		
Stores and Spares consumed	9,583.44	8,069.07
Packing materials consumed	1,567.52	1,336.36
Power, Fuel and Water Charges	4,091.15	3,304.14
Processing and Testing Charges	10,963.95	9,592.83
Installation Contract related expenses	1,954.70	2,246.08
Administrative, Selling and General Expenses		
Advertisement & Sales Promotion expenses	655.26	353.65
Rent	489.00	470.86
Rates, Taxes and Octroi	155.24	94.88
Insurance	339.54	363.17
Transport and Forwarding Charges -Export	8,889.23	4,881.48
Transport and Forwarding Charges - Domestic	2,433.54	2,001.06


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

		(₹ in lakhs)
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Repairs and Maintenance		
Buildings	39.57	26.37
Plant and Machinery	1,814.12	1,441.42
Others	450.47	411.62
Travelling Expenses	719.19	278.80
Discount and Commission on Sales	379.75	816.43
Bad Debts	51.37	101.17
Provision for Doubtful Debts	76.57	14.77
Legal and Professional Charges	1,627.26	1,484.39
Auditors' Remuneration		
Audit Fees	16.95	14.35
Fees for other Services	25.43	34.80
Out of Pocket Expenses	2.13	1.28
Establishment and other miscellaneous expenses	2,134.84	1,869.94
Exchange (Gain) / Loss (net)	(1,766.95)	(1,077.91)
Directors' Fees	7.00	6.60
(Profit) / Loss on Fixed Assets Discarded	21.10	-
Total	<u>46,721.34</u>	<u>38,137.60</u>
Detail of CSR Expenditure;		
Amount required to spent during the year	320.04	284.86
Amount spent during the year	165.43	65.13
Amount transferred as per statutory requirement to be spent in next year	154.61	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	924.67	890.04
Capital expenditure	43.53	41.34
38 Income taxes		
The major components of income tax expenses for the year ended 31st March, 2022 & 31st March, 2021.		
Statement of Profit and Loss:		
Current Income Tax Charges		
Current Income Tax	5,390.72	4,633.18
Deferred Tax		
Relating to origination and reversal of temporary differences	(227.47)	333.93
Income tax expenses reported in the Statement of Profit and Loss	<u>5163.25</u>	<u>4967.11</u>
Other Comprehensive Income:		
Remeasurement of Investment in Equity Instruments	0.88	782.04
Net gain or loss on remeasurements of defined benefit plans	(82.18)	(36.43)
Income tax related to items that will not be reclassified to profit or loss	12.15	(7.42)
Deferred tax charged / (Credited) in other comprehensive income	<u>(69.16)</u>	<u>738.19</u>

SHINING BRIGHT in Challenging Conditions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2022 & 31st March, 2021.

(₹ in lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Accounting profit before tax (before exceptional items)	21,641.31	20,806.84
At India's statutory income tax rate of 25.168%	5,446.68	5,236.67
Fair value gain of FVTOCI investment Dividend income	(540.71)	(645.93)
Difference in book and IT depreciation	53.01	24.20
Others	77.72	(167.89)
Tax on Capital gain income	354.02	186.14
Income Tax expenses reported in the Statement of Profit and Loss (A)	5,391.98	4,633.18
Tax Expenses recognised in Statement of Profit and Loss		
Incremental Deferred Tax Liability on account of Property, Plant and Equipment and Intangible Assets	(15.15)	(41.92)
Incremental Deferred Tax Liability / (Asset) on account of Financial Assets and Other items	(212.32)	375.85
Deferred Tax Provision (B)	(227.43)	333.93
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)	5163.25	4967.11

During the year, income tax assessment orders for AY 2013-14 to AY 2019-20 were passed. There is an aggregate income tax demand of ₹ 3,183.65 lakh pertaining to the said assessment orders. Out of this a majority pertains to procedural delays in issuance of certain documents from concerned authority which is required to be submitted to the department.

The Company has filed appeals for all the assessment years, which are pending before the appellate authority. The Company expects a positive outcome and hence the same is treated as a contingent liability.

39 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 deficit (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, 2020	2,417.77	(1,887.24)	530.53
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


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Current Service Cost	158.89	–	158.89
Interest Cost / (Income)	192.78	(142.52)	50.26
Total amount recognised in Profit or Loss	351.67	(142.52)	209.15
AActuarial (Gains)/Losses on Obligations - Due to Experience	210.26	–	210.26
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(109.45)	–	(109.45)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(3.03)	–	(3.03)
Return on Plan Assets, Excluding Interest Income	-	(15.60)	(15.60)
Total amount recognised in Other Comprehensive Income	97.78	(15.60)	82.18
Contributions by the Employer	–	(644.52)	(644.52)
Benefit Paid From the Fund	(197.65)	197.65	–
31st March, 2022	3,086.79	(2,700.82)	385.97

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

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Present value of funded obligation	(3,086.79)	(2,834.99)	(2,417.77)
Fair value of plan assets	2,700.82	2,095.84	1,887.24
Funded Status (Surplus / (Deficit))	(385.97)	(739.15)	(530.53)

III Significant estimates

The principal actuarial assumptions were as follows :

Particulars	31st March, 2022	31st March, 2021	31st March, 2020
Discount rate	7.23%	6.80%	6.87%
Salary growth rate	6.00% p.a. for the next 2 years, 5% p.a. thereafter, starting from the 3rd year	6.00% p.a. for the next 2 years, 5% p.a. thereafter, starting from the 3rd year	5.00%
Normal retirement age	58/60 years	58/60 years	58/60 years
Mortality table	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Employee turnover	2.00%	2.00%	2.00%

IV Sensitivity analysis

The sensitivity of defined obligation to changes in the weighted principal assumptions is:

Assumption	Impact on defined benefit obligation	
	31st March, 2022	31st March, 2021
Discount rate		
1.00% increase	Decrease by 232.15	Decrease by 207.53
1.00% decrease	Increase by 264.46	Increase by 236.48
Future salary increase		
1.00% increase	Increase by 267.46	Increase by 237.91
1.00% decrease	Decrease by 238.66	Decrease by 212.35
Attrition Rate		
1.00% increase	Increase by 39.97	Increase by 27.11
1.00% decrease	Decrease by 44.30	Decrease by 30.11

SHINING BRIGHT in Challenging Conditions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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, 2022	31st March, 2021
Within next 12 months	240.72	335.63
Between 1-10 years	2319.20	1911.19
11 years & above	3651.34	3115.41

V The major categories of plan assets are as follows:

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Investments with Insurer (LIC of India)	0.01%	0.01%
HDFC Standard Life Insurance	99.99%	99.99%

40 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

(₹ in lakhs)

Particulars	Year 2021-2022				Year 2020-2021			
	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total	Synthetic Cordage	Fibre and Industrial Products & Projects	Unallocated	Total
i) Segment Revenue	103,032.09	18,420.07	-	121,452.16	87,846.21	17,414.78	-	105,261.00
Inter-segment revenue	(440.29)	(2,072.00)	-	(2,512.29)	(655.46)	(1,148.56)	-	(1,804.02)
Sales/Income From operations	102,591.80	16,348.07	-	118,939.87	87,190.76	16,266.22	-	103,456.98
ii) Depreciation and amortization	1,905.84	240.14	-	2,145.98	1,715.47	240.04	109.09	2,064.59
iii) Segment Result	21,356.12	2,212.56	-	23,568.68	18,895.17	2,584.65	-	21,479.82
Less -								
i) Interest				(1,057.31)				(1,032.01)
ii) Other Unallocable expenditure net of unallocable (income)				(870.06)				359.02
Total profit before tax				21,641.31				20,806.84
iv) Segment Assets	63,388.93	10,760.27	67,358.69	141,507.88	60,640.62	9,503.22	61,743.94	131,887.78
v) Segment Liabilities	27,370.89	5,375.57	11,702.90	44,449.36	33,044.54	3,751.24	13,981.31	50,777.08


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

Reconciliation of Profit

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Segment Profit	23,568.68	21,479.82
Other Income	2,547.03	3,467.24
Finance Cost	(1,045.00)	(1,032.01)
Other Corporate Costs	(3,429.39)	(3,108.21)
Profit Before Tax and discontinued operations	21,641.31	20,806.84

Reconciliation of Assets

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Segment operating assets	74,149.19	70,143.84
Investments	52,075.50	46,693.43
Cash and bank balances	4,047.29	5,739.89
Balances with government authorities	6,709.02	6,709.02
Other unallocable assets	4,526.87	2,601.60
Total assets	141,507.88	131,887.78

Reconciliation of liabilities

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Segment operating liabilities	32,746.46	36,795.77
Borrowings	7,957.29	10,181.39
Income tax liabilities (Net)	3,499.61	3,677.60
Other unallocable liabilities	246.00	122.32
Total liabilities	44,449.36	50,777.08

ii) Information about geographic segment

Revenue from external customers

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
India	41,872.04	38,166.86
Outside India	77,067.83	65,290.12
Total	118,939.87	103,456.98

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. 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.

SHINING BRIGHT in Challenging Conditions

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

41 CONSOLIDATED DISCLOSURE OF THE TRANSACTIONS OF THE COMPANY AND ITS SUBSIDIARIES WITH RELATED PARTIES, FOR THE YEAR ENDED ON 31ST MARCH, 2022

(I) List of Related Parties & Relationship :

A. Subsidiary / Joint Venture Company

- Garware Technical Fibres USA Inc.
- Garware Technical Fibres Chile SpA
- Garware Environmental Services Pvt. Ltd.
- Garware Technical Textile Pvt. Ltd.
- Garware Technical Fibres Foundation (w.e.f. 3rd August, 2021)

B. Associate Company

- Garware Meditech Pvt. Ltd.

C. Executive Directors - Key Managerial Personnel

- Mr. V. R. Garware

D. Non Executive Directors

- Mrs. M. V. Garware
- Mr. R. M. Telang - Independent Director
- Mr. S. P. Kulkarni - Independent Director
- Dr. S. S. Rajpathak - Independent Director
- Ms. Mallika Sagar - Independent Director
- Mr. S. V. Raut
(w.e.f. 11th November, 2021, upto 7th January, 2022)

E. Enterprises over which control is exercised by the individual listed at 'C' above

- Manmit Investment & Trading Company Pvt. Ltd.
- Garware Capital Markets Ltd.
- Gurukrupa Comtrade Pvt. Ltd.
- Sanand Investments & Trading Company Pvt. Ltd.
- Moonshine Investments & Trading Company Pvt. Ltd.
- Starshine Comtrade Pvt. Ltd.
- Sukumar Holdings & Trading Company Pvt. Ltd.
- VMIR Investment Ltd.
- VRG Investments Ltd.
- Garware Infrastructure Pvt. Ltd.
- Ramesh Trading Company
- Sunita Trading Company
- VG Trading Company
- VRG Trading Company
- Garware Research Institute
- Vimlabai Garware Research Institute Pvt. Ltd.
- Consolidated Agricultural & Dairy Farming Co. Pvt. Ltd.
- VRG Business Ventures Pvt. Ltd.
- Vallabhi Tradecom LLP. (w.e.f. 22nd February, 2021)
- Vayu Garware Family Trust
- VRG Family Trust

(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 with Related Parties						
1	Deposit Received	-	-	4,038.00	-	-	4,038.00
		-	-	4,089.00	-	-	4,089.00
2	Deposit Refund	-	-	4,038.00	-	-	4,038.00
		-	-	4,089.00	-	-	4,089.00
3	Interest paid on Deposits	-	-	433.93	-	-	433.93
		-	-	353.68	-	-	353.68
4	Director Remuneration*	-	-	-	992.76	-	992.76
		-	-	-	903.07	-	903.07
5	Directors Sitting Fees	-	-	-	-	7.20	7.20
		-	-	-	-	6.60	6.60
6	Dividend paid	-	-	237.18	34.04	0.01	271.23
		-	-	-	-	-	-
7	Investment in Subsidiary**	1.00	-	-	-	-	1.00
		74.57	-	-	-	-	74.57
	Balance as on 31st March, 2022						
8	Balance (Payable) / Receivable *	-	-	-	(670.00)	-	(670.00)
		-	-	-	(700.00)	-	(700.00)

(Amounts in Italics font pertains to previous year)

Note:

* 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 ₹ 670 lakhs (Previous year ₹ 700 lakhs)

** During the year, the Company has invested an amount of ₹ 1/- lakh in Garware Technical Fibres Foundation, a Section 8 wholly owned subsidiary of the Company. The same was not consolidated along with the Financial Statement of the Company.

For Investment in related parties as at 31st March, 2022 refer Note No. 5.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in lakhs)

	31st March, 2022	31st March, 2021
42 EARNINGS PER SHARE (EPS)		
BASIC AND DILUTED EPS		
Net Profit attributable to Equity Shareholders of the Company	16,478.09	15,839.63
Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs)	206.18	206.18
Basic And Diluted Earning Per Share (₹)	79.28	74.64

43 CONTINGENT LIABILITIES :

Claims against the Company not acknowledged as debts:

- SBLC (for wholly owned subsidiary Garware Technical Fibres Chile SPA) for outstanding bank borrowing

In respect of matters under dispute

- Sales Tax	9.15	9.15
- BG Encashment claim	—	25.34
- Income tax	3,183.65	—
- Octroi	21.64	21.64

- 44** Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹ 569.15 lakhs (As at 31st March, 2021 ₹ 117.14 lakhs).

45 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 31.03.2022, the said partnership has incurred a loss of ₹ (0.01) lakhs (As at 31st March, 2021 ₹ (0) lakhs).

Current assets	0.77	0.78
Non-current assets	15.40	15.40
Current liabilities	—	—
Non-current liabilities	(21.04)	(21.04)
Reserve & Surplus	4.87	4.86
Revenue	—	—
Cost of material consumed	—	—
Employee benefit expenses	—	—
Other expenses	(0.01)	—
Profit / (loss) before tax	(0.01)	—
Income-tax expenses	—	—
Profit / (loss) after tax	(0.01)	—



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

46 Analytical Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Formula	For the year ended 31st March, 2022	For the year ended 31st March, 2021	Variance
A Balance Sheet related ratios:				
Current Ratio	Total Current assets / Total Current Liabilities	81,383.46	82,516.28	
		39,709.65	45,981.48	
		2.05	1.79	14%
Debt-Equity Ratio *	Total borrowing / Net worth	7,957.29	10,181.39	
		97,058.53	81,110.70	
		0.08	0.13	(35%)
Debt Service Coverage Ratio	Earnings available for debt service / Debt Service (Interest Payment + Principal Repayment)	19,681.35	18,936.34	
		1,057.31	1,032.01	
		18.61	18.35	1%
Inventory turnover ratio	Cost of Goods Sold / Average Inventory	34,945.97	29,645.52	
		20,717.63	19,103.77	
		1.69	1.55	9%
Trade receivable turnover ratio	Total Sales / Average Trade receivables	118,939.87	103,456.98	
		25,957.06	24,081.63	
		4.58	4.30	7%
Trade payable turnover ratio	Total Purchase + Other Expenses / Average Trade payable	84,280.19	67,370.19	
		23,254.65	21,855.81	
		3.62	3.08	18%
Net capital turnover ratio	Total Sales / Average Working Capital	118,939.87	103,456.98	
		39,104.31	30,112.83	
		3.04	3.44	(11%)
B Profit & Loss related ratios				
Return on equity ratio	Profit After Tax / Net worth	16,478.06	15,839.73	
		41,673.80	36,534.81	
		39.5%	43.4%	(9%)
Net profit ratio	Profit After Tax / Sales	16,478.06	15,839.73	
		118,939.87	103,456.98	
		13.9%	15.3%	(10%)
Return on capital employed	Earnings Before Interest and Tax / Average Capital Employed	22,698.62	21,838.85	
		101,624.64	92,649.15	
		22.3%	23.6%	(5%)
Return on investment **	Treasury Income / Average invested funds in treasury investments	2,148.39	2,566.49	
		47,038.29	38,786.28	
		4.6%	6.6%	(31%)

* Mainly due to reduction in borrowing and corresponding increase in networth on account of profit during the year.

** Mainly due to reduction in lending rate by RBI which has resulted in reduction in rate of return on debt mutual funds.

47 There have been no transactions carried out in Crypto Currency or Virtual Currency during the year, neither the Company holds any balances in the same.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
48 Transaction with struck off companies
Balances as at 31st March, 2022

Name of struck off company	Nature of Transaction with struck off company	Balanace outstanding	Relationship with struck off company
Genex Infraproject Limited	Company's shares held	100	Share holder
Sujeer Nayak Trading Enterprises Pvt. Ltd.	Company's shares held	208	Share holder
	Investments in securities	NA	
	Receivables	NA	
	Payables	NA	
	Other outstanding balances (to be specified)	NA	

Balances as at 31st March, 2021

Name of struck off company	Nature of Transaction with struck off company	Balanace outstanding	Relationship with struck off company
Genex Infraproject Limited	Company's shares held	100	Share holder
Sujeer Nayak Trading Enterprises Pvt. Ltd.	Company's shares held	208	Share holder
	Investments in securities	NA	
	Receivables	NA	
	Payables	NA	
	Other outstanding balances (to be specified)	NA	

49 Disclosures pertaining to Corporate Social Responsibility

(₹ in lakhs)

Particulars	31st March, 2022	31st March, 2021
Amount required to be spent by the company during the year	320.04	284.86
Amount of expenditure incurred during the year on:		
(i) Construction/acquisition of asset	—*	153.50**
(ii) On purposes other than (i) above	320.04*	131.36**
Shortfall at the end of the year	—	—
Total of previous years shortfall	—	—
Reason for shortfall	NA	NA
Details of related party transactions	—	—

Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.

* Includes an amount of ₹ 154.61 lakhs earmarked for ongoing projects (including construction / acquisition of assets) transferred to Unspent CSR Account in terms of Section 135(6) of the Companies Act, 2013, for the Financial Year 2021-22.

** 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.

Nature of CSR activity:

Activities like Promoting health care, Education, Environmental Sustainability, Rural Development and Livelihood enhancement projects.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

50 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, 2022. Cash and cash equivalents and other bank balances are always recognised at amortised cost and hence not part of the below table.

(₹ in lakhs)

Particulars	Measured at FVTOCI	Measured at FVTPL	Amortised Cost	Total Carrying Amount
Financial Assets				
Investments in subsidiaries, associates and joint ventures	–	–	1.00	1.00
Other Investments-Non Current	1,099.32	33,119.00	–	34,218.31
Trade Receivables-Non Current	–	–	163.09	163.09
Loans-Non Current	–	–	331.66	331.66
Other Financial Assets-Non Current	–	–	668.57	668.57
Other Investments-Current	–	17,856.21	–	17,856.21
Trade Receivables-Current	–	–	25,793.97	25,793.97
Loans-Current	–	–	194.04	194.04
Other Financial Assets-Current	–	–	408.27	408.27
Total	1,099.32	50,975.21	27,560.59	79,635.12
Financial Liabilities				
Trade Payable-Non Current	–	–	333.31	333.31
Other Financial Liabilities-Non Current	–	–	301.26	301.26
Borrowings-Current	–	–	7,957.29	7,957.29
Trade Payable-Current	–	–	21,049.57	21,049.57
Other Financial Liabilities-Current	–	–	2,071.39	2,071.39
Total	–	–	31,712.83	31,712.83

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	–	–	0.00	0.00
Other Investments-Non Current	1,098.26	21,701.47	–	22,799.73
Trade Receivables-Non Current	–	–	199.81	199.81
Loans-Non Current	–	–	331.43	331.43
Other Financial Assets-Non Current	–	–	590.43	590.43
Other Investments-Current	–	23,893.70	–	23,893.70
Trade Receivables-Current	–	–	24,177.55	24,177.55
Loans-Current	–	–	20.63	20.63
Other Financial Assets-Current	–	–	1,176.33	1,176.33
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


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
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, 2022

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	1,026.18	—	—	1,026.18
Unquoted equity instruments	—	—	73.14	73.14
FVTPL financial investments				
Other Debt Instrument	17.66	50,957.55	—	50,975.21
Unquoted debt instruments	—	—	—	—
Unquoted equity instruments	—	—	—	—

As at 31st March, 2021

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	1,026.02	—	—	1,026.02
Unquoted equity instruments	—	—	72.24	72.24
FVTPL financial investments				
Foreign Currency Forward Contract	—	—	—	—
Other Debt Instrument	17.66	43,119.02	—	43,136.68
Unquoted debt instruments	—	2,458.49	—	2,458.49
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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

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:

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

(₹ in lakhs)

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Trade Receivable	USD	18263.01	14,919.18
Trade Payable	USD	(1275.39)	(2,655.64)
Net		16987.62	12,263.53
Forward Contracts to Sell (Hedge of Receivables)	USD	(15382.91)	(8,435.91)
Net Exposure		1604.71	3,827.63

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)

Particulars	Currency	As at 31st March, 2022	As at 31st March, 2021
Impact on profit before tax			
INR/USD - Increase by 1%	USD	345.11	400.16
INR/USD - Decrease by 1%	USD	(345.11)	(400.16)

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.


NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022
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, 2022	For the year ended 31st March, 2021
Interest expense	Increase	100 basis point	(76.94)	(73.39)
	Decrease	100 basis point	76.94	73.39
Interest income/Fair Value gain	Increase	100 basis point	477.20	463.99
	Decrease	100 basis point	(477.20)	(463.99)

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.

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)

Financial Liabilities	Year	Total	More than 1 year	Less than 1 year
Trade Payables	31st March, 2022	21,382.89	333.31	21,049.57
	31st March, 2021	25,126.40	135.03	24,991.38
Borrowings	31st March, 2022	7,957.29	–	7,957.29
	31st March, 2021	10,181.39	–	10,181.39
Other Financial Liabilities	31st March, 2022	2,372.65	301.26	2,071.39
	31st March, 2021	2,491.80	4.90	2,486.90

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.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022

51 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, 2022	As at 31st March, 2021
Short Term Debt (including current maturities of long term loan)	7,957.29	10,181.39
Long Term Debt	—	—
Trade Payables	21,049.57	24,991.38
Less: Cash and cash equivalents	(4,047.29)	(5,739.89)
Net Debt	24,959.57	29,432.88
Equity	97,058.53	81,110.70
Capital and net debt	122,018.10	110,543.58
Net Debt to Capital Ratio (Debt/Equity plus debt)	0.20	0.27

52 COVID - 19 Pandemic and resulting Lockdown measures by the Government of India has impacted economic activities worldwide and as a result, impacted operations and financial results of the Company. The Company has considered all available information, while preparing its Financial Results for the year ended 31st March, 2022.

53 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,
5th May, 2022

MUKESH SURANA
Chief Financial Officer

SUNIL AGARWAL
Company Secretary
M. No. FCS 6407

Pune,
5th May, 2022

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

MALLIKA SAGAR
Director
DIN: 02228386

**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 2021 to 31st March, 2022	1st April 2021 to 31st March, 2022	1st April 2021 to 31st March, 2022	1st April 2021 to 31st March, 2022
3.	Reporting currency as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	US\$	US\$	NA	NA
4.	Exchange rate as on the last date of the relevant Financial Year in case of Foreign Subsidiaries	75.79	75.79	NA	NA
5.	Share Capital	4,926.12	73.57	100.00	1.00
6.	Reserves and Surplus	(2,588.32)	371.24	58.78	(0.83)
7.	Total Assets	6,608.31	4,360.05	164.40	0.60
8.	Total Liabilities	6,608.31	4,360.05	164.40	0.60
9.	Investments	–	–	163.60	–
10.	Turnover	16,664.43	6,370.75	6.97	–
11.	Profit Before Tax	750.78	304.07	6.35	(0.49)
12.	Provision for Tax	151.95	82.02	1.60	–
13.	Profit After Tax	598.83	222.05	4.75	–
14.	Proposed Dividend	–	–	–	–
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	–	–	–	–
3.	Garware Technical Fibres Foundation, a Section 8 Company was not included in the above statement.				

Part - B : Associate Company

(₹ in lakhs)

Name of Associate Company	Garware Meditech Pvt. Ltd.
1. Latest Audited Balance Sheet Date	31st March, 2022
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	₹ 0.03
6. Profit for the year	
I) Considered in Consolidation	₹ 0.03
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,
 5th May, 2022

Pune,
 5th May, 2022

S. S. RAJPATHAK
 Director
 DIN: 00040387

MALLIKA SAGAR
 Director
 DIN: 02228386

Progress through the Years

(Standalone)

(₹ in lakhs)

Particulars	As per GAAP				As per IND AS*					
	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	31.03.2022
COMPANY OWNED										
1. FIXED ASSETS (NET)	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	23,981.99
2. INVESTMENTS	916.95	933.46	904.00	397.80	11,122.21	24,469.33	33,101.17	42,251.11	51,409.97	56,787.05
3. NET CURRENT ASSETS ^{\$}	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	30,162.10
TOTAL ASSETS (NET)	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	110,931.15
COMPANY OWED										
1. LOAN FUNDS	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	7,957.29
2. COMPANY'S NET WORTH -										
- EQUITY SHARE CAPITAL	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	2,061.82
- RESERVES AND SURPLUS ^μ	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	97,562.31
3. DEFERRED TAX LIABILITY	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	3,349.71
TOTAL CAPITAL EMPLOYED	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	110,931.14
INCOME	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	120,152.49
RAW MATERIAL AND STOCK CONSUMED	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	35,574.09
SALARIES AND WAGES	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	14,765.15
OPERATING AND OTHER EXPENSES	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	45,626.76
INTEREST	1,448.01	1,282.96	1,024.83	872.69	653.55	997.69	1,372.29	1,120.59	996.97	1,045.00
EXCISE DUTY	368.44	422.62	436.77	438.31	343.64	88.56	-	-	-	-
PROFIT BEFORE DEPRECIATION AND TAX	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	23,141.49
DEPRECIATION	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	2,140.75
PROFIT BEFORE TAX	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	21,000.74
TAX	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	4,927.68
PROFIT AFTER TAX	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	16,073.06
EARNING PER SHARE	10.41	12.13	19.68	28.28	38.52	48.04	57.40	81.35	72.87	77.96
DIVIDEND PAID PER EQUITY SHARE (₹)	2.50	2.70	3.00	3.30	5.00	4.50	5.00	17.00	2.50	^{**} 7.00
BOOK VALUE OF EQUITY SHARE (₹)	112.45	125.08	141.65	166.68	203.63	244.95	296.82	353.23	408.07	455.28
FOB VALUE OF EXPORTS	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	49,627.20

* The company had transitioned to Indian Accounting Standards (Ind AS) w.e.f 1st April, 2017. There fore the figures from FY 17 are as per Ind AS. Hence, not strictly comparable with earlier years figures presented under GAAP.

** The Board of Directors have recommended a dividend of ₹ 7.00/- (70%) per share of ₹ 10/- each at the ensuing Annual General Meeting of the Company.

μ 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 ₹ 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, ₹ Nil lakhs for 31.03.21 and ₹ Nil lakhs for 31.03.22, 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.



Our Innovative, Application-focused Solutions Portfolio



FISHERIES

- Fully Assembled Trawls
- Purse Seine Nets
- Gill Nets
- Dole Nets
- Pelagic Nets
- Ropes & Twines



AQUACULTURE

- Cage Nets
- Predator Protection Nets
- Anti-Bird Nets
- Aqua Mooring Ropes
- Sea Lice Solutions



SHIPPING & IPD

- 8 Strand Shipping Ropes
- 12 Strand Ropes
- Safety Nets
- Cargo Nets
- Braided Ropes
- Rope Articles
- Safety PPE
- Bird Protection Nets
- Lifting Slings



SPORTS

- Tennis Nets
- Volley Ball Nets
- Basket Ball Nets
- Ski Nets
- Cricket Nets
- Badminton Nets
- Golf Practice Nets
- Soccer Nets
- Batting Cages
- Handball Nets



SHINING BRIGHT
in Challenging Conditions



Our Innovative, Application-focused Solutions Portfolio



AGRICULTURE

- Anti-Bird Nets
- Anti-Hail Nets
- Shade Nets
- Floriculture Nets
- Insect Nets
- Grape Nets
- Crop Support
- Stacking Cord
- Banana Ropes
- Weed Mat



GEOSYNTHETICS

- Reinforced Soil Structures
- Landfill
- Coastal & River Protection
- Rock fall Protection
- Gabion Walls
- Geosynthetics Lining
- Erosion Control



COATED FABRICS

- Tarpaulins
- Hanger Covers
- Awnings
- Inflatables
- Biogas Covers
- Tents
- Pandals
- Pitch Covers / Ground Covers
- Bio Flock



PLATEENA

- Aquaculture Cage Nets
- Mooring & Towing Ropes
- Trawl Nets
- Purse Seine Nets
- Conductor Cable Pulling
- Hot Line Stringing
- River Cross Cable Pulling



GARWARE
TECHNICAL FIBRES

Prestigious Accolade
CEO OF THE YEAR AWARD



Mr. Shujaul Rehman, CEO of Garware Technical Fibres Ltd., was conferred the Economic Times Polymers 'CEO OF THE YEAR' Award on 24 February 2022 at a ceremony in Sahara Star Hotel in Mumbai.

Based on a rigorous process of assessing contributions made by industry leaders, the ET Polymers Awards recognizes and celebrates the best in the Indian plastics industry.

Speaking on the occasion, Mr. Rehman said “The award is a positive affirmation for the work that we are doing at Garware Technical Fibres Ltd. Our constant endeavour is to make the group stronger and provide the best solutions to our customers. This award will push me to continue my work in that area.”



GARWARE
TECHNICAL FIBRES

Garware Technical Fibres Limited

Plot No. 11, Block D-1, MIDC, Chinchwad, Pune - 411 019, India.
Tel : +91-20-2799 0000/0306 CIN : L25209MH1976PLC018939

www.garwarefibres.com