



GARWARE
TECHNICAL FIBRES

GTFL:SEC:2020

February 20, 2020

BSE Limited

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

(Company code: 509557)

National Stock Exchange of India Ltd.

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

(Symbol: GARFIBRES, Series: EQ)

Sub: Outcome of Meeting of the Board of Directors of the Company held on Thursday, 20th February, 2020

Ref:- Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

The Board of Directors of the Company at its meeting held today i.e., 20th February, 2020, considered and accorded their consent in principle, for execution of an Agreement For Contribution / Transfer, all of its rights, title and interest in and to the Business / Undertaking along with all its assets and liabilities in United States of America on a going concern basis to a proposed Acquirer (i.e. a proposed Subsidiary of the Company, which is being incorporated in USA), which will result into the proposed Subsidiary being converted into a wholly owned subsidiary of the Company.

Details as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI' Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given in Annexure A.

The Board Meeting was commenced at 04.00 p.m. and concluded at 05.40 p.m.

Trading Window will be re-opened on Monday, 24th February, 2020.

Please acknowledge this communication.

Thanking you,

Yours faithfully,

For **GARWARE TECHNICAL FIBRES LIMITED**


Sunil Agarwal
Company Secretary
M. No. FCS6407



Registered Office

Garware Technical Fibres Ltd. (Formerly Garware – Wall Ropes Ltd.): Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune 411 019, India.

T+91 20 2799 0000/0306 ☎ pune_admin@garwarefibres.com www.garwarefibres.com CIN: L25209MH1976PLC018939



Annexure A

Sr. No.	Particulars	Details			
		Rs. In Lakhs			
a.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year*.	Sr. No.	Particulars		
		Net Worth	Turnover		
		1.	Garware Technical Fibres Limited	64948.23	101782.19
		2.	USA Branch	Not Applicable	11308
		*Last Financial Year: 1 st April, 2018 to 31 st March, 2019.			
b.	Date on which the agreement for sale has been entered into.	Agreement for contribution / transfer of business ("the Agreement") is yet to be executed.			
c.	The expected date of completion of sale / disposal.	Expected period of completion of transaction is around 3 months.			
d.	Consideration received from such sale/disposal.	<p>The overall Consideration is USD 6.51 Million as per the valuation reports of M/s. Ashit C. Mehta Investment Intermediates Limited, a SEBI registered Merchant Banker.</p> <p>The Consideration for the contribution of Business / Undertaking (as defined in the Agreement) would be discharged solely by proposed Acquirer by issuance of one hundred (100) shares of Common Stock of the proposed Acquirer, which represent 100% shares of common stock of the proposed Acquirer and which will result the proposed Acquirer being converted into Wholly Owned Subsidiary of the Company.</p>			
e.	Brief details of buyers and whether any of the buyers belong to the promoter / promoter group / group companies. If yes, details thereof.	<p>Considering the increasing business operations of the Company and to have a more effective legal and business structure of operations in United States of America markets, it is proposed to form a Subsidiary company in United States of America and the same is being incorporated, which is the proposed Acquirer.</p> <p>The proposed Acquirer does not belongs to and is in no way connected with any promoter / promoter group / group companies except being the Subsidiary of the Company.</p>			
f.	Whether the transaction would fall within related party transactions? If yes,	Yes.			





Sr. No.	Particulars	Details
	whether the same is done at "arms length".	The Transaction is being carried out at Consideration arrived at on arm length basis, which is as per the valuation reports of M/s. Ashit C. Mehta Investment Intermediates Limited, a SEBI Registered Merchant Banker.
g.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	<p><u>Area of Business of the entities</u></p> <p>1. Garware Technical Fibres Limited- The Company is engaged in the business of development, design, manufacture and marketing of various synthetic ropes, twines, netting and assembled fabricated nets for the fishing industry and other industrial products such as coated fabric, woven fabric, woven geo-textile fabric forms like geo-bags, geo-tubes, etc., geo-mats, steel and polymer rope gabions and provides technical consultancy and solutions in all kinds of geo-synthetic products and systems, and also undertakes infrastructure-related projects, especially with geo-synthetic applications, both in the private and public sector</p> <p>2. Proposed Acquirer- The same line of business, as above</p> <p><u>Rationale of proposed transaction</u></p> <p>The Company is engaged in the area of the business as defined above and has customers spread in various regions globally. One of the significant markets of the Company is United States of America, where the Company has been operating through a branch office for many years. Considering the increasing business operations and to have a more effective legal and business structure of operations in United States of America markets, the company believes that operating through a local USA domiciled Entity and thereby upgrading the legal / business presence of the Contributor in USA is the need of its business.</p>





Sr. No.	Particulars	Details
		<p>Therefore, the Company hereby proposes to contribute, assign and transfer, all of its rights, title and interest in and to the Business / Undertaking along with all its assets and liabilities in United States of America on a going concern basis for a total lump-sum consideration by means of contribution to and in favor of the Proposed Acquirer.</p> <p>The Consideration for the contribution of Business / Undertaking would be discharged solely by proposed Acquirer by issuance of one hundred (100) shares of Common Stock of the proposed Acquirer, which represents 100% shares of common stock of the proposed Acquirer and which will result the proposed Acquirer being converted into Wholly Owned Subsidiary of the Company.</p>
f.	Brief details of change in shareholding pattern (if any) of listed entity.	There would be no change in the shareholding pattern of Garware Technical Fibres Limited, consequent to the proposed transaction.

