



GARWARE
TECHNICAL FIBRES

GTFL:SEC:2019

January 11, 2019

BSE Limited

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

(Company code: 509557)

National Stock Exchange of India Ltd.

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

(Symbol: GARFIBRES, Series: EQ)

Sub:- Submission of Postal Ballot Notice dated 27th December, 2018 alongwith Postal Ballot Form

Dear Sir,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Postal Ballot Notice dated 27th December, 2018, alongwith Postal Ballot Form dispatched to all the Members of the Company, for seeking their approval by way of Special Resolution through physical Postal Ballot / voting by Electronic Means ("e-Voting") for reduction of capital of the Company.

Please acknowledge this communications.

Thanking You,

Yours faithfully,

For **GARWARE TECHNICAL FIBRES LIMITED**

Sunil Agarwal
Company Secretary
M. No. FCS6407
Encl.: as above

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 3078 0000/0306 E pune_admin@garwarefibres.com www.garwarefibres.com CIN: L25209MH1976PLC018939



GARWARE TECHNICAL FIBRES LIMITED

(formerly GARWARE-WALL ROPES LIMITED)

Registered Office: Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411019.
CIN: L25209MH1976PLC018939, Tel. No.: (020) 30780000, Fax No.: (020) 27455886
Email: secretarial@garwarefibres.com, Website: www.garwarefibres.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]

To,
The Member(s),

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with the Companies (Management and Administration) Rules, 2014 ("the Rules") (including any statutory modification(s) or re-enactment thereof, for the time being in force), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard – 2 ("SS-2") issued by the Institute of Company Secretaries of India, and any other applicable laws and regulations for the time being in force, that the resolution set out below is proposed to be passed as a Special Resolution by way of Postal Ballot / Voting by Electronic Means ("e-Voting").

SPECIAL BUSINESS:

1. Approval for Reduction of Capital of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 66 read with Section 52 and other applicable provisions, if any, of the Companies Act, 2013 or any amendment thereof, to the extent applicable, read with the Rules made thereunder and pursuant to the provisions of Memorandum of Association and Article 13 of the Articles of Association of the Company, and subject to the confirmation by the Mumbai Bench of the National Company Law Tribunal ('Tribunal') or such other competent authority and such other approvals, consents, permissions and sanctions as may be necessary to be obtained from appropriate statutory or regulatory or Government authorities and third parties, as may be required and subject to such conditions as may be prescribed while granting such approvals, consents, permissions and sanctions, which may be agreed by the Board of Directors (hereinafter called the 'Board', which term shall be deemed to include any Committee of the Board, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the approval of the members of the Company be and is hereby accorded for Reduction of Capital of Garware Technical Fibres Limited ('GTFL' or 'Company'), as under:-

- a. Reduction of equity share capital of the Company from Rs. 21,88,20,600/- (Rupees Twenty One Crores Eighty Eight Lakhs Twenty Thousand and Six Hundred only) divided into 2,18,82,060 equity shares of a face value of Rs. 10/- (Rupees Ten only) each to Rs. 20,93,55,600/- (Rupees Twenty Crores Ninety Three Lakhs Fifty Five Thousand and Six Hundred only) divided into 2,09,35,560 equity shares of a face value of Rs. 10/- (Rupee Ten only) each by cancellation of 9,46,500 equity shares of a face value Rs. 10/- (Rupees Ten only) each held by "GWRL Managerial Staff Welfare Trust" ("Welfare Trust") without any payout for such reduction;
- b. Adjustment of the outstanding amount of interest free advance payable by Welfare Trust to the Company not exceeding Rs. 3,49,29,308.10/- (Rupees Three Crores Forty Nine Lakhs Twenty Nine Thousand Three Hundred and Eight and paise Ten only) against the Securities (Share) Premium Account of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any officer so authorized by the Board, be and are hereby authorized on behalf of the Company to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit, necessary, proper or desirable, including but not limited to preparing, finalizing, signing, submitting, filing any undertaking, application, representation, petition, letter, form, deed, and any other documents in respect thereof, and / or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary and / or to seek the requisite approvals, as may be applicable, from the appropriate authorities including but not limited to the Tribunal, Stock Exchanges where the securities of the Company are listed, SEBI or other appropriate or competent authorities and / or to represent the Company before the said authorities and / or to settle any question, difficulty, doubt that may arise, if any or in regard to and of the meaning or interpretation thereof or implementation thereof or in any manner whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of the Reduction of Capital of the Company and if necessary, to waive any of those (to the extent permissible under law) or to suspend, withdraw in whole or in part or revive or modify the above proposal of the Reduction of Capital of the Company from time to time as may be specified or agreed or consented by any statutory authority including Tribunal or they may *suo moto* decide in their absolute discretion, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors

27th December, 2018
Pune

Sunil Agarwal
Company Secretary
M. No. FCS 6407

Notes:

- 1) An explanatory statement pursuant to the provisions of Section 102 of the Act setting out material facts and the reason for the proposal is appended hereto.
- 2) The Company is providing voting facilities to the Members through the Postal Ballot Form and through e-voting.
- 3) The Postal Ballot Notice along with the Postal Ballot Form is being sent to all the Members, whose names appears on the Register of Member / list of Beneficial Owner as received from National Securities Depository Limited ("NSDL") / Central Depository Services India Limited ("CDSL") as on the close of business hours on Monday, 31st December, 2018 ("Cut-off date"). A person, who is not Member as on Cut-off date should treat this Notice for information purpose only.
- 4) Only a Member holding shares as on the Cut-off date is entitled to exercise his / her vote through e-voting / Postal Ballot and send it to the Scrutinizer.
- 5) As per Section 110 of the Act, read with Rule 18 and Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations and SS-2, Notice of the Postal Ballot may be served on the Members through electronic means. Members who have registered their e-mail IDs with Depositories or with the Company are being sent this Notice of the Postal Ballot by e-mail and the Members who have not registered their e-mail IDs will receive Notice of the Postal Ballot along with the Postal Ballot Form by the permitted mode.
- 6) Mr. S. V. Deulkar, Partner of M/s. S. V. D. & Associates (CP No. 965) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
- 7) **Voting through electronic means:**

In compliance with provisions of Section 108 and Section 110 of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its Members the facility to exercise their right to vote through e-voting services provided by CDSL.

The instructions for e-voting are as under:

- (i) The voting period begins on Saturday, 12th January, 2019, (9.00 a.m.) and ends on Sunday, 10th February, 2019, (5.00 p.m.). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date i.e. Monday, 31st December, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and Members shall not be allowed to vote beyond the said date and time.
- (ii) Log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/Members.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none">• Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company / DP are requested to use the sequence number which is printed on Postal Ballot indicated in the PAN field.
Dividend Bank Details Or Date of Birth (DOB)	<ul style="list-style-type: none">• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.• If both the details are not recorded with the Depository or Company, please enter the Member Id / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for

resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
 - (xi) Click on the EVSN of Garware Technical Fibres Limited on which you choose to vote.
 - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the resolution.
 - (xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire resolution details.
 - (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly, modify your vote.
 - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out a print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvii) If a Demat account holder has forgotten the changed login password, then, enter the User ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.
 - (xviii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - (xix) Note for Non-Individual Members & Custodians:
 - Non-individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a Compliance User using the admin login and password. The Compliance User would be able to link the account(s) linked in the login which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Sunil Agarwal, Company Secretary at the Registered office address or Tel. No. (020) 30780000 or e-mail at secretarial@garwarefibres.com.
- 8) A Postal Ballot Form and a postage prepaid self-addressed business reply envelope are attached to this Notice. You are requested to carefully read the instructions printed on the Postal Ballot Form enclosed hereto and return the completed and signed form in the enclosed prepaid self-addressed envelope. The Postal Ballot Notice along with the Postal Ballot Form will also be available on the Company's website: www.garwarefibres.com and on the website of the CDSL e-Voting for download.
- 9) Members who do not have access to e-voting are requested to fill in the Postal Ballot Form enclosed with the Notice (a copy of the same also forms part of the soft copy of the Notice) and submit the same in a sealed envelope to the Scrutinizer (pre-paid envelope is enclosed). Unsigned, incomplete or incorrectly ticked Postal Ballot Forms shall be rejected. The Postal Ballot Form must be received by the Scrutinizer appointed by the Board of Directors of the Company at "M/s. SVD & Associates, Scrutinizer, C/o LINK INTIME INDIA PRIVATE LIMITED, Unit : GARWARE TECHNICAL FIBRES LIMITED, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083." on or before Sunday, 10th February, 2019 (5.00 p.m). Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted. The Scrutinizer's decision on the validity of the Postal Ballot Forms will be final. Members are required to vote only through the electronic system or through the Postal Ballot and in no other form. If a member casts votes by both modes, then voting done through the electronic system shall prevail and through Postal Ballot shall be treated as invalid. Please note that any Postal Ballot Form(s) received after that date will be treated as if reply from such Member has not been received.
- 10) In case, shares are jointly held, the Postal Ballot Form should be completed and signed as per the specimen signature registered with the Company by the first named Member and in his / her absence, by the next named Member.

- 11) The Scrutinizer, after completion of scrutiny, will submit his report to Chairman & Managing Director of the Company with copy to the Company Secretary on or before Tuesday, 12th February, 2019. The Results declared alongwith the report of the Scrutinizer will be put up on the Company's notice board at its Registered Office on or before Tuesday, 12th February, 2019 and will also be posted on the website of the Company www.garwarefibres.com and on the website of the CDSL e-voting. The results shall also be communicated to Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- 12) The Special Resolution at Item No. 1 of this Notice shall be declared as passed if votes cast in favour of the said resolution by the Members so entitled and voting are not less than three times the number of votes, if any, cast against the same.
- 13) The last date for casting of vote i.e. Sunday, 10th February, 2019 will be taken to be the date of passing of the said Special Resolution by the Members of the Company, if approved by requisite majority.
- 14) In case a Member is desirous of obtaining a Postal Ballot Form in physical or a duplicate Postal Ballot Form, he or she may write to the Company at its Registered Office or send an E-mail at secretarial@garwarefibres.com. The Company's Registrar & Share Transfer Agent i.e., Link Intime India Pvt. Limited shall forward the same along with self-addressed postage pre-paid business reply envelope to the Members.

**ANNEXURE TO THE POSTAL BALLOT NOTICE
EXPLANATORY STATEMENT**

The explanatory statement sets out the material facts relating to the business mentioned under Item No. 1 of the accompanying Notice dated Thursday, 27th December, 2018 pursuant to the provisions of Section 102(1) and all other related provisions of the Companies Act, 2013.

Item No. 1

The proposed Reduction of Capital is pursuant to the provisions of Section 66 read with Section 52 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and provides for reduction of Equity Share Capital and Securities (Share) Premium Account of the Company and with due compliance of all applicable securities laws including compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("Share Benefits Regulations").

A. Background:

- i. The Company has an employee benefit and welfare trust in the name of 'GWRL - Managerial Staff Welfare Trust' (hereinafter known as 'Welfare Trust') which was settled by the Company by executing a Trust Deed dated 21st November, 2006. By a resolution passed at the meeting of Board of Directors of the Company held on 16th October, 2006, the Company had formulated and approved an Employee Welfare Scheme (hereinafter known as 'Welfare Scheme') inter alia for the benefit of eligible employees in the grade of Manager and above on the terms and conditions set out therein.
- ii. The Members are aware that Special Resolution passed unanimously at an Extraordinary General Meeting of the Company held on 16th December, 2006, they had approved the preferential allotment of 9,98,000 Convertible Warrants of a face value of Rs. 10/- (Rupees Ten only) each of the Company for cash at a price of Rs. 66.50/- (Rupees Sixty Six and Paise Fifty only) per Warrant (representing the face value of Rs. 10/- (Rupees Ten only) per share and premium of Rs. 56.50/- (Rupees Fifty Six and Paise Fifty only) per share, to be vested in the Welfare Trust.
- iii. In order to enable the Welfare Trust to subscribe to the Warrants and thereafter convert the Warrants into equity shares, the Company had provided an interest free advance on 23rd December, 2006 for a sum of Rs. 66,36,700/- and on 23rd May, 2008 for a further sum of Rs. 5,97,30,300/- aggregating to total of Rs. 6,63,67,000/- to the Welfare Trust and that 9,98,000 equity shares of the Company were allotted to the Welfare Trust on exercise of Warrants. The Welfare Trust has not acquired any equity shares through secondary market i.e. not made any "Secondary Acquisition".
- iv. The benefits flowing from Equity Shares arising out of the conversion of the Warrants were intended to be used for implementation of Welfare Schemes, as was set out in the Explanatory Statement to the above referred Special Resolution passed by the Members.
- v. From the Financial Year 2007-08 until Financial Year 2017-18, the total amount of dividend received by the Welfare Trust from the Company was Rs. 2,57,26,000/-. Out of the total dividend received, Rs. 2,51,21,385/- was used for repayment of interest free advance to the Company over the years. As on 31st March, 2018, the outstanding amount of interest free advance repayable by the Welfare Trust to the Company was Rs. 3,91,88,558.10/-.

Out of the balance amount of dividend received, the amount aggregating to Rs. 6,04,615/- was used to provide following benefits to the employees during the Financial Years 2012-13 and 2013-14.

(in Rs.)			
Sr. No.	Particular	2012-2013	2013-2014
a.	Merit Scholarship Policy	30,000	NIL
b.	Long Service Awards Policy	4,55,190	1,19,425
	Total	4,85,190	1,19,425

As on 31st March, 2018, the outstanding amount of interest free advance repayable by the Welfare Trust to the Company was Rs. 3,91,88,558.10/-. This amount has been further reduced with receipt of Rs. 42,59,250/- in the month of October,

2018 from the Welfare Trust, which amount was the amount of dividend received by Welfare Trust. As on the date of this Postal Ballot Notice, the total amount of outstanding interest free advance payable by the Welfare Trust to the Company is Rs. 3,49,29,308.10/-.

- vi. The Welfare Scheme falls within the legal definition of General Employee Benefits Schemes ('GEBS') set out in the Share Benefits Regulations, which was introduced with effect from 28th October, 2014.
- vii. With the Share Benefits Regulations becoming effective, the Company, taking note inter-alia of the regulatory requirement under Regulation 31(2)(b)(ii), of the Share Benefits Regulations, discussed the matter with the Trustees of the Welfare Trust. The Company and Welfare Trust jointly arrived at a conclusion that the premises, objects and other considerations, as were considered appropriate and were prevalent in the year 2006, while setting up of the Welfare Trust and framing of Welfare Scheme needed to be revisited in light of changes that have taken place since the year 2006 in the context of the Remuneration Policy as applicable to employees under Welfare Trust. As such, the Company decided not to offer any benefit under the aligned Welfare Scheme, pending decision as to whether to continue the Welfare Scheme or otherwise.

On review of all relevant aspects and factors, it was thought appropriate to wind-up Welfare Schemes and towards that end, reduce the equity share capital of the Company to the extent of the shares held in the Welfare Trust as outlined here.

B. Rational for winding-up of the Welfare Scheme and Reduction of Capital:

- i. The Welfare Scheme has been purely cash-based and no equity shares have been transferred to any employees so far. The Company intends to continue extending these two welfare benefits as above, directly, in future also.

The details of some Welfare benefits currently extended directly by the Company are as below:-

Sr. No.	Employee Welfare Benefits extended directly by the Company pertains to
1	Merit Scholarship
2	Educational Loan
3	Long Service Awards
4	Re-imbusement of Medical Expenses
5	Financial Assistance to the Dependents (lumpsum payment to the Dependent of the employee in case of death / total disability).
6	Housing Loan
7	One Time Award on Special achievement / Employee of the Month / Team Awards
8	Loan with or without interest for the employee's need like Vehicle Loan / Children Education Fees payment / Medial urgency, etc.
9	Long Term Retention scheme
10	Retirement Gift
11	Golden Ring for long service of 20 years
12	Annual Day Awards

These benefits are discretionary in nature and eligibility criteria for extending such benefits is and will be determined by the Company from time to time in accordance with the Company's own policies, taking into account appropriateness of circumstances from time to time.

- ii. Regulation 31(2)(b)(ii) of the Share Benefits Regulations mandates employee welfare schemes of listed companies to reduce their holding in the listed company to 10% or less of its total assets within a period of five (5) years from the date of the Share Benefits Regulations. As on date, the Welfare Trust holds 9,46,500 equity shares of the Company and it constitutes approximately 99% of the total assets of the Welfare Trust.
- iii. The Compensation Committee of the Board of Directors after taking into account the findings of the internal review made by the management was of the view that it would be prudent to wind-up the Welfare Scheme, as the same is rendered redundant, taking into consideration inter-alia that the Company does not intend to offer any equity share based employee benefit schemes out of the equity shares presently held by the Welfare Trust and the fact that the Company is and will be directly providing other non-share based benefits to all managerial staff including those under the Welfare Trust. As such, no prejudice would be caused to such employees.
- iv. Accordingly, the Compensation Committee after considering various relevant factual aspects besides the reasons or grounds stated above including the need to comply with Regulation 31(2)(b)(ii) of the Share Benefits Regulations, recommended that with the winding of the Welfare Scheme, the equity shares held by the Welfare Trust be cancelled by opting for selective reduction of capital without any payout to the Welfare Trust and all suitable steps be taken in connection with the same.
- v. With winding up the Welfare Scheme and the reduction of capital, the outstanding amount of interest free advance payable by the Welfare Trust to the Company is proposed to be adjusted against the "Securities (Share) Premium Account" of the Company.
- vi. The above recommendation of the Compensation Committee of the Company for winding up of the Welfare Scheme was also communicated to the Trustees of Welfare Trust for their consideration. The Trustees of the Welfare Trust after

consideration of the various aspects related to subject matter and facts, concurred with the views of the Compensation Committee. The Trustees of the Welfare Trust came to the conclusion that no useful purpose will be served to continue Welfare Scheme inter-alia considering the following:-

- a. The Welfare Trust has, so far, not extended any share-based benefit to employees except small amounts in cash welfare benefits in two years (as referred above).
- b. The Company is directly providing non-share based welfare benefits to all managerial staff including those under Welfare Trust and the Company intends to extend these welfare benefits directly to managerial staff in future also. Therefore, the interests of the managerial staff will not get prejudicially affected.
- c. The Company does not intend to offer any share-based employee benefit schemes or any shared based stock option schemes out of the shares held by the Welfare Trust.
- d. The Trustees of the Welfare Trust have taken note that since the Welfare Trust is a discretionary trust and no benefit has been extended after the scheme has been aligned nor any eligible beneficiaries identified, there are no beneficiaries to the Welfare Trust. There is no right provided to any employee of the Company in relation to the shares held by the Welfare Trust.

Accordingly, the Trustees of the Welfare Trust have concurred with the recommendation of the Compensation Committee to wind-up of the welfare scheme and offer the equity shares held by the Welfare Trust for cancellation by the Company without any payout for such reduction. The interest free advance given to the Welfare Trust by the Company was ultimately for the benefit of the Company since the trust was one of the modes or vehicles of administering the human resources policy of the Company. The said advance is, therefore, proposed to be adjusted against the Securities (Share) Premium Account of the Company.

- vii. The above recommendation of the winding-up of the Welfare Scheme of the Compensation Committee, as consented to by the Trustees of the Welfare Trust was considered and approved by the Board of Directors of the Company. The Board further consented the selective reduction of capital and the proposal for adjustment of the outstanding amount of interest free advance payable by the Welfare Trust to the Company against the Securities (Share) Premium Account of the Company as placed before the Board of Directors.
- viii. The Board decided to accept the above referred recommendation of the Compensation Committee, at its meeting held on 21st June, 2018, keeping in mind various relevant factual aspects as set out herein above and for following reasons in particular:-
 - a. The Company does not intend to distribute equity shares of the Company held by the Welfare Trust to the employees nor use the aforesaid equity shares for any share based stock option schemes;
 - b. The Company has been extending various welfare benefits directly, as outlined above, to all the managerial staff including those under Welfare Trust including some benefits which otherwise form part of Welfare Scheme. The Company intends to continue extending these welfare benefits in future;
 - c. Since the Welfare Trust is discretionary in nature, there are no identifiable employees who are beneficiaries to the Welfare Scheme;
 - d. Due to the reasons mentioned in points a, b and c above, the Welfare Scheme has been rendered redundant;
 - e. The selective reduction of capital would also ensure compliance with Regulation 31(2)(b)(ii) of the Share Benefits Regulations;
 - f. The beneficial interest in the equity shares held by the Welfare Trust rightfully belongs to the shareholders since they have been acquired entirely from the interest-free advance given by the Company pursuant to the enabling provisions in Section 77 of the Companies Act, 1956, and all shareholders would proportionately benefit from the reduction and cancellation of shares held by the Welfare Trust; and
 - g. The selective reduction of capital would also increase the earnings per share (EPS) for all the equity shareholders of the Company, equally thereby enhancing stakeholder's value. As such, the proposal is fair and is in the interest of all shareholders equally.
- ix. The Securities Premium Account of Rs. 77,00,10,718/- as at 31st March, 2018, includes premium of Rs. 5,63,87,000/- towards the said 9,98,000 equity shares issued at a premium to the Welfare Trust referred above. Accordingly, the outstanding interest free advance as on the date on which reduction of capital becomes effective shall be adjusted against the Securities (Share) Premium Account of the Company.
- x. The Special Resolution, if approved, by the Members of the Company with requisite majority, will be subject to the confirmation by National Company Law Tribunal as per Section 66(3) of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016."

C. Reduction of Equity Share Capital and Securities (Share) Premium Account:

- i. On effectiveness of the reduction of share capital of the Company, 9,46,500 equity shares of a face value of Rs. 10/- (Rupees Ten only) each held by the Welfare Trust in the Company in the name of the Trustees, shall be cancelled without any payout for such reduction.

- ii. On effectiveness of the reduction of share capital of the Company, the outstanding amount of interest free advance not exceeding Rs 3,49,29,308.10/- (Rupees Three Crores Forty Nine Lakhs Twenty Nine Thousand Three Hundred and Eight and paise Ten only) payable by the Welfare Trust to the Company shall be adjusted against the Securities (Share) Premium Account of the Company.

iii. **Capital Structure of the Company Pre and Post Reduction of Share Capital:**

Particulars	Prior to the Reduction of Share Capital	Proposed Reduction Share Capital	After Reduction of Share Capital
Number of Equity Shares	2,18,82,060	9,46,500	2,09,35,560
Face value per equity share	Rs. 10/-	Rs. 10/-	Rs. 10/-
Total Paid up Capital	Rs. 21,88,20,600/-	Rs. 94,65,000/-	Rs. 20,93,55,600/-

iv. **Shareholding Pattern of the Company Pre and Post Reduction of Share Capital:**

Particulars	Prior to the Reduction of Share Capital		After Reduction of Share Capital	
	No. of Shares (Rs. 10/-) each	% holding	No. of Shares (Rs. 10/-) each	% holding
Promoters	1,10,94,934	50.70	1,10,94,934	53.00
Public	98,40,626	44.97	98,40,626	47.00
Non-Promoter Non-Public (Employee Welfare Trust)	9,46,500	4.33	-	-
Total	2,18,82,060	100.00	2,09,35,560	100.00

- v. The reduction of paid up equity share capital and the Securities (Share) Premium Account as aforesaid, shall not involve any diminution of liability in respect of unpaid share capital.
- vi. Notwithstanding the reduction as mentioned above, the Company will be praying before Tribunal that the Company be exempted to add "and reduced" as a suffix to its name and the Company shall continue in its existing name considering that no payout is made to the any existing shareholder and the Company will be able to discharge its liability in the due course of business.
- vii. It is clarified that until the Reduction of Capital is effected, subject to the provisions of the Share Benefits Regulations, the Welfare Trust would be eligible to enjoy all the benefits in the capacity of member / shareholder of the Company including but not limited to receiving dividends and bonus shares, participate in rights issue and participating in any other corporate action taken by the Company during the pendency of this reduction of capital.
- viii. **Complaints Report in respect of the reduction of the capital of the Company:**

PART-A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

PART-B

Sr. No.	Name of the Complainant	Date of Complaint	Status (Resolved/Pending)
Not Applicable			

ix. **No-Objection / Observation Letter from the Stock Exchange:**

The BSE Limited (Designated Stock Exchange) and National Stock Exchange of India Limited have vide their letters dated October 31, 2018 and November 2, 2018, respectively, issued Observation Letter to the proposal of the Reduction of Capital, which is in line with and or similar to the proposed reduction of capital as detailed above. The Observation Letter given by BSE Limited and National Stock Exchange of India Limited are annexed to this explanatory statement at "Annexure 1" and "Annexure 2" respectively.

x. **Valuation Report and Fairness Opinion:**

The Valuation Report dated June 20, 2018, issued by M/s. Rashmi Apte & Associates, Independent Chartered Accountants is annexed to this explanatory statement at "Annexure 3".

M/s. SPA Capital Advisors Limited, an independent Category – I Merchant Banker, vide their fairness opinion report dated June 20, 2018 has opined that the proposed Reduction of Capital of the Company may be taken as fair and reasonable from the prospective of equity shareholders of the Company. The Fairness Opinion Certificate is annexed to this explanatory statement at “Annexure 4”.

D. General:

- i. Article 13 of the Articles of Association of the Company provides for the reduction of capital of the Company and / or Share/ Securities Premium Account in any manner authorized by the applicable law.
- ii. The Reduction of Capital will not cause any prejudice to the creditors of the Company. The creditors of the Company are in no way affected by the proposed Reduction of capital, as there is no payout to the shareholder nor is there a reduction in the amount payable to any of the creditors. Further, the proposed Capital Reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitment or to pay its debts in the ordinary course of business.
- iii. No inquiry or investigation is pending against the Company under any provisions of Companies Act, 2013.

All documents referred to in the accompanying Special Resolution and Statement Annexed thereto have been uploaded on the Company's website and would also be available for inspection to the Members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m. till the last date for receipt of the Postal Ballot Forms from the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company, if any.

In view of the aforesaid, the Board recommends the resolution as set out above for the approval of the Members as a Special Resolution.

By Order of the Board of Directors

27th December, 2018
Pune

Sunil Agarwal
Company Secretary
M. No. FCS 6407



DCS/AMAL/SV/R37/1320/2018-19

The Company Secretary,
Garware Technical Fibres Ltd
 Plot No 11, Block D-1, MIDC, Chinchwad,
 Pune, Maharashtra, 411019

Sir,

Sub: Observation letter regarding the Draft Scheme of Reduction of Capital of Garware Technical Fibres Ltd

We are in receipt of Draft Scheme of Reduction of Capital of Garware Technical Fibres Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated October 31, 2018 has inter alia given the following comment(s) on the draft scheme of amalgamation:

- "Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001, India
 T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com
 Corporate Identity Number: L67120MH2005PLC155188

(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nithikumar Pujari
Senior Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/65429

November 02, 2018

The Company Secretary
Garware Technical Fibres Limited
Plot No. 11, Block D-1,
MIDC, Chinchwad,
Pune 411019

Kind Attn.: Mr. Sunil Agarwal

Dear Sir,

Sub: Observation Letter for the Scheme of Reduction of Share Capital of Garware Technical Fibres Limited (formerly Garware-Wall Ropes Limited)

We are in receipt of the Scheme of Reduction of Share Capital of Garware Technical Fibres Limited (formerly Garware-Wall Ropes Limited) vide application dated August 17, 2018.

Based on our letter reference no Ref: NSE/LIST/64047 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated October 31, 2018, has given following comments:

- a. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI and National Stock Exchange of India Limited again for its comments/observations/ representations.*

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.



Signer: Hitesh Rajeev Mathotra
Date: Fri, Nov 2, 2018 15:12:32 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block C, Bandra Kurla Complex, Bandra (E), Mumbai - 400 001,
India +91 22 25596100 | www.nseindia.com | CIN U67120MH1992PLC069769



Continuation Sheet

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 02, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Hitesh Malhotra
Senior Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Signer: Hitesh Rajeev Malhotra
Date: Fri, Nov 2, 2018 15:12:32 IST
Location: NSE

Date: 20th June, 2018

To,
The Board of Directors,
Garware-Wall Ropes Limited,
Plot No. 17, Block D-1, MIDC,
Chinchwad, Pune - 411 019

Dear Sir,

Sub: Recommendation on Fair Valuation for the proposed Reduction of Capital of Garware-Wall Ropes Limited

1. Context and Purpose

We refer to the Engagement Letter dated 14th June, 2018 and the subsequent discussions we had with you, wherein you requested our report on the fair value of equity shares of Garware-Wall Ropes Limited (hereinafter called as 'GWRL' or 'Company' or 'you') in connection with the proposed Reduction of Capital of the Company.

2. Background

- a. GWRL is into the business of manufacturing and providing solutions in high performance polymer ropes, fishing nets, sports nets, aquaculture cages, coated fabrics, agricultural netting and geosynthetics.
- b. This Reduction of Capital of the Company is pursuant to the provisions of Section 66 read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016 and provides for reduction of equity share capital and securities premium account of the Company.
- c. GWRL has an employee welfare trust in the name of 'GWRL - Managerial Staff Welfare Trust' ("Welfare Trust") which was constituted by executing a Trust Deed dated 21st November, 2006. At the same time, Employee Welfare Scheme (hereinafter known as 'Welfare Scheme') was formulated for the benefit of employees in the grade of manager and above on the terms and conditions set out therein.
- d. Regulation 31 (2) (b) (ii) of the SEBI (Share Based Employee benefits) Regulations, 2014 ('Regulations') mandates employee welfare schemes of listed companies to reduce their holding in the listed company to 10% or less of its total assets within a period of 5 years from the date of the Regulations. As on date, the Welfare Trust holds 9,46,500 equity shares of the Company and it constitutes approximately 99% of the total assets of the Welfare Trust.
- e. After considering various relevant factual aspects *inter-alia* that the Company does not intend to offer any share based employee benefit schemes out of the shares presently held by the Welfare Trust and the Company is providing directly other non-share based benefits to all the managerial staff including those under the

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Rashmi Apte & Associates
Chartered Accountants

Welfare Trust including the need to comply with Regulation 31 (2) (b) (ii) of the Regulations, the Welfare Scheme is proposed to be wound up and the equity shares held by the Welfare Trust is proposed to be cancelled by opting for selective reduction of capital without any payment to the Welfare Trust.

- f. Even though there is no payout to the shareholder, Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Scheme Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 mandates the requirement of a valuation report in case of the following:
- i. change in the proportion of shareholding of any of the existing shareholders of the listed entity;
 - ii. an existing shareholder is exiting pursuant to a Reduction of Capital of the Company.
- g. In connection with the above, and based on the information made available by the management of the Company ('Management'), the Management requested M/s. Rashmi Apte & Associates, Independent Chartered Accountants ("We") to provide a report on the fair value of equity shares of the Company as on 20th June, 2018 ("Valuation Date").

3. Procedures

The procedures used in our analysis included such substantive steps, as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Considered the audited financial statements for the three years ended 31 March 2016, 31 March 2017 and 31 March 2018 of the Company;
- Considered the existing shareholding pattern of the Company;
- Considered draft of the Application to the Mumbai Bench of the National Company Law Tribunal (for confirmation of the proposed reduction of capital of the Company pursuant to the provisions of Sections 66 read with Section 52 of the Companies Act, 2013 and Rules made thereunder);
- Interviews and correspondence with the Management, on which we have relied; and
- Such other analyses, reviews and inquiries, as we consider necessary.

4. Methodology

In the present case, the Company is a listed company and its equity shares are regularly traded on stock exchanges in India. Therefore, we are of the opinion that the valuation of the Company should be conducted by applying the market price method. To arrive at the fair value of equity shares of GWRL as per the market price method, we have taken guidance from the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, in relation to pricing of equity shares for preferential issue, which are as under:

"If the equity shares of the issuer have been listed on a recognised stock exchange for a period of twenty six weeks or more as on the Valuation Date, the equity shares shall be allotted at a price not less than higher of the following:



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(a) The average of the weekly high and low of the volume weighted average price ("VWAP") of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or

(b) The average of the weekly high and low of the volume weighted average price ("VWAP") of the related equity shares quoted on recognized stock exchange during the two weeks preceding the relevant date."

Taking inference from the above guidelines, we have computed the fair value of equity shares of Garware-Wall Ropes Limited by taking the stock price data from National Stock Exchange of India Limited ("NSE") which has the highest traded volumes for the equity shares of Garware-Wall Ropes Limited as compared to BSE Limited ("BSE"). Please refer Annexure IA for detailed working.

5. Fair Valuation

Based on the valuation methodology referred to in paragraph 4 above and Annexure I, our recommended fair value per equity share of the Company as on the Valuation Date is Rs. 998.97 each.

6. Caveats

- a. We have relied upon the information, data and explanations detailed in paragraphs 2 and 3 above, for the purpose of reporting on the fair value of the equity shares of the Company.
- b. For the purpose of opining on the fair value, we have used financial and other information provided by the Management, which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the financial and other information provided to us by the Management. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. We have thus relied upon the audits carried out by M/s Patki and Soman, Chartered Accountants for the financial year 2015-2016 and 2016-17 and M/s Mehta Chokshi and Shah, Chartered Accountants for the financial year 2017-18 of the financials of the Company provided to us. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.
- c. We have made no investigation of and assume no responsibility for the title to, or liabilities against, the equity of the Company.
- d. The Management has represented that it does not anticipate any changes in the financial position of the Company, other than that in ordinary course of business till the date of effectiveness of the Reduction of Capital of the Company.
- e. Our scope of work is limited to expression of our view on the proposed fair value of equity shares of GWRL. Our report is not, nor should it be construed as, our opining or certifying the compliance of proposed Reduction of Capital of the Company with



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the provisions of any law including companies and taxation related laws or as regards any legal implications or issues arising from such proposed Reduction of Capital of the Company.

- f. Valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single fair value. While we have provided our view on the fair value based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. You acknowledge and agree that you have the final responsibility for determination of the fair value for the proposed Reduction of Capital of the Company and factors other than our report will need to be taken into account in determining such values; these will include your own assessment of the proposed Reduction of Capital of the Company and may include the input of other professional advisors.

7. Distribution of our Report

- a. This report is prepared for the Board of directors of GWRL to the extent mandatory required under applicable laws of India may be produced before judicial, regulatory or government authorities, in connection with the proposed Reduction of Capital of the Company.
- b. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the GWRL, their directors, employees or agents. In no circumstances shall the liability of M/s. Rashmi Apte & Associates, Independent Chartered Accountants, its partners, directors or employees, relating to the service provided in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for these services.
- c. We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

For M/s. Rashmi Apte & Associates,
Independent Chartered Accountants
ICAI Firm Registration Number: 123052W



Name of the Partner: CA Satish Soman
Membership Number- 158450
Place: Pune
Date: June 20, 2018



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**Recommendation of Fair Value per share for the Proposed Reduction of Capital of Garware-Wall
Ropes Limited**

Annexure I

The Computation of Fair Value per share as derived by us is given below:

Valuation Approach	GWRL	
	Value per Share (INR)	Weight
Asset Approach	NA	NA
Income Approach	NA	NA
Market Approach -- Market Price method		100%
Fair Value per Share	998.97	100%

*NA = Not Adopted/ Not Applicable



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Chartered Accountants

Annexure IA:

Valuation of Garware-Wall Ropes Limited as per SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009

Sr. No.	Date	VWAP (High)	VWAP (Low)	Average
1	27-December-2017	960.89	934.05	947.47
2	03-January-2018	958.54	920.66	939.60
3	10-January-2018	936.74	917.33	927.04
4	17-January-2018	1020.40	1012.18	1016.29
5	24-January-2018	1021.12	1001.69	1011.41
6	31-January-2018	1048.76	1013.48	1031.12
7	07-February-2018	1006.92	920.87	963.90
8	14-February-2018	1000.56	966.81	983.69
9	21-February-2018	949.69	933.28	941.49
10	28-February-2018	947.87	924.30	936.09
11	07-March-2018	940.56	921.82	931.19
12	14-March-2018	932.53	922.31	927.42
13	21-March-2018	927.65	915.56	921.61
14	28-March-2018	927.22	909.79	918.51
15	04-April-2018	938.18	934.51	936.35
16	11-April-2018	940.34	931.98	936.16
17	18-April-2018	928.93	918.20	923.57
18	25-April-2018	990.28	927.57	958.93
19	02-May-2018	987.56	977.89	982.73
20	09-May-2018	983.10	975.13	979.12
21	16-May-2018	985.28	963.54	974.41
22	23-May-2018	955.18	906.64	930.91
23	30-May-2018	937.76	930.86	934.31
24	06-June-2018	958.85	933.62	946.24
25	13-June-2018	1001.17	978.88	990.03
26	20-June-2018	1027.20	988.63	1007.92
		26 Weeks Average		957.59
		2 Weeks Average		998.97
		Higher		998.97



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SPA Capital Advisors Ltd.
(Formerly SPA Merchant Bankers Ltd.)
CIN : U99999DL1999PLC102626

101-A, 10th Floor, Mittal Court, Nariman Point, Mumbai - 400021. Tel. : (022) 4043 9000 / 2280 1240-49 Fax : (022) 2202 1466

Ref. No.: SPA/18-19/2748

Dated: 20/08/2018

SEBI Reg. No: INM000010825

To,

The Board of Directors,
Garware-Wall Ropes Limited,
Plot No. 11, Block D-1, MIDC,
Chinchwad, Pune - 411 019.

Sub: Fairness Opinion on the Fair Valuation for the proposed Reduction of Capital of Garware-Wall Ropes Limited

Dear Sir,

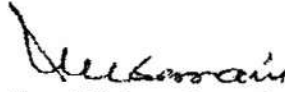
We refer to our discussion held with management of Garware-Wall Ropes Limited, (hereinafter referred as "Company" or "GWRL") for the purpose of arriving at an opinion on valuation in reference to the Reduction of Capital of the Company to be filed under Section 66 read with Section 52 of Companies Act, 2013.

In terms of our discussion, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the Valuation report dated June 20, 2018 issued by M/s Rashmi Apte & Associates, Chartered Accountants. (Here-in-after referred to as "Valuer"). All comments as contained herein must be read in conjunction with the Caveats to this opinion.

The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "listing regulations") read with SEBI Circular no CFD/DIL3/CIR/2017/21, dated 10 March, 2017. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of SPA Capital Advisors Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours faithfully,

For SPA Capital Advisors Limited


Kamal Kishore Somani
Director



REPORT ON FAIRNESS OPINION

BACKGROUND

1. We understand that Garware-Wall Ropes Limited is a public company having its equity shares listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Pursuant to a Reduction of Capital under Section 66 read with Section 52 of the Companies Act, 2013, the Company intends to carry out reduction of equity share capital and securities premium account of the Company.
2. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular no. CFD/DIL3/CIR/2017/21, dated 10th March, 2017, the Company has to submit a "Fairness Opinion" obtained by a Merchant Banker on the Valuation of shares done by the Valuer for the Company.
3. With reference to the above, we, SPA CAPITAL ADVISORS LIMITED, a SEBI Registered Merchant Banker, have been appointed by the Company to provide the "Fairness Opinion" for the proposed reduction of capital in accordance with the SEBI Circular, stated above.

PURPOSE OF CAPITAL REDUCTION AND KEY EXTRACTS

1. GWRL is into the business of manufacturing and providing solutions in high performance polymer ropes, fishing nets, sports nets, aquaculture cages, coated fabrics, agricultural netting and geosynthetics.
The Reduction of Capital of the Company is pursuant to the provisions of Section 66 read with Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016 and provides for reduction of equity share capital and securities premium account of the Company.
2. GWRL has an employee welfare trust in the name of 'GWRL - Managerial Staff Welfare Trust' ("Welfare Trust") which was constituted by executing a Trust Deed dated 21st November, 2006. At the same time, Employee Welfare Scheme (hereinafter known as 'Welfare Scheme') was formulated for the benefit of employees in the grade of manager and above on the terms and conditions set out therein.
3. Regulation 31 (2) (b) (ii) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 mandates employee welfare schemes of listed



companies to reduce their holding in the listed company to 10% or less of its total assets within a period of 5 years from the date of the Regulations. As on date, the Welfare Trust holds 9,46,500 equity shares of the Company and it constitutes approximately 99% of the total assets of the Welfare Trust.

4. After considering various relevant factual aspects *inter-alia* that the Company does not intend to offer any share based employee benefit schemes and the Company is providing directly other non-share based benefits to employees who are beneficiaries of the Welfare Trust including the need to comply with Regulation 31 (2) (b) (ii) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Welfare Scheme is proposed to be wound up and the equity shares held by the Welfare Trust is proposed to be cancelled by opting for selective reduction of capital without any payment to the Welfare Trust.
5. Even though there is no payout to the shareholder, Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Scheme Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 mandates the requirement of a valuation report in case of the following:
 - a. change in the proportion of shareholding of any of the existing shareholders of the listed entity;
 - b. an existing shareholder is exiting pursuant to a Reduction of Capital of the Company.
6. In connection with the above, the Company has requested for a Fairness Opinion on the fair value of equity shares of the Company recommended by M/s. Rashmi Apte & Associates, Chartered Accountants.

ANALYSIS OF THE VALUER

The Company is a listed company and its equity shares are regularly traded on stock exchanges in India. Therefore, in the opinion of the Valuer, the valuation of GWRL should be conducted by applying the market price method. To arrive at the fair value of equity shares of GWRL as per the market price method, the Valuer has taken guidance from the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, in relation to pricing of equity shares for preferential issue, which are as under:



"If the equity shares of the issuer have been listed on a recognized stock exchange for a period of twenty six weeks or more as on the Valuation Date, the equity shares shall be allotted at a price not less than higher of the following:

- a) The average of the weekly high and low of the volume weighted average price ("VWAPI) of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or*
- b) The average of the weekly high and low of the volume weighted average price ("VWAP") of the related equity shares quoted on recognized stock exchange during the two weeks preceding the relevant date."*

Taking inference from the above guidelines, the Valuer has computed the fair value of equity shares of GWRL by taking the stock price data from National Stock Exchange ("NSE") which has the highest traded volumes for the equity shares of GWRL. Considering the above, fair value per equity share is arrived at INR 998.97/- each (face value INR 10 each).

CONCLUSION AND OPINION

The proposed Reduction of Capital of the Company would improve the earnings per share and also enhance the shareholders' value.

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CFD/DIL3/CIR/2017/21, dated 10th March, 2017, we have reviewed the valuation report in reference to the Reduction of Capital of the Company to be filed and are of the opinion that the proposed Reduction of Capital of the Company may be taken as fair and reasonable from the perspective of Equity Shareholders of the Company."

CAVEATS

- We wish to emphasize that, we have relied on explanations and information both verbal and written provided by the management, and other public available information while making a limited review of the draft of the Application to the Mumbai Bench of the National Company Law Tribunal (for confirmation of the proposed reduction of capital of the Company pursuant to the provisions of Sections 66 read with Section 52 of the Companies Act, 2013 and Rules made thereunder or any corresponding provisions of the Companies



Act, 2013. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in Garware-Wall Ropes Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management / Valuer of "GWRL" has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of valuation as on June 21, 2018. We have no responsibility to update this report for events and circumstances occurring after this Valuation Date.
- The Fairness Opinion provided by us should not be construed as a legal opinion on the proposed Reduction of Capital of the Company under Section 66 read with Section 52 of the Companies Act, 2013 or any corresponding provisions of the Companies Act, 2013.
- Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed Reduction of Capital of the Company with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Reduction of Capital.
- We and our affiliates in the past might have provided or in the future may provide Investment Banking or consulting services on a professional basis and do not hold any interest in the company mentioned in the Petition.
- We believe the management of the Company have read the opinion and given their consent that the facts mentioned in the opinion are true and correct.





GARWARE TECHNICAL FIBRES LIMITED

(formerly Garware-Wall Ropes Limited)

Registered Office: Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411019.
CIN: L25209MH1976PLC018939; Tel No.: (+91-20) 30780000; Fax No.: (+91-20) 27455886;
Email: secretarial@garwarefibres.com; Website: www.garwarefibres.com

POSTAL BALLOT FORM (Pursuant to Section 110 of the Companies Act, 2013)

Sr. No.:

1. Name of the Sole / First named Member :
(in block letters) and Registered
Address
2. Name(s) of Joint Member(s), if any :
3. Registered Folio No. / DP ID & Client ID. :
4. Number of Equity Shares held :

I / We hereby exercise my / our vote in respect of the Special Resolution to be passed by way of Postal Ballot / Electronic Means ("e-Voting") for the business stated in the Postal Ballot Notice dated Thursday, 27th December, 2018 of the Company, by conveying my / our assent (FOR) / dissent (AGAINST) to the said Special Resolution as under by placing a tick (✓) mark in the appropriate column below.

Sr. No.	Description	No. of Shares for which Votes Cast	I/We assent to the resolution (FOR)	I /We dissent to the resolution (AGAINST)
1.	Approval for Reduction of Capital of the Company			

Place : _____

Date : _____

(Signature of the Member / Beneficial owner)

ELECTRONIC VOTING PARTICULARS

EVSN (e-Voting Sequence Number)	User ID	*Default PAN / Sequence Number
181228001		

*** Only Members who have not updated their PAN with the Company / Depository Participant shall use default PAN in the Default PAN / Sequence Number held.**

- Note:
1. Please read carefully the instructions printed overleaf before exercising your vote.
 2. Please send your Postal Ballot Form in the self-addressed postage pre-paid business reply envelope enclosed herewith so as to reach on or before Sunday, 10th February, 2019 (5.00 p.m.).
 3. The e-Voting facility will be available from Saturday, 12th January, 2019 (9.00 a.m.) and ends on Sunday, 10th February, 2019 (5.00 p.m.).

INSTRUCTIONS:

1. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions mentioned herein and those mentioned in the Postal Ballot Notice and return duly completed in the enclosed self-addressed postage pre-paid business reply envelope to the Scrutinizer, M/s. SVD & Associates, C/o. LINK INTIME INDIA PRIVATE LIMITED, Unit: GARWARE TECHNICAL FIBRES LIMITED, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, so as to reach by 5.00 p.m., on or before Sunday, 10th February, 2019. However, envelopes containing Postal Ballot Forms, if deposited in person or sent by courier at the expenses of the registered Member will also be accepted. All Postal Ballot Forms received after this date will be strictly treated as if reply from such Member has not been received.
2. This Postal Ballot Form should be completed and signed by the Member. In case, shares are jointly held, the Postal Ballot Form should be completed and signed as per the specimen signature registered with the Company or the Depository Participant by the first named Member and in his / her absence, by the next named Member.
3. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority Letter together with attested specimen signature(s) of the authorized signatory(ies). A Member may sign the form through an Attorney appointed specifically for this purpose, in which case an attested copy of Power of Attorney should be attached to the Postal Ballot Form.
4. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Members as on the Cut-off date i.e., Monday, 31st December, 2018.
5. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified at Item No. 1 above.
6. There will be only one Postal Ballot Form for every Folio irrespective of the number of joint holders.
7. The right of voting by Postal Ballot Form shall not be exercised by Proxy.
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed Self Addressed Postage Pre-paid Business Reply Envelope addressed to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
9. A Member need not use all his / her votes nor does he / she need to cast his / her votes in the same way.
10. Members are requested to fill the Postal Ballot Form in indelible ink and not in any erasable writing mode. Photo copy of the Postal Ballot Form will be treated as invalid.
11. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (✓) in the appropriate column. Postal Ballot Form bearing tick mark (✓) in both the column will render the form invalid. This Postal Ballot Form should be used for voting. No other form shall be accepted.
12. Any incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will liable to be rejected.
13. The Company will not be responsible if the envelope containing the Postal Ballot Form is lost in transit.
14. The Scrutinizer's decision on the validity of the Postal Ballot Forms shall be final and binding.
15. The Company is also offering e-Voting facility as an alternate, for all the Members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice. In case if a Member casts votes by both modes, i.e. e-Voting and Postal Ballot Form, then voting done through the e-Voting shall prevail and Postal Ballot Form shall be treated as invalid.
16. Voting Result will be declared at the Registered Office of the Company in the manner specified in the Postal Ballot Notice. The Results declared alongwith the report of the Scrutinizer will be put up on the Company's notice board at its Registered Office on or before Wednesday, 13th February, 2019 and will also be posted on the website of the Company www.garwarefibres.com and on the website of the CDSL e-Voting. The results will be thereafter communicated to the Stock Exchange(s) for the information of the Members.