GARWARE
TECHNICAL FIBRES

GTFL:SEC:2018 October 1, 2018

**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)**

Dear Sirs,

**Sub:** 41st Annual General Meeting – Annual Report

Pursuant to Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report for the Financial Year 2017-18, duly approved and adopted by the Members at the 41st Annual General Meeting of the Company held on Tuesday, 11th September, 2018.

Kindly acknowledge.

Thanking you,

Yours faithfully,

For GARWARE TECHNICAL FIBRES LIMITED

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

41st Annual Report 2017-2018

**Garware Technical Fibres Limited**
(Formerly Garware-Wall Ropes Limited)

GARWARE
TECHNICAL FIBRES

# 41st ANNUAL GENERAL MEETING

**Day & Date:** Tuesday, 11th September, 2018

**Time:** 10.30 am

**Venue:**
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,
Maharashtra, India.

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GARWARE
TECHNICAL FIBRES

## NEW BRAND IDENTITY

# A brighter future with Garware Technical Fibres!

With effect from 20th July 2018, Garware-Wall Ropes Limited is Garware Technical Fibres Limited. The rationale for this transformation is outlined below. Over the last many years, we have become the preferred partner of our customers globally, through our unwavering focus on our mission statement - Provide Innovative Application Focused Solutions to Enhance Value of Our Customers Globally - and our core values of Improvement, Ownership, Enhance and Bonding. Garware is respected as a trustworthy and caring brand and our products and solutions are known worldwide for their innovation, quality and reliable performance.

As the world has changed and become more technologically advanced, we have evolved:

- Global Presence: Our products and solutions are marketed in more than 75 countries globally.
- Technically advanced solutions: Today, technically advanced value-added products and solutions comprise 67% of our revenues.
- Diverse segments and applications: We cater to various segments like aquaculture, sports nets, agriculture, geotextiles and many more through our diverse range of netting products, ropes, coated fabric and others.

Hence, after deep introspection, to reflect who we truly are today and for the decades to come, we decided to make certain changes in our brand identity. 'Technical Fibres' is part of our new name, as fibres or yarns are the core of what gives our products and solutions the properties to succeed in the applications in which they are employed. This is the core of our capability. That's why 'fibres'. Our products are technical products and go to customers who understand their application and the technology in which they employ our products. Therefore they are 'technical'. Since both 'technical' and 'fibres' are fundamental to our value proposition, we have decided to have these terms as part of our new name.

Accompanying our new name, and preserving our vision for an enhanced future, is our new logo: the Garware Rising Sun. Our new logo encompasses our hopes, dreams and aspirations in a single expression. The Garware Rising Sun stands for all that is good in the world: warmth, progress and prosperity. Superimposed on a globe, it captures our mission of constantly and consistently striving to deliver enhanced value to customers across the globe, through whom we positively touch the lives of countless people. Red has always been the colour of the Garware brand and, we pledge to always stay committed to our roots and values while being passionate about value addition and excellence. 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. The combination of our innovation, improvements, our hunter mind-set is matched by an action-oriented team and culture. That is the core of our new positioning statement: Better Ideas in Action. We welcome you to a brighter future with Garware Technical Fibres Limited!

# From the Chairman's Desk

Dear Shareholders,

I am happy to report that your Company continued its journey of profitable growth in the financial year (FY) 2017-18.

Maintaining its position in key markets, your Company achieved a revenue of ₹ 903.35 crores, an increase of 5.3% over the previous year. Profit before tax (PBT) was ₹ 153.01 crores, 24.3% higher than the figure recorded in the previous year. Your Company achieved a significant milestone of earning over ₹ 100 crores profit after tax (PAT), recording PAT of ₹ 105.12 crores. The return on capital employed (ROCE) was 23.8%.

Considering the performance, your Board of Directors has recommended a dividend of ₹ 4.50 (45%) per share.

The increase in profitability was largely driven by outstanding performance in international markets. The global salmon aquaculture industry continues to perform well and your Company secured wider and deeper reach through its value-added products. Apart from this, your Company saw significant growth in new markets of South America and Oceania. The international business was ably supported by our manufacturing plants, which executed orders in a timely and cost-efficient manner. Two recently introduced products received excellent market response, and showed the potential to make significant contribution to your Company's balance sheet in the future as well.

Comparatively, your Company's performance in domestic markets was subdued, mainly due to the teething troubles associated with the new Goods and Services Tax (GST) implementation. As reported by the Reserve Bank of India (RBI) in its fourth bi-monthly monetary policy review of 2017-18, GST had an adverse impact on the manufacturing sector, and also affected the revival of investment activity, which was already hampered by the stressed balance sheets of some banks and corporates. However, with a strong focus on execution, your Company could improve revenues from domestic markets in the second half of the financial year. Particularly our geo-synthetics and agriculture divisions recorded impressive performance, and we see good scope of increasing returns in these segments.

Application-focused innovation is the driver of your Company's growth, and in the year under review, our R&D team

notched several achievements that had a direct impact on our profitability. The team is currently engaged in development of some break through products that will offer significant value propositions and enhance the profitability of our customers across the globe.

> *The increase in profitability was largely driven by outstanding performance in international markets. The global salmon aquaculture industry continues to perform well and your Company secured wider and deeper reach through its value-added products.*

It gives me great satisfaction to report that all our internal teams worked tirelessly towards the achievement of clearly defined goals. The efforts taken and the results obtained greatly increased internal confidence, organizational acumen and the ability to plan and execute in harmony. These gains were reinforced by several HR initiatives, to encourage employee engagement, team-building, and demonstration of core values in daily operations. We are proud to state that we are recognized as a 'Great Place to Work', and are ranked 34 great mid-size workplaces in India. This reflects the commitment and engagement of our team towards achieving your Company's goals and delivering excellent products and services to our customers.

As you are aware, more than 40 years ago, my late grandfather, Mr. Abasaheb Garware, founded Garware-Wall Ropes Ltd. with a vision of building an institution of modern India, built on a foundation of excellence in quality, customer focus, innovation and enhancing value to all our stakeholders. The vision was further built by my father, Mr. Ramesh Garware. We are proud of this legacy and will do everything to protect and build on this valued heritage. But we also recognize that we have evolved as a Company: We have become global, technically advanced, and with presence in many segments. Hence, after intensive research to understand our brand equity, we have decided to modify the way we project ourselves to the outside world, so that it reflects who we are truly. Accordingly, we have decided on a new name, a new logo, and a new positioning statement.

To build a globally admired Company, while preserving our rich legacy, we are now Garware Technical Fibres Limited. Our new positioning statement is: Better Ideas in Action. The rationale for the choice of name, logo, and positioning statement is explained in an earlier part of this annual report.

Your Company has a clear roadmap for the near future, focused on achieving its potential, strategically tapping identified opportunities, continuously optimizing costs, working with agility, and sustaining a winning culture. I look forward to your support in this effort to build a very strong and successful organization that is the preferred partner of our customers across the world, whilst enhancing stakeholder value.

With warm regards,

**V. R. Garware**
Chairman & Managing Director

# Executing a pioneering vision

*Leveraging technical fibre expertise to provide innovative solutions.*

The story of consistent growth and profitability recorded by Garware Technical Fibres Ltd (GTFL) starts with the entrepreneurial vision of its founder, Shri Abasaheb Garware. Recognizing the difficulties faced by end-users of traditional ropes and nets in the Indian shipping and fishing sectors, he diversified from the family's nylon business in the mid-1970s, to provide strong, long-lasting polymer-based solutions. Offering clear benefits such as higher durability and lower cost of operations, the Company's offerings found immediate acceptance. The innovative zeal was sustained with the development of a slew of game-changing products. GTFL was the first company in India to provide high-density polyethylene (HDPE) mono-filament twines for fishing nets; it introduced the use of 8-strand shipping ropes, and established the use of polypropylene multifilament (PPMF) threads for bag stitching. Shri Abasaheb's legacy was continued in the 1990s by his son, Shri Ramesh Bhalchandra Garware, who spearheaded the company's forays into new application areas. The setting up of a new plant at Wai, near Pune, strengthened the Company's abilities to cater to demand from across the globe with customized solutions that increased customers' profitability. GTFL's mission statement, firmed up in 2008, guides all its efforts and is an integral part of the Company's operations: *Provide Innovative, Application Focused Solutions to Enhance Value of Our Customers Globally.*

# Using core capabilities to expand product portfolio

*Leveraging technological expertise to expand the range of applications.*

GTFL has leveraged its technological expertise in the engineering of polymers, and its in-house capabilities in areas such as extrusion, knitting, wet processing, fabric weaving, coating, and fabrication, to build a highly diversified product portfolio, which covers several industry segments. The Company is today the manufacturer of multiple types of technical textiles for applications as diverse as deep-sea fishing, global shipping, aquaculture, sports, protected agriculture, environmental protection, infrastructure development, safe transportation, building construction, and highly specialized defence requirements. End-users range from individual entrepreneurs to large corporations and government agencies. Significantly, in each of the application areas, value-added products constitute a large share of the business, giving the Company the financial muscle to weather unfavourable business cycles in particular segments or geographies, and invest in application-focused research, market development, strengthening of distribution channels, and enhanced customer servicing.

GARWARE
TECHNICAL FIBRES

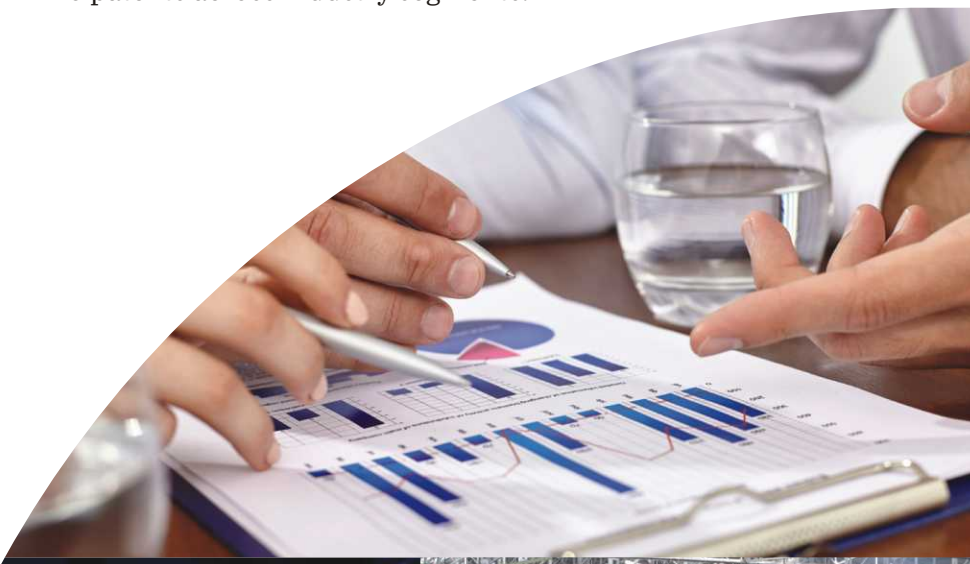
# Investing in technological innovation

*Leveraging financial strength to nurture a culture of continuous innovation.*

GTFL has leveraged its financial strength to build top-class R&D facilities and establish a culture of innovation, which helps the Company to maintain its competitive edge and register continuous growth.

The starting point of the well-honed process for new-product development is a close study of relevant aspects of the business operations of customers, to identify specific areas where technical textiles could reduce costs, improve productivity, reduce downtime, and increase overall profitability. Every year, promising new-product ideas are selected on the basis of clearly defined parameters. The effort then shifts to the Company's R&D laboratory, where design and engineering are finalized with a focus on the creation of unique solutions. After product specifications are decided, rigorous testing is conducted in-house, in simulated conditions, and at actual application sites. Product performance is also certified through internationally reputed laboratories.

The Company's relentless application-focused innovation drive is testified by the filing of more than 20 patents across industry segments.



# Responding to the voice of the customer

*Leveraging deep customer relationships to expand markets and product portfolio.*

GTFL's application-focused R&D is driven by deep and continuously maintained customer relations. From small fishermen along India's coastline, to farmers in the interior parts of the country, corporate giants involved in infrastructure projects, and large aquafarmers in Europe and America, the Company is continuously talking to its customers, to understand their operational and profitability challenges, and devise viable solutions. The deep customer relations also enable the Company to identify emerging needs and increase its marketing opportunities. Two-way communication with existing and potential customers is conducted through a variety of channels including direct interactions, customer meets, participation in large exhibitions, road shows, field visits, product demonstrations, service camps, customers' visits to the company's facilities, and through tie-ups with other agencies. The Company's commitment to respond to the voice of the customer is reflected across its product range, including major recent innovations such as the Garfil range of nets for trawl fishing, Star and Sapphire Excel nets for eco-friendly fish farming, X2 aqua mooring ropes, and monofilament nets for protected cultivation.

# Strategizing for excellence

*Leveraging organizational capabilities in the drive for all-round excellence.*

GTFL has made strategic moves to improve its manufacturing, marketing, and delivery capabilities, and enhance its most valuable asset, namely, its people, to achieve excellence in all areas of its operations. Both the manufacturing plants of the company are ISO-certified and follow global practices of operational excellence like Jishu Hozen (JH) tools for autonomous maintenance, Total Quality Management (TQM), Kaizen for continuous improvement, and the 5S framework for efficiency and effectiveness. Working on a long-term strategic plan, the Company has identified its niche in the large and growing global market for technical textiles, and drawn clear plans to expand its presence in specific sectors and product lines. Increasing its knowledge of applications, and bolstering its connect with customers and markets, the Company has planned and executed sharply defined and closely monitored efforts to improve relevant processes. The Company's human capital has been enhanced through lateral induction of new talent and engagements with consultants. Its work environment has been enriched, as testified through high rankings in the Great Place to Work surveys. The net outcome of all these efforts is a cohesive effort to continuously grow, learn and evolve, so that the company is the preferred partner of its customers, and delivers increased value to stakeholders.

# Corporate Information

**Founder Chairman**
- Late Shri. B. D. Garware

**Chairman Emeritus**
- Late Shri. R. B. Garware

**Board of Directors**
- V. R. Garware - Chairman & Managing Director
- Ms. M. V. Garware
- R. M. Telang
- S. P. Kulkarni
- Ashish Goel
- S. S. Rajpathak (w.e.f. 24-05-2017)

**Company Secretary**
- Sunil Agarwal

**Bankers**
- Bank of India
- Bank of Baroda
- DBS Bank Ltd.
- Citibank NA
- HDFC Bank Ltd.
- IDBI Ltd.
- HSBC Bank Ltd.

**Auditors**
- Mehta Chokshi & Shah, Chartered Accountants

**Share Transfer Agent**
Link Intime India Pvt. Ltd.
202, 2nd Floor, Akshay Complex, Off Dhole Patil Road,
Near Ganesh Temple, Pune - 411 001.
Tel : +91-20-2616 0084, 2616 1629
Telefax : +91-20-2616 3503
E-mail : pune@linkintime.co.in

**Registered Office**
Plot No. 11, Block D-1, MIDC, Chinchwad,
Pune - 411 019.
Tel : +91-20-3078 0000
Fax : +91-20-3078 0341
E-mail : pune_admin@garwarefibres.com
Website : www.garwarefibres.com
CIN : L25209MH1976PLC018939

**Mumbai Offices**
- Chowpatty Chambers, Sandhurst Bridge,
  Mumbai - 400 007.
  Tel : +91-22-2263 4696/97
  E-mail : mum_admin@garwarefibres.com
- 39, S. K. Hafizuddin Marg, Byculla,
  Mumbai - 400 008.
  Tel : +91-22-2309 1164 / 68
  E-mail : mum_accounts@garwarefibres.com

**Foreign Branch**
Narrows Reach Business Centre,
6102 North 9th Street,
Unit#500, Tacoma, WA 98406, U.S.A.
Tel : 001-25356 40217
E-mail : gtfusa@garwarefibers.com

**The name of the Company has been changed from Garware-Wall Ropes Ltd. to Garware Technical Fibres Ltd. with effect from 20th July, 2018.**

# Directors' Report

**(For the Financial Year ended 31st March, 2018)**

**To The Members,**

Your Directors have pleasure in presenting the Forty-First Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

## FINANCIAL SUMMARY:

(₹ in lakhs)

| Particulars | Year ended 2017-2018 | | Year ended 2016-2017 | |
|---|---|---|---|---|
| Total Revenue | | **90,334.59** | | 85,772.13 |
| Profit subject to Depreciation & Taxation | **16,835.91** | | 13,731.59 | |
| Less: Depreciation, net of transfer from Revaluation Reserve | **1,534.76** | | 1,416.36 | |
| Profit Before Tax | | **15,301.15** | | 12,315.23 |
| Less: Provision for Taxation | | | | |
| Current Tax | **4,338.00** | | 3,603.70 | |
| Deferred Tax | **451.39** | | 281.68 | |
| Previous year excess / (short) tax provision | **--** | **4,789.39** | -- | 3,885.38 |
| Profit After Tax | | **10,511.76** | | 8,429.85 |

## 2017-2018 THE YEAR UNDER REVIEW:

During the year under review, your Company recorded impressive performance, maintaining its record of growth and profitability.

Your Company earned revenue of ₹ 903.35 crores for the year ended 31st March, 2018, as against ₹ 857.72 crores of previous year. Domestic Sales amounted to ₹ 453.43 crores, and the Export Sales amounted to ₹ 449.92 crores for the year ended 31st March, 2018.

During the year under review, your Company achieved the significant milestone of earning over ₹ 100 crores by recording Net Profit after tax of ₹ 105.12 crores, 24.7% higher than the figure recorded in the previous year.

## OPERATIONS:

The operations of your Company are elaborated in the annexed "Management Discussion and Analysis Report".

## CHANGE IN NAME OF THE COMPANY:

Pursuant to availability of the name from the Office of the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs, New Delhi, the Board of Directors of the Company approved the change of name of the Company from "Garware-Wall Ropes Limited" to "Garware Technical Fibres Limited" and necessary amendments to Memorandum of Association and Articles of Association of the Company subject to approval of the Members.

Accordingly, the Company has initiated the process for passing of Special Resolution through Postal Ballot / e-Voting for changing the name of the Company to "Garware Technical Fibres Limited" and the same is under process.

## RESERVES:

Your Directors, do not propose to transfer any amount to the General Reserve and retain ₹ 39630.84 lakhs in the Statement of the Profit and Loss.

## DIVIDEND:

Your Directors, have recommended a Dividend of ₹ 4.50 (45%) per share of ₹ 10 each for your consideration at ensuing Annual General Meeting of the Company. The total proposed dividend for the year would absorb an amount of ₹ 1187.10 lakhs (including dividend tax of ₹ 202.41 lakhs).

In terms of the Ind AS - 10 'Events after reporting date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30th March, 2016, the Company has not accounted for proposed dividend as liability as at 31st March, 2018.

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.

## DEPOSITS:

During the year under review, your Company has not accepted any deposit within the meaning of Sections

73 and 74 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, 2018.

## MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION:

No material changes and commitments, affecting the financial position of the Company occurred between the end of the Financial Year of the Company i.e. 31st March, 2018 and the date of this Directors' Report i.e. 30th May, 2018.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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. Mayuri 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.

In view of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018, which will come into force with effect from 1st April, 2019, no listed entity can continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy-five) years unless a Special Resolution is passed to that effect. Accordingly, continuation of Mr. R. M. Telang, aged 76 (seventy-six) years as Non-Executive Independent Director of the Company with effect from 1st April, 2019, is recommended for approval of Members at the ensuing Annual General Meeting of the Company as Special Business by way of Special Resolution.

The details of Ms. Mayuri V. Garware and Mr. R. M. Telang, 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-First Annual General Meeting of the Company, which forms an integral part of this Report.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. V. R. Garware, Chairman & Managing Director, Mr. S. H. Bamne, 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 2017-18, there has been no change in the Key Managerial Personnel of the Company.

## DECLARATION BY INDEPENDENT DIRECTORS':

The Company has received declarations from all the Independent Directors, confirming that they are meeting the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

## 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) of the Companies Act, 2013, 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, 2018, the applicable Accounting Standards have been followed;
2. For the Financial Year ended 31st March, 2018, 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 so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended 31st March, 2018;
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 has laid down comprehensive framework including the criteria for evaluation of performance of the Board as a whole and various committees of the Board and individual Directors, including Independent Directors.

Based on such comprehensive framework, the Board of Directors of the Company had carried out Annual Evaluation of the performance of the Board as a whole, the Directors individually and also the working of its Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee.

On collation of all the responses, feedback was provided by Chairman of the Board 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.

A separate meeting of Independent Directors was held on Tuesday, 13th February, 2018, 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 and Stakeholders Relationship Committee are given in the annexed "Corporate Governance Report".

## 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, Chartered Accountants (Firm Registration No. 106201W), were appointed as Statutory Auditors at the 40th Annual General Meeting to hold office from the conclusion of 40th Annual General Meeting till the conclusion of 45th Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting.

However, pursuant to the provisions of the Companies (Amendment) Act, 2017, effective from 7th May, 2018, the requirement of seeking approval for ratification of appointment of Statutory Auditors by Members of the Company at every Annual General Meeting is omitted.

Therefore, the Company is not seeking any ratification of appointment of M/s. Mehta Chokshi & Shah, Chartered Accountants as the Statutory Auditors of the Company, by the Members at the ensuing Annual General Meeting.

## STATUTORY AUDITORS' AND REPORT:

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

## COST AUDIT AND COST COMPLIANCE:

In accordance with the provisions of Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, Cost Audit for the Financial Year 2017-18, was applicable to the Company. M/s. Joshi Apte & Associates, Cost Accountants, (Firm Registration No. 000240), were appointed as Cost Auditor for conducting audit of Cost Accounting Records maintained by the Company, for the Financial Year 2017-18.

The Audit Report for the Cost Accounting records maintained by the Company for the Financial Year 2017-18, 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 2018-19.

## SECRETARIAL AUDIT REPORT:

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 (CP No. 965) as Secretarial Auditor, for the year ended 31st March, 2018.

The Secretarial Auditor has submitted its Report in Form No. MR-3 for the Financial Year ended on 31st March, 2018 and the same is set out in **"Annexure 1"**, forming an integral part of the Directors' Report. The observation of the secretarial auditors in their report are self-explanatory and therefore, the directors do not have any further comments to offer on the same.

M/s. SVD & Associates, Company Secretaries (CP No. 965)

were appointed as Secretarial Auditors to carry out the audit of the Secretarial and related records of the Company, for the Financial Year ended on 31st March, 2019.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

The Company, has not provided any Guarantee during the Financial Year 2017-18, attracting the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

Details of loans given and investments made during the Financial Year 2017-18, under the provisions of Section 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements.

## RELATED PARTY TRANSACTIONS:

All the transactions with Related Parties entered during the Financial Year 2017-18 by the Company, were in the ordinary course of business and on arm's length basis and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted.

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 was obtained on a yearly basis for transactions which were of repetitive nature. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website: http://www.garwareropes.com/party-transactions-policy.html.

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, Senior Management based on recommendation of Nomination & Remuneration Committee of the Board.

The salient aspects covered in the Policy have been outlined in the Corporate Governance Report, which forms an integral part of this Report.

As per the requirements of Section 178(4) of the Companies Act, 2013 details of such a Policy have been displayed on the Company's website: http://www.garwareropes.com/remuneration.html.

## 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.
- Preparation of Risk Management Plan.
- Action Plan for the implementation of the Risk Management Plans.
- Review of the Risk Management efforts.

The Board of Directors of the Company regularly review the risk and initiatives taken within framework of Risk Assessment and Minimization Policy Statement and accordingly, take necessary corrective actions, if required, for managing/mitigating the same.

## 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 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) 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 2".**

## 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 3"**, forming an integral part of the Directors' Report.

## EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2014, an extract of Annual Return as of 31st March, 2018, in Form No. MGT-9, is set out in **"Annexure 4"**, forming an integral part of the Directors' Report.

## 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.

## DETAILS OF EMPLOYEE WELFARE TRUST SET UP FOR THE BENEFIT OF EMPLOYEES:

Your Company, on 16th October, 2006, constituted a Trust named as "GWRL Managerial Staff Welfare Trust" to implement the Welfare Scheme for the benefit of its Managerial Employees. The said Scheme is in compliance of the provisions of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014.

The Details as required by Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 are uploaded on the Company's website: http://www.garwareropes.com/stock-exchange.html.

## 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 adopted a Policy under the Sexual Harassment Act and Rules framed thereunder.

During the Financial Year 2017-18, there was one (01) complaint received to the Committee constituted under the Sexual Harassment Act, which has been resolved.

## 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 Subsidiary 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 Audited Financial Statement of the Company and Consolidated Audited Financial Statement of the Company and its Subsidiary and Associate Company.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate Audited Financial Statements in respect of its Subsidiary and Associate Company are also uploaded on the Company's website: http://www.garwareropes.com/financial-reports.html.

The Audited Financial Statements of the Subsidiary, Associate Company and the related detailed information will be made available to any Member of the Company / its Subsidiary and Associate Company, who may be interested in obtaining the same. The Audited Financial Statements of the Subsidiary and Associate Company will also be kept for inspection by any Member at the Company's Registered Office and that of the Subsidiary and Associate Companies.

## SUBSIDIARY AND ASSOCIATE:

Garware Environmental Services Private Limited is the wholly owned subsidiary of your Company. This Subsidiary Company is yet to start its commercial operations.

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 Subsidiary and Associate Company in Form No. AOC-1 is attached to the Financial Statement.

## CORPORATE GOVERNANCE:

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

Regulations, 2015, a separate section on Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance is set out in "Annexure", which forms an integral part of the Directors' Report.

The Report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

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

## SECRETARIAL STANDARDS:

The Institute of Company Secretaries of India had revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) with effect from 1st October, 2017. The Company is in compliance with the revised Secretarial Standards.

## ACKNOWLEDGMENT:

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

Your Directors, would further like to record their appreciation for the unstinted efforts put in by all Employees of your Company during the year.

On behalf of the Board of Directors,

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

Pune
30th May, 2018

## ANNEXURE 1 TO DIRECTORS' REPORT 2017-18

**Secretarial Audit Report - Form No. MR-3**

**(For the Financial Year ended 31st March, 2018)**

[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]

To,
The Members,
Garware-Wall Ropes Limited,
Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune-411019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garware-Wall Ropes Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

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, 2018** 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, 2018** according to the provisions of:

(i) The Companies Act, 2013, the Companies Amendment Act, 2017 (the Act) and the rules made thereunder **(in so far as they are made applicable);**

(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 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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the Company during the Audit Period);**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(not applicable to the Company during the Audit Period);**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not applicable to the Company during the Audit Period);** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the Company during the Audit Period);**

(vi) No law is specifically applicable 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 Exchange(s) 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. mentioned above except delay in filing E-Form MGT-14 for Board resolution dated 24th May, 2017. Application in form CG-1 has been filed for condonation of delay which is pending for approval.

**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 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 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

A) The Company has passed a special resolution under Section 197 of the Act for variation in terms of remuneration of its Chairman & Managing Director at its Annual General Meeting held on 4th August, 2017.

For **SVD & Associates**
Company Secretaries

**Sridhar G. Mudaliar**
Partner
FCS No: 6156
C P No: 2664

Pune
30th May, 2018

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-Wall Ropes Limited,
Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune-411019

Our Secretarial Audit Report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

**Disclaimer**

5. 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.

For **SVD & Associates**
Company Secretaries

**Sridhar G. Mudaliar**
Partner
FCS No: 6156
C P No: 2664

Pune
30th May, 2018

## ANNEXURE 2 TO DIRECTORS' REPORT 2017-18

**The Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2017-18**

[Pursuant to the provisions of Section 135 & Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, and forming part of the Directors Report for the year ended 31st March, 2018].

**i. Brief Outline:**

The Board of Directors of the Company in compliance of the provisions of the Companies Act, 2013, has formulated the CSR Policy and the same has been displayed on the Company's Website: http://www.garwareropes.com/csr-policy.html.

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.

**ii. Composition of the CSR Committee of the Board:**

| Sr. No. | Name of the Member | Designation | Position |
|---|---|---|---|
| 1 | Mr. R. M. Telang | Chairman | Independent - Non-Executive |
| 2 | Mr. S. P. Kulkarni | Member | Independent - Non-Executive |
| 3 | Mr. V. R. Garware | Member | Executive |
| 4 | Ms. M. V. Garware | Member | Non-Executive |

**iii. Average net profit of the Company for last three (3) Financial Years:** ₹ 7957.76 lakhs.

**iv. Prescribed CSR Expenditure:** ₹ 159.16 lakhs.

**v. Details of CSR spent during the Financial Year 2017-18:**

a. Total amount to be spent for the Financial Year 2017-18: ₹ 159.16 lakhs.
b. Amount unspent, if any: ₹ 97.97 lakhs.
c. Manner in which the amount spent during the Financial Year is detailed below:

| Sr. No. | CSR project or activity identified | Sector in which the Project is covered | Projects or Programs (1) Local area or other (2) Specify the State and District where Projects or Programs were undertaken | Amount of outlay (budget) Project or Programs wise (₹ in lakhs) | Amount spent on the Projects or Programs sub-heads: (1) Direct expenditure on Projects or Programs (2) Overheads: (₹ in lakhs) | Cumulative expenditure upto to the reporting period (₹ in lakhs) | Amount spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1. | Support to Schools by way of infrastructure and E-learning facilities. | Education | Local Area, Maharashtra, (Pune, Satara) | 25.00 | 25.00 | 25.00 | Indirect |
| 2. | Undertaking Livelihood enhancement project in the field of protected cultivation. | Enhancing Livelihood | Local Area, Maharashtra, (Jalna & Narayangaon, Pune) | 21.19 | 21.19 | 21.19 | Indirect |
| 3. | Support by way of Medical Equipment and Health care facility. | Health Care | Local Area, Maharashtra, (Pune) | 15.00 | 15.00 | 15.00 | Indirect |
| | | | **Total** | **61.19** | **61.19** | **61.19** | |

**vi.** Your Company exercises prudence in selecting the implementation partners on the basis of background, ability to perform and monitoring capability, etc. During the year under review, an internal committee was given the task of identifying suitable projects / programs, implementation partners / strategies and submitting proposals to CSR committee. After a lot of efforts, the internal management team submitted proposals found suitable by it to the CSR Committee with activity plan and estimated time line involved in implementation of the projects.

During the year under review, the Company was able to spend ₹ 61.19/- lakhs towards CSR Expenditure. The shortfall in CSR Expenditure aggregating to ₹ 97.97 lakhs was due to difficulties in finalizing the suitable implementation partners and to reach agreement on implementation methodology and terms thereof that meet the requirement of the CSR objectives and Corporate Social Responsibility Policy ("CSR Policy") of the Company, effectively and efficiently.

The Company is working on enhancing its CSR implementation capabilities on sustainable basis.

**vii. Responsibility Statement of the CSR Committee:**

Pursuant to the provisions of Section 135 & Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy), Rule, 2014, the CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company.

**V. R. Garware**
Chairman & Managing Director
DIN: 00092201

**R. M. Telang**
Chairman, CSR Committee
DIN: 00092103

## ANNEXURE 3 TO DIRECTORS' REPORT 2017-18

**The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

[Pursuant to the provisions of Section134(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 3HP VFD for 3HP Water pump.
   b. Installation of Energy Optimizer on Extrusion and Doublers Machine.
   c. Installation of Energy Efficient Motor on Doubling Machine and Ratera Machine.
   d. Installation of 7.5 HP & 10 HP VFD for Fishnet Machine.
   e. Installation of LED Lamps for street Lights.
   f. Installation of energy efficient water pumps.
   g. Installation of VFD for Rope making Machines.
   h. Replacement of existing 250 Watt Highbay Light fitting by 90 Watt LED fitting.
   i. Replacement of existing 216 Watt Tubelight fittings by 75 Watt energy efficient LED Highbay Lamps.
   j. Insulation of Steam and condensate line.
   k. Installation of Air Compressor.

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 conversation equipments:
   The Company has spent ₹195.20 lakhs as Capital Investment on energy conversation equipments during the Financial Year 2017-18.

**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 | 655.07 |
| b) Revenue / Recurring | 798.20 |
| d) Total (a + b) | 1453.27 |
| e) Total of Research & Development as a percentage of Revenue from Operation | 1.64% |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

| 1. Total Foreign Exchange earned and used: | (₹ in lakhs) |
|---|---|
| A. Total Foreign Exchange earned: | 44992.29 |
| Total value of exports | 44992.29 |
| B. Total Foreign Exchange used: | |
| a) Import of raw materials stores & spares, traded goods and capital goods | 10447.31 |
| b) Expenditure in foreign currencies for business travel, subscription, professional fees, commission on export sales and overseas branch expenses, etc. | 3117.40 |
| | 13564.71 |

On behalf of the Board of Directors

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

Pune,
30th May, 2018

## ANNEXURE 4 TO DIRECTORS' REPORT 2017-18

**Extract of Annual Return as on the Financial Year ended on 31st March, 2018 - Form No. MGT-9**

[Pursuant to the provisions of Section 134(3)(a) and 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014].

### I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i. | CIN | L25209MH1976PLC018939 |
| ii. | Registration Date | 01/04/1976 |
| iii. | Name of the Company | Garware-Wall Ropes Limited |
| iv. | Category/Sub-Category of the Company | Company Limited by Shares |
| v. | Address of the Registered office and contact details | Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411 019.<br>Tel. No.: (020) 3078 0000. |
| vi. | Whether listed company | Yes (Listed on BSE Ltd. & National Stock Exchange of India Ltd.) |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | LINK INTIME INDIA PRIVATE LIMITED<br>Akshay Complex, Block No. 202, 2nd Floor,<br>Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001.<br>Tel. No.: (020) 2616 1629, 2616 0084. |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and Description of Main Products / Services | NIC Code of the Product / Service | % to Total Turnover of the Company |
|---|---|---|---|
| 1 | Nettings | 1394 | 53.69% |
| 2 | Twines, Ropes & Yarns | 1394 / 2030 | 33.80% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sr. No. | Name and Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Garware Environmental Services Pvt. Ltd.<br>Plot No. 11, Block D-1, M.I.D.C.,<br>Chinchwad, Pune - 411 019. | U74900PN2007PTC130686 | Subsidiary | 100.00% | 2(87) of the Companies Act, 2013 |
| 2 | Garware Meditech Private Limited<br>Plot No. 11, Block D-1, M.I.D.C.,<br>Chinchwad, Pune - 411 019. | U18109PN2011PTC141536 | Associate | 50.00% | 2(6) of the Companies Act, 2013 |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

### i) Category-wise Share Holding:

| Sr. No. | Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(A)** | **Promoter and Promoter Group** | | | | | | | | | |
| **(1)** | **Indian** | | | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 3631711 | 0 | 3631711 | 16.60 | 3566162 | 0 | 3566162 | 16.30 | -0.30 |
| (b) | Central Government/ State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Bodies Corporate | 7459079 | 0 | 7459079 | 34.09 | 7525629 | 0 | 7525629 | 34.39 | 0.30 |
| (d) | Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Any Other (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total (A)(1)** | **11090790** | **0** | **11090790** | **50.68** | **11091791** | **0** | **11091791** | **50.69** | **0.01** |
| **(2)** | **Foreign** | | | | | | | | | |
| (a) | NRIs Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Sub-Total (A)(2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **11090790** | **0** | **11090790** | **50.68** | **11091791** | **0** | **11091791** | **50.69** | **0.01** |
| **(B)** | **Public Shareholding** | | | | | | | | | |
| **(1)** | **Institutions** | | | | | | | | | |
| (a) | Mutual Funds/ UTI | 950 | 350 | 1300 | 0.01 | 505411 | 0 | 505411 | 2.31 | 2.30 |
| (b) | Financial Institutions/ Banks | 13720 | 1286 | 15006 | 0.07 | 13758 | 1150 | 14908 | 0.07 | 0.00 |
| (c) | Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) | Insurance Companies | 277420 | 150 | 277570 | 1.27 | 200252 | 150 | 200402 | 0.92 | -0.35 |
| (g) | Foreign Institutional Investors | 619633 | 0 | 619633 | 2.83 | 821649 | 0 | 821649 | 3.75 | 0.92 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (j) | Any Other (specify) - Alternate Investment Funda | 0 | 0 | 0 | 0.00 | 192894 | 0 | 192894 | 0.88 | 0.88 |
| | **Sub-Total (B)(1)** | **911723** | **1786** | **913509** | **4.17** | **1733964** | **1300** | **1735264** | **7.93** | **3.76** |
| **(2)** | **Non-Institutions** | | | | | | | | | |
| (a) | Bodies Corporate | 1348438 | 5247 | 1353685 | 6.19 | 1410910 | 4296 | 1415206 | 6.47 | 0.28 |
| (b) | Individuals | | | | | | | | | |
| i. | Individual shareholders holding nominal share capital upto Rs.1 Lakh | 4302639 | 628887 | 4931526 | 22.54 | 4137319 | 510405 | 4647724 | 21.24 | -1.30 |
| ii. | Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh | 1971105 | 0 | 1971105 | 9.01 | 1400296 | 0 | 1400296 | 6.40 | -2.61 |
| (c) | Qualified foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Any Other (specify) | | | | | | | | | |
| i. | Investor Education and Protection Fund Authority | 0 | 0 | 0 | 0.00 | 54281 | 0 | 54281 | 0.25 | 0.25 |
| ii. | Trust | 7000 | 0 | 7000 | 0.03 | 6866 | 0 | 6866 | 0.03 | 0.00 |
| iii. | Foreign Nationals | 800 | 0 | 800 | 0.00 | 3220 | 0 | 3220 | 0.01 | 0.01 |
| iv. | Hindu Undivided Family | 336340 | 0 | 336340 | 1.54 | 328595 | 0 | 328595 | 1.50 | -0.04 |
| v. | Non Resident Indians (Non Repat) | 61690 | 2678 | 64368 | 0.29 | 72234 | 2278 | 74512 | 0.34 | 0.05 |
| vi. | Non Resident Indians (Repat) | 264512 | 200 | 264712 | 1.21 | 177805 | 0 | 177805 | 0.81 | -0.40 |
| vii. | Foreign Portfolio Investor (Individual) | 1725 | 0 | 1725 | 0.01 | 0 | 0 | 0 | 0.00 | -0.01 |
| viii. | GWRL Managerial Staff Welfare Trust | 546500 | 400000 | 946500 | 4.33 | 546500 | 400000 | 946500 | 4.33 | 0.00 |
| | **Sub-Total (B)(2)** | **8840749** | **1037012** | **9877761** | **45.15** | **8138026** | **916979** | **9055005** | **41.38** | **-3.76** |
| | **Total Public Shareholding (B) = (B)(1)+(B)(2)** | **9752472** | **1038798** | **10791270** | **49.32** | **9871990** | **918279** | **10790269** | **49.31** | **0.00** |
| | **TOTAL (A)+(B)** | **20843262** | **1038798** | **21882060** | **100.00** | **20963781** | **918279** | **21882060** | **100.00** | **0.00** |
| **(C)** | **Shares held by Custodian for GDRs & ADRs** | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| | **Grand Total (A+B+C)** | **20843262** | **1038798** | **21882060** | **100.00** | **20963781** | **918279** | **21882060** | **100.00** | **0** |

**ii) Shareholding of Promoters:**

| Sr. No. | Shareholders Name | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % Change in Share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of Total Shares of the Company | % of Shares Pledged / Encumbered to Total Shares | No. of Shares | % of Total Shares of the Company | % of Shares Pledged / Encumbered to Total Shares** | |
| 1 | Ramesh Bhalchandra Garware*** | 3612053 | 16.51 | 0 | 0 | 0.00 | 0 | -16.51 |
| 2 | Garware Capital Markets Ltd. | 3495017 | 15.97 | 0 | 3561567 | 16.28 | 0 | 0.30 |
| 3 | Gurukrupa Investments & Trading Co. Pvt. Ltd. | 90849 | 0.42 | 0 | 90849 | 0.42 | 0 | 0.00 |
| 4 | Manmit Investments & Trading Co Pvt. Ltd. | 284185 | 1.30 | 0 | 284185 | 1.30 | 0 | 0.00 |
| 5 | Moonshine Investments & Trading Co. Pvt. Ltd. | 459695 | 2.10 | 0 | 459695 | 2.10 | 0 | 0.00 |
| 6 | Sanand Investments & Trading Co. Pvt. Ltd. | 275032 | 1.26 | 0 | 275032 | 1.26 | 0 | 0.00 |
| 7 | Starshine Investments & Trading Co. Pvt. Ltd. | 201720 | 0.92 | 0 | 201720 | 0.92 | 0 | 0.00 |
| 8 | Sukukar Holdings & Trading Co. Pvt. Ltd. | 256600 | 1.17 | 0 | 256600 | 1.17 | 0 | 0.00 |
| 9 | Garware Research Institute | 2300 | 0.01 | 0 | 2300 | 0.01 | 0 | 0.00 |
| 10 | Vimlabai Garware Research Institute | 590070 | 2.70 | 0 | 590070 | 2.70 | 0 | 0.00 |
| 11 | VRG Investments Limited | 881400 | 4.03 | 0 | 881400 | 4.03 | 0 | 0.00 |
| 12 | VMIR Investment Limited | 922211 | 4.21 | 0 | 922211 | 4.21 | 0 | 0.00 |
| 13 | Vayu Ramesh Garware**** | 19658 | 0.09 | 0 | 3566162 | 16.30 | 0 | 16.21 |
| | Total | 11090790 | 50.68 | 0 | 11091791 | 50.69 | 0 | 0.01 |

(**) The term "encumbrance" has the same meaning as assigned to it in Regulation 28(3) of the SAST Regulations, 2011.

(***) During the Financial Year 2017-18, 36,12,053 shares were transmitted from Late Shri Ramesh B. Garware to Mr. Vayu Ramesh Garware.

(****) Out of 35,66,162 (16.30%) equity shares, 21,18,893 (9.68%) equity shares are held on behalf of the Partnership firms.

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year | | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | No. of Shares | | % of Total Shares of the Company | No. of Shares | % of Total Shares of the Company |
| 1 | **Garware Capital Markets Limited** | | | | | |
| | At the beginning of the year | 3495017 | | 15.97 | 3495017 | 15.97 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | (on 22-01-2018) | (+)66550 | 0.30 | 3561567 | 16.28 |
| | At the end of the year | 3561567 | | 16.28 | | |
| 2 | **Gurukrupa Investments & Trading Co. Pvt. Ltd.** | | | | | |
| | At the beginning of the year | 90849 | | 0.42 | 90849 | 0.42 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | | 90849 | 0.42 |
| | At the end of the year | 90849 | | 0.42 | | |

| | | | | | |
|---|---|---|---|---|---|
| 3 | **Manmit Investments & Trading Co. Pvt. Ltd.** | | | | |
| | At the beginning of the year | 284185 | 1.30 | 284185 | 1.30 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 284185 | 1.30 |
| | At the end of the year | 284185 | 1.30 | | |
| 4 | **Moonshine Investments & Trading Co. Pvt. Ltd.** | | | | |
| | At the beginning of the year | 459695 | 2.10 | 459695 | 2.10 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 459695 | 2.10 |
| | At the end of the year | 459695 | 2.10 | | |
| 5 | **Sanand Investments & Trading Co. Pvt. Ltd.** | | | | |
| | At the beginning of the year | 275032 | 1.26 | 275032 | 1.26 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 275032 | 1.26 |
| | At the end of the year | 275032 | 1.26 | | |
| 6 | **Starshine Investments & Trading Co. Pvt. Ltd.** | | | | |
| | At the beginning of the year | 201720 | 0.92 | 201720 | 0.92 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 201720 | 0.92 |
| | At the end of the year | 201720 | 0.92 | | |
| 7 | **Sukukar Holdings & Trading Co. Pvt. Ltd.** | | | | |
| | At the beginning of the year | 256600 | 1.17 | 256600 | 1.17 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 256600 | 1.17 |
| | At the end of the year | 256600 | 1.17 | | |
| 8 | **Garware Research Institute** | | | | |
| | At the beginning of the year | 2300 | 0.01 | 2300 | 0.01 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 2300 | 0.01 |
| | At the end of the year | 2300 | 0.01 | | |
| 9 | **Vimlabai Garware Research Institute** | | | | |
| | At the beginning of the year | 590070 | 2.70 | 590070 | 2.70 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | No Change | | 590070 | 2.70 |
| | At the end of the year | 590070 | 2.70 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 10 | **VRG Investments Limited** | | | | | |
| | At the beginning of the year | | 881400 | 4.03 | 881400 | 4.03 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | | No Change | | 881400 | 4.03 |
| | At the end of the year | | 881400 | 4.03 | | |
| 11 | **VMIR Investment Limited** | | | | | |
| | At the beginning of the year | | 922211 | 4.21 | 922211 | 4.21 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | | No Change | | 922211 | 4.21 |
| | At the end of the year | | 922211 | 4.21 | | |
| 12 | *** Ramesh Bhalchandra Garware** | | | | | |
| | At the beginning of the year | | 3612053 | 16.51 | 3612053 | 16.51 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | (on 24-08-2017) | (-)184632 | 0.84 | 3427421 | 15.66 |
| | | (on 01-09-2017) | (-)3427421 | 15.66 | 0 | 0.00 |
| | At the end of the year | | 0 | 0.00 | | |
| 13 | **** Vayu Ramesh Garware** | | | | | |
| | At the beginning of the year | | 19658 | 0.09 | 19658 | 0.09 |
| | Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)] | (on 24-08-2017) | (+)184632 | 0.84 | 204290 | 0.93 |
| | | (on 01-09-2017) | (+)3427421 | 15.66 | 3631711 | 16.60 |
| | | (on 19-09-2017) | (+)1001 | 0.00 | 3632712 | 16.60 |
| | | (on 22-01-2018) | (-)66550 | 0.30 | 3566162 | 16.30 |
| | At the end of the year | | 3566162 | 16.30 | | |

(*) During the Financial Year 2017-18, 36,12,053 shares were transmitted from Late Shri Ramesh B. Garware to Mr. Vayu Ramesh Garware.

(**) Out of 35,66,162 (16.30%) equity shares, 21,18,893 (9.68%) equity shares are held on behalf of the Partnership firms.

**iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :**

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | No. of Shares | | % of Total Shares of the Company | No. of Shares | % of Total Shares of the Company |
| 1 | **GWRL Managerial Staff Welfare Trust** | | | | | |
| | At the beginning of the year | | 946500 | 4.33 | 946500 | 4.33 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | | No Change | | 946500 | 4.33 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 946500 | 4.33 | | |
| 2 | **Catamaran Advisors LLP** | | | | | |
| | At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 12-05-2017) | (+)50000 | 0.23 | 50000 | 0.23 |
| | | (on 12-05-2017) | (+)720 | 0.00 | 50720 | 0.23 |
| | | (on 26-05-2017) | (+)22113 | 0.10 | 72833 | 0.33 |
| | | (on 02-06-2017) | (+)3391 | 0.02 | 76224 | 0.35 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | (on 29-09-2017) | (+)6948 | 0.03 | 83172 | 0.38 |
| | | (on 10-11-2017) | (+)14226 | 0.07 | 97398 | 0.45 |
| | | (on 17-11-2017) | (+)1381 | 0.01 | 98779 | 0.45 |
| | | (on 24-11-2017) | (+)180983 | 0.83 | 279762 | 1.28 |
| | | (on 01-12-2017) | (+)2700 | 0.01 | 282462 | 1.29 |
| | | (on 08-12-2017) | (+)10000 | 0.05 | 292462 | 1.34 |
| | | (on 09-02-2018) | (+)2918 | 0.01 | 295380 | 1.35 |
| | | (on 02-03-2018) | (+)6577 | 0.03 | 301957 | 1.38 |
| | | (on 16-03-2018) | (+)59671 | 0.27 | 361628 | 1.65 |
| | | (on 23-03-2018) | (+)109500 | 0.50 | 471128 | 2.15 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 471128 | 2.15 | | |
| 3 | **SBI Small and MidCap Fund** | | | | | |
| | At the beginning of the year | | 950 | 0.00 | 950 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 19-05-2017) | (+)56093 | 0.26 | 57043 | 0.26 |
| | | (on 26-05-2017) | (+)45000 | 0.21 | 102043 | 0.47 |
| | | (on 30-06-2017) | (+)133500 | 0.61 | 235543 | 1.08 |
| | | (on 08-09-2017) | (-)3346 | 0.02 | 232197 | 1.06 |
| | | (on 13-10-2017) | (+)677 | 0.00 | 232874 | 1.06 |
| | | (on 20-10-2017) | (+)8088 | 0.04 | 240962 | 1.10 |
| | | (on 27-10-2017) | (+)21453 | 0.10 | 262415 | 1.20 |
| | | (on 03-11-2017) | (+)6282 | 0.03 | 268697 | 1.23 |
| | | (on 01-12-2017) | (+)28983 | 0.13 | 297680 | 1.36 |
| | | (on 08-12-2017) | (+)30000 | 0.14 | 327680 | 1.50 |
| | | (on 09-02-2018) | (-)22637 | 0.10 | 305043 | 1.39 |
| | | (on 09-03-2018) | (-)10000 | 0.05 | 295043 | 1.35 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 295043 | 1.35 | | |
| 4 | **Garware Polyester Limited** | | | | | |
| | At the beginning of the year | | 400300 | 1.83 | 400300 | 1.83 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 05-05-2017) | (-)36669 | 0.17 | 363631 | 1.66 |
| | | (on 12-05-2017) | (-)101088 | 0.46 | 262543 | 1.20 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 262543 | 1.20 | | |
| 5 | **Vinodchandra Mansukhlal Parekh** | | | | | |
| | At the beginning of the year | | 256568 | 1.17 | 256568 | 1.17 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 256568 | 1.17 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 256568 | 1.17 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 6 | **General Insurance Corporation of India** | | | | | |
| | At the beginning of the year | | 277420 | 1.27 | 277420 | 1.27 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 14-04-2017) | (-)27168 | 0.12 | 250252 | 1.14 |
| | | (on 30-06-2017) | (-)8184 | 0.04 | 242068 | 1.11 |
| | | (on 15-09-2017) | (-)138 | 0.00 | 241930 | 1.11 |
| | | (on 01-12-2017) | (-)15608 | 0.07 | 226322 | 1.03 |
| | | (on 08-12-2017) | (-)6070 | 0.03 | 220252 | 1.01 |
| | | (on 15-12-2017) | (-)3675 | 0.02 | 216577 | 0.99 |
| | | (on 22-12-2017) | (-)16325 | 0.07 | 200252 | 0.92 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 200252 | 0.92 | | |
| 7 | **White Oak India Equity Fund** | | | | | |
| | At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 19-01-2018) | 56034 | 0.26 | 56034 | 0.26 |
| | | (on 26-01-2018) | 26391 | 0.12 | 82425 | 0.38 |
| | | (on 02-02-2018) | 18435 | 0.08 | 100860 | 0.46 |
| | | (on 09-02-2018) | 100 | 0.00 | 100960 | 0.46 |
| | | (on 23-02-2018) | 47934 | 0.22 | 148894 | 0.68 |
| | | (on 23-03-2018) | 44000 | 0.20 | 192894 | 0.88 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 192894 | 0.88 | | |
| 8 | **Pranav Kumarpal Parekh** | | | | | |
| | At the beginning of the year | | 118734 | 0.54 | 118734 | 0.54 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 118734 | 0.54 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 118734 | 0.54 | | |
| 9 | **Vinodchandra Mansukhlal Parekh - HUF** | | | | | |
| | At the beginning of the year | | 100000 | 0.46 | 100000 | 0.46 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 100000 | 0.46 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 100000 | 0.46 | | |
| 10 | **Vinod Ambelal Desai** | | | | | |
| | At the beginning of the year | | 96561 | 0.44 | 96561 | 0.44 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 21-04-2017) | (-)2128 | 0.01 | 94433 | 0.43 |
| | | (on 12-05-2017) | (-)273 | 0.00 | 94160 | 0.43 |
| | | (on 19-05-2017) | (-)100 | 0.00 | 94060 | 0.43 |
| | | (on 26-05-2017) | (-)50 | 0.00 | 94010 | 0.43 |
| | | (on 16-06-2017) | (-)400 | 0.00 | 93610 | 0.43 |
| | | (on 07-07-2017) | (-)300 | 0.00 | 93310 | 0.43 |
| | | (on 14-07-2017) | (-)200 | 0.00 | 93110 | 0.43 |
| | | (on 11-08-2017) | (-)44322 | 0.20 | 48788 | 0.22 |
| | At the end of the year (or on the date of separation, if separated during the year) | | 48788 | 0.22 | | |

**v) Shareholding of Directors and Key Managerial Personnel (KMP):**

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | No. of Shares | | % of Total Shares of the Company | No. of Shares | % of Total Shares of the Company |
| | Directors | | | | | |
| 1 | **Vayu Ramesh Garware*** | | | | | |
| | At the beginning of the year | | 19658 | 0.09 | 19658 | 0.09 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | (on 24-08-2017) | (+)184632 | 0.84 | 204290 | 0.93 |
| | | (on 01-09-2017) | (+)3427421 | 15.66 | 3631711 | 16.60 |
| | | (on 19-09-2017) | (+)1001 | 0.00 | 3632712 | 16.60 |
| | | (on 22-01-2018) | (-)66550 | 0.30 | 3566162 | 16.30 |
| | At the end of the year | | 3566162 | 16.30 | | |
| 2 | **Mayuri Vayu Garware** | | | | | |
| | At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 0 | 0.00 |
| | At the end of the year | | 0 | 0.00 | | |
| 3 | **Ramesh Manjnath Telang** | | | | | |
| | At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 0 | 0.00 |
| | At the end of the year | | 0 | 0.00 | | |
| 4 | **Shrikant Pandharinath Kulkarni** | | | | | |
| | At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 0 | 0.00 |
| | At the end of the year | | 0 | 0.00 | | |
| 5 | **Ashish Dhurvendra Goel** | | | | | |
| | At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 0 | 0.00 |
| | At the end of the year | | 0 | 0.00 | | |
| 6 | **S. S. Rajpathak**** | | | | | |
| | At the beginning of the year | | 300 | 0.00 | 300 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | | 300 | 0.00 |
| | At the end of the year | | 300 | 0.00 | | |

| | KEY MANAGERIAL PERSONNEL (KMP) | | | | |
|---|---|---|---|---|---|
| 1 | **Sanjay Harishchandra Bamne** | | | | |
| | At the beginning of the year | 1 | 0.00 | 1 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | 1 | 0.00 |
| | At the end of the year | 1 | 0.00 | | |
| 2 | **Sunil Agarwal** | | | | |
| | At the beginning of the year | 0 | 0.00 | 0 | 0.00 |
| | Date wise Increase / Decrease in Share holding during the Year specifying the reasons for Increase / Decrease [Sale (-) / Purchase (+)]. | No Change | | 0 | 0.00 |
| | At the end of the year | 0 | 0.00 | | |

* Out of 35,66,162 (16.30%) equity shares, 21,18,893 (9.68%) equity shares are held on behalf of the Partnership firms.
** Mr. S. S. Rajpathak was appointed as Director of the Company, with effect from 24th May, 2017.

**V. Indebtedness:**

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in lakhs)

| | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the Financial Year** | | | | |
| i) Principal Amount | 6,895.97 | 1,712.73 | - | 8,608.70 |
| ii) Interest due but not paid | 4.66 | - | - | 4.66 |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **6,900.63** | **1,712.73** | **-** | **8,613.36** |
| **Change in Indebtedness during Financial Year** | | | | |
| Addition | 6,938.20 | | - | 6,938.20 |
| Reduction | - | 1,712.73 | - | 1,712.73 |
| **Net Change** | **6,938.20** | **(1,712.73)** | **-** | **5,225.47** |
| **Indebtedness at the end of the Financial Year** | | | | |
| i) Principal Amount | 13,838.83 | - | - | 13,838.83 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| **Total (i+ii+iii)** | **13,838.83** | **-** | **-** | **13,838.83** |

(Previous year figures have been re-grouped / re-arranged, wherever necessary)

**VI. Remuneration of Directors and Key Managerial Personnel (KMP):**

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

(₹ in lakhs)

| Sr.No. | Particulars of Remuneration | Name of MD / WTD / Manager |
|---|---|---|
| | | Mr. V. R. Garware, Chairman & Managing Director |
| 1. | Gross Salary | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 192.27 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 13.90 |
| | (c) Profits in lieu of Salary under Section 17(3) Income-tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission as % of profit - others, specify | 549.00 |
| 5. | Others, please specify | - |
| | **Total** | **755.17** |
| | **Ceiling as per the Act** | ₹ 1556.00 - Being 10% of the Net Profit of the Company |

**B. Remuneration to other Directors:**

(₹ in lakhs)

| Sr.No. | Particulars of Remuneration | Name of Director | | | Total Amount |
|---|---|---|---|---|---|
| 1. | **Independent Directors** | R. M. Telang | S. P. Kulkarni | Ashish Goel | |
| | ● Fee for attending Board / Committee Meetings | 1.60 | 1.80 | 0.40 | **3.80** |
| | ● Commission | - | - | - | **-** |
| | ● Others, Please specify | - | - | - | **-** |
| | **Total (1)** | **1.60** | **1.80** | **0.40** | **3.80** |
| 2. | **Other Non-Executive Directors** | M. V. Garware | S. S. Rajpathak | | |
| | ● Fee for attending Board / Committee Meetings | 0.60 | 0.60 | | 1.20 |
| | ● Commission | - | - | | - |
| | ● Others, Please specify | - | - | | - |
| | **Total (2)** | **0.60** | **0.60** | | **1.20** |
| | **Total (B)=(1+2)** | | | | **5.00** |
| | **Total Managerial Remuneration** | | | | **760.17** |
| | **Overall Ceiling as per the Act** | ₹ 1711.60 - Being 11% of the Net Profit of the Company | | | |

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

(₹ in lakhs)

| Sr.No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Company Secretary | CFO | Total |
| 1. | Gross Salary:<br>(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 27.24 | 48.91 | 76.15 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of Salary under Section 17(3) of Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission: | - | - | - |
| | - as % of profit | - | - | - |
| | - others, specify | - | - | - |
| 5. | Others, please specify | - | - | - |
| | **Total** | **27.24** | **48.91** | **76.15** |

**VII. Penalties / Punishment / Compounding of Offences:**

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT / COURT) | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. Company** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. Directors** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. Other Officers in Default** | | | | | |
| Penalty | None | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

## ANNEXURE 5 TO DIRECTORS' REPORT 2017-18

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:

<table>
<tr><th>Sr. No.</th><th>Requirement</th><th>Disclosure</th></tr>
<tr><td>1.</td><td>The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18.</td><td rowspan="2">
<table>
<tr><th>Name of the Director / KMP</th><th>Ratio per *Median Remuneration of the Employees</th><th>% Increase in Remuneration</th></tr>
<tr><td>Mr. V. R. Garware,<br>Chairman & Managing Director</td><td>163.46</td><td>21.16%</td></tr>
<tr><td>Mr. S. H. Bamne, Chief Financial Officer</td><td>10.59</td><td>2.09%</td></tr>
<tr><td>Mr. Sunil Agarwal, Company Secretary</td><td>6.36</td><td>6.57%</td></tr>
</table>
For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.
</td></tr>
<tr><td>2.</td><td>The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2017-18; (as compared to last year).</td></tr>
<tr><td>3.</td><td>The percentage increase in the *median remuneration of employees in the Financial Year 2017-18.</td><td>15.01%</td></tr>
<tr><td>4.</td><td>The number of permanent employees on the roll of the Company as on 31st March, 2018.</td><td>1,309</td></tr>
<tr><td>5.</td><td>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.</td><td>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.</td></tr>
<tr><td>6.</td><td>Affirmation that the remuneration is as per the Remuneration Policy of the Company.</td><td>The Company affirms that remuneration is as per the Remuneration Policy of the Company.</td></tr>
</table>

* Note : For calculating Median Remuneration, employees who have served for whole of the Financial Year have been considered.

**PART B**

The Statement comprising the names and other particulars of employees as per Rule 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.

## ANNEXURE TO DIRECTORS' REPORT 2017-18: 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, 2018, 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 | Mr. Ashish Goel | 00147449 | Director | Independent - Non-Executive | |
| 6 | Mr. S. S. Rajpathak **** | 00040387 | Director | Non- 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 2017-18 - on 24th May, 2017, 01st September, 2017, 22nd November, 2017, and 13th February, 2018.

| 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, 2018* | | | No. of Equity Shares held as on 31st March, 2018 |
|---|---|---|---|---|---|---|---|
| | | | | Other Boards | Other Board Committees** | | |
| | | | | | Chairman | Member | |
| Mr. V. R. Garware | 4 | N.A. | Yes | 3*** | --- | --- | *****35,66,162 |
| Ms. M. V. Garware | 2 | 40,000 | Yes | --- | --- | --- | 0 |
| Mr. R. M. Telang | 3 | 60,000 | Yes | --- | --- | --- | 0 |
| Mr. S. P. Kulkarni | 4 | 80,000 | Yes | --- | --- | --- | 0 |
| Mr. Ashish Goel | 2 | 40,000 | Yes | --- | --- | 1 | 0 |
| Mr. S. S. Rajpathak **** | 3 | 60,000 | Yes | --- | --- | --- | 300 |

* 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.

**** Mr. S. S. Rajpathak was appointed as Director of the Company, with effect from 24th May, 2017.

***** Out of 35,66,162 (16.30%) equity shares, 21,18,893 (9.68%) equity shares are registered in the name of Mr. Vayu Ramesh Garware as Partner of Partnership Firms. Beneficial interest in the said shares is held by the Partnership firms.

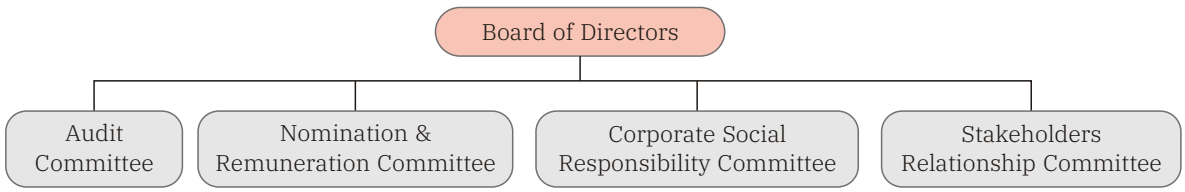
#### 3) INDEPENDENT DIRECTORS

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), 149(6) of the Companies Act, 2013 and the Rules made thereunder. 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: http://www.garwareropes.com/Terms-Appointment-Independent-Directors.html.

**4) COMMITTEES OF BOARD OF DIRECTORS**

The Board at present has four (04) Committees.




**A) AUDIT COMMITTEE**

**i. Constitution:**

Terms of Reference of the Audit Committee have been set out in accordance with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, and the Rules made thereunder, as amended from time to time.

**ii. Composition:**

| Sr. No. | Name of the Member | Designation | Position |
|---|---|---|---|
| 1 | Mr. S. P. Kulkarni | Chairman | Independent - Non-Executive Director |
| 2 | Mr. R. M. Telang | Member | Independent - Non-Executive Director |
| 3 | Mr. V. R. Garware | Member | Executive Director |

**iii. Meetings and Attendance:**

The details of meetings held during the year, and the attendance thereat, are as follows:

- Four (04) meetings of the Audit Committee were held during the Financial Year 2017-18 - on 23rd May, 2017, 31st August, 2017, 21st November, 2017, and 12th February, 2018.

| 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 all three (03) meetings. 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, as amended from time to time. Further, in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Nomination & Remuneration Committee of the Company is authorized to administer and superintend the General Employee Welfare Scheme i.e., "GWRL Managerial Staff Welfare Trust Scheme", acting as Compensation Committee in terms of the said Regulations.

**ii. Composition:**

| Sr. No. | Name of the Member | Designation | Position |
|---|---|---|---|
| 1 | Mr. S. P. Kulkarni | Chairman | Independent - Non-Executive Director |
| 2 | Mr. R. M. Telang | Member | Independent - Non-Executive Director |
| 3 | Mr. V. R. Garware | Member | Executive Director |
| 4 | Ms. M. V. Garware | Member | Non-Executive Director |

**iii. Meetings and Attendance:**

One (01) Meeting of the Nomination & Remuneration Committee was held during the Financial Year 2017-18 on Tuesday, 2nd May, 2017.

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

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

**iv. Performance Evaluation Criteria of Directors including 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 and Stakeholder Relationship Committee.

On collation of all the responses, feedback was provided by Chairman of the Board 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 13th February, 2018, 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. R. M. Telang, Mr. S. P. Kulkarni and Mr. Ashish Goel were present at the meeting held on Tuesday, 13th February, 2018.

**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 (erstwhile Listing Agreement).

The Policy provides broad frame work relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and Senior Management. The guiding principles of the Policy are that Remuneration and other terms of employment would be competitive and attractive in order to ensure that the Company can attract, retain and motivate competent professionals, who would work towards achieving Company's Mission, as set out in Company's “Mission and Value Statement”.

The Policy is framed with an objective that in determination of the remuneration packages / scales of pay, due consideration is given to pay and other employment conditions prevailed in the technical textile industry and other comparable manufacturing organizations in around the place of work and there is a proper balance between the fixed and variable (i.e. incentive) pay with a aim to reward the short-term and

long-term performance taking into consideration the overall performance of the Company and achievements of Key Result Areas (KRAs) / Balance Score Card Objectives / Targets, as mutually agreed in advance between the concerned Executive and his supervising personnel.

As per the requirements of Section 178(4) of the Companies Act, 2013 details of such a Policy have been displayed on the Company's website: http://www.garwareropes.com/remuneration.html.

**b) REMUNERATION OF DIRECTORS**

**i. Non-Executive Directors:**

The remuneration of Non-Executive Directors is decided by the Board of Directors on recommendation by Nomination & Remuneration Committee. At present, only Sitting Fees are paid to Non-Executive Directors for attending Board Meetings, Audit Committee Meetings and Nomination & Remuneration Committee Meetings. The payment of Sitting Fees is within the limits prescribed under the Companies Act, 2013 and Rules made thereunder, as amended from time to time.

**ii. Executive Director:**

Mr. V. R. Garware, was re-appointed as Managing Director of the Company to be designated as Chairman & Managing Director (CMD) for a period of five (05) years effective from 1st December, 2016 and his appointment and terms thereof including remuneration was approved by the Members at Thirty-Ninth Annual General Meeting of the Company held on Wednesday, 10th August, 2016.

Particulars of the present remuneration payable are detailed below:

a. Salary: Basic Salary of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) per month.

b. Special Allowance: ₹ 7,00,000/- (Rupees Seven Lakhs only) per month.

c. Perquisites and Allowances:

1. The CMD shall be entitled to various perquisites including rent free fully furnished accommodation or house rent allowance in lieu thereof up to sixty (60) percent of his basic salary, medical expenses / allowance, leave travel allowance / concession, travelling and halting allowances, club fees, group health insurance coverage, group accident insurance coverage, such other perquisites and allowances in accordance with the rules of the Company.

   These perquisites would be either in the form of reimbursement of actual expenses or payment of allowances.

2. The CMD shall be entitled to the Company's contribution to provident fund, employees' pension scheme and superannuation fund as per the rules of the Company.

3. The CMD shall also be entitled to the benefits of gratuity as per the scheme for senior executives and earned leave and encashment of earned leave at the end of the tenure which shall not be included in the computation of the ceiling on remuneration.

4. The CMD shall be entitled to use of Company's maintained car(s) with driver(s) for the use of the Company's business. Further, the telephone and other communication facilities will be provided to the CMD at his residence and other places of his temporary stay for business purposes. These cost / expenses towards such communication facilities will not be considered as perquisites.

   Perquisites and allowances shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

d. Commission:

Besides the salary, perquisites and allowances, the CMD shall also be paid remuneration by way of commission. The amount of commission shall be determined by the Board of Directors every year based on the performance of the Company for the particular year such that total remuneration for any financial year shall not exceed the maximum remuneration as determined as per the provisions of Section 197 and Section 198 of the Companies Act, 2013.

Pursuant to second proviso of Section 197(1) of the Companies Act 2013, the Member of the Company at Fortieth Annual General Meeting of the Company held on Friday, 4th August, 2017 approved the proposal that Mr. V.R. Garware, Chairman & Managing Director of the Company be paid a commission, every year, based on the performance of the Company for that particular year such that total remuneration for any financial year shall not exceed ten (10) percent of the net profits of the Company from the financial year, which has started on 1st April, 2017, till the remainder of term of his appointment i.e., upto 30th November, 2021, so that total remuneration is commensurate with the growth, and overall prospects of the Company

and adequately rewards the efforts put-in, and contribution made in overall growth and prospects of the Company during his tenure as CMD of the Company.

e. Upon recommendation by the Nomination and Remuneration Committee, the Board of Directors is at liberty to alter and vary the terms and conditions of the remuneration as above, as long as total remuneration does not exceed the permissible limits specified in Section 197 of the Act or any other amendments thereto.

Notwithstanding anything contrary herein contained, where in any financial year during the currency of tenure of the appointee, the Company has no profits or inadequate profits, the Company will pay remuneration by way of salary, perquisites and allowances as specified above, as minimum remuneration with a liberty to the Board of Directors to revise, amend, alter and vary the terms and conditions relating to remuneration payable to the CMD in such manner as may be permitted in accordance with provisions of the Act and Schedule V thereto or any other amendments thereto.

f. For the purpose of computation of minimum remuneration, the following shall not be included:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961;
2. Gratuity at a rate not exceeding half a month's salary for each completed year of service; and
3. Encashment of leave at the end of the tenure.

g. The employment may be terminated by either party by giving to the other party one hundred and eighty (180) days' prior notice in writing;

**C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR Committee")**

**i. Constitution:**

In terms of the requirements under the provisions of Section 135 and Schedule VII of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy), Rule, 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:**

| Sr. No. | Name of the Member | Designation | Position |
|---|---|---|---|
| 1 | Mr. R. M. Telang | Chairman | Independent - Non-Executive Director |
| 2 | Mr. S. P. Kulkarni | Member | Independent - Non-Executive Director |
| 3 | Mr. V. R. Garware | Member | Executive Director |
| 4 | Ms. M. V. Garware | Member | Non-Executive Director |

**iii. Meetings and Attendance:**

The details of meetings held during the Financial Year 2017-18, and the attendance thereat, are as follows:

- Four (04) meetings of the Corporate Social Responsibility Committee ("CSR Committee") were held during the Financial Year 2017-18 on 24th May, 2017, 01st September, 2017, 22nd November, 2017 and 13th February, 2018.

| Sr. No. | Name of the Member | No. of Meetings attended |
|---|---|---|
| 1 | Mr. R. M. Telang | 3 |
| 2 | Mr. S. P. Kulkarni | 4 |
| 3 | Mr. V. R. Garware | 4 |
| 4 | Ms. M. V. Garware | 2 |

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 Rules made thereunder and Regulation 20 read with Paragraph B of Part D of Schedule II of the SEBI (LODR)

Regulations, 2015, the Board of Directors of the Company had re-constituted "Stakeholder Relationship Committee" in place of erstwhile "Shareholders' / Investors' Grievances and Share Transfer Committee", under the Chairmanship of Non-Executive Director to monitor and review investors' grievances including complaints related to transfer of shares, non-receipt of Financial Statements, non-receipt of declared Dividends, to approve share transfer / transmission / transposition of shares / consolidation of folios and to approve issue of duplicate / fresh share certificates on account of requests for duplicate / split / consolidation.

**ii. Composition:**

| Sr. No. | Name of the Member | Designation | Position |
|---|---|---|---|
| 1 | Mr. R. M. Telang | Chairman | Independent - Non-Executive Director |
| 2 | Mr. S. P. Kulkarni | Member | Independent - Non-Executive Director |
| 3 | Mr. V. R. Garware | Member | Executive Director |

iii. During the Financial Year 2017-18, twenty-three (23) meetings of the "Stakeholder Relationship Committee" were held.

iv. The Committee reviews the system of dealing with and responding to correspondence from the Shareholders. The complaint letters received from the Stock Exchanges, SEBI, Department of Company Affairs and quality of responses thereto also reviewed by this Committee.

v. During the Financial Year 2017-18 four (04) complaints received, all were resolved to the satisfaction of the Shareholders. Other communications received were also replied / resolved satisfactorily.

vi. There were no unresolved / unattended communications / complaints of Shareholders pending as of 31st March, 2018.

vii. There were no pending share transfers as of 31st March, 2018.

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

ix. Mr. Sunil Agarwal, Company Secretary & Head-Legal, is acting as a Compliance Officer.

**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 |
|---|---|---|
| Wednesday, 2nd September, 2015 | 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. |
| Wednesday, 10th August, 2016 | 10.30 a.m. | |
| Friday, 4th August, 2017 | 10.30 a.m. | |

One Special Resolution was passed at the Annual General Meeting held on Wednesday, 2nd September, 2015, to appoint Mr. Ashish Goel as an Independent Director of the Company for a term of five (05) consecutive years with effect from the date of 38th Annual General Meeting of the Company till the date of the 43rd Annual General Meeting of the Company, whichever is earlier.

One Special Resolution was passed at the Annual General Meeting of the Company held on Friday, 4th August, 2017, to revise the terms of remuneration of Mr. V. R. Garware (DIN 00092201), Chairman & Managing Director (CMD) of the Company. Besides the salary, perquisites and allowances, the CMD shall also be paid remuneration by way of commission. The amount of commission shall be determined by the Board of Directors every year based on the performance of the Company for the particular year such that total remuneration for any Financial Year shall not exceed ten (10) percent of the net profits of the Company from the Financial Year, which has started on 1st April, 2017, till the remainder of term of his appointment i.e., upto 30th November, 2021.

ii. Pursuant to brand repositioning exercise undertaken by the Company, and upon confirmation of name availability from the Office of the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs, New Delhi, the Board of Directors of the Company approved the change of the name from "Garware-Wall Ropes Limited" to "Garware Technical Fibres Limited" and necessary amendments to Memorandum of Association and Articles of

Association of the Company subject to approval of the Members of the Company. The Board of Director on the same date also resolved to seek consent of the Members for the said change through Postal Ballot / voting by Electronic Means ("e-Voting"). Accordingly, the Company has initiated the process for passing of Special Resolution through Postal Ballot / e-Voting and the same is under process.

iii. Except as stated hereinabove, 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: http://www.garwareropes.com/familiarisation-programme.html.

**7) 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 including a revised Policy as amended and aligned 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: http://www.garwareropes.com/party-transactions-policy.html.

The Company management ensures total adherence to the approved Policy on Related Party Transactions without any compromise.

**8) DISCLOSURES**

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

ii. The Company has complied with the requirements of the Listing Agreements with Stock Exchanges as well as Regulations and Guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI or Stock Exchanges or any Statutory Authorities during the last three (03) years on any matter related to Capital Market.

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: http://www.garwareropes.com/vigil-mechanism.html.

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: http://www.garwareropes.com/cod-directors.html &

http://www.garwareropes.com/cod-managers.html

Certificate on compliance is given separately.

v. The Board of Directors of the Company has formulated a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

vi. CEO (Chairman and Managing Director), and CFO (Vice President - Corporate), 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 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.

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 meet.

**9) MEANS OF COMMUNICATION**

i. Apart from publication in leading newspapers, the Quarterly Financial Statements as well as Annual Financial Statements are displayed on the Company's website: http://www.garwareropes.com/financial-reports.html. Further, Quarterly Shareholding Patterns are displayed on the Company's website: http://www.garwareropes.com/shareholding-pattern.html. 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, no presentation was made to institutional investors or to the analysts.

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

**10) GENERAL SHAREHOLDER INFORMATION**

i. **41st Annual General Meeting**

| | |
|---|---|
| - Day, Date and Time | Tuesday, 11th September, 2018, 10:30 a.m. |
| - Venue | Auto Cluster Auditorium,<br>Auto Cluster Development and Research Institute Limited,<br>H-Block, Plot No. C-181, Off Old Pune-Mumbai Highway,<br>Chinchwad, Pune - 411 019. |

ii. **Financial Calendar** 1st April to 31st March

Financial reporting for

| | |
|---|---|
| ● Quarter ending 30th June, 2018 | by 14th August, 2018 |
| ● Quarter and six months ending 30th September, 2018 | by 14th November, 2018 |
| ● Quarter and nine months ending 31st December, 2018 | by 14th February, 2019 |
| ● Quarter and year ending 31st March, 2019 | by 30th May, 2019 |

iii. **Book closure date** From Saturday, 1st September, 2018 to Tuesday, 11th September, 2018 (both days inclusive).

iv. **Dividend payment date** Tuesday, 11th September, 2018 onwards.

v. **Listing of Equity Shares**

The Equity Shares of the Company are listed on:

| **BSE Limited** | **National Stock Exchange of India Limited.** |
|---|---|
| Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai - 400 001.<br>Tel No.: (022) 2272 1233 / 4<br>Fax No.: (022) 2272 1919 | Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.<br>Tel No.: (022) 2659 8100 / 8114<br>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**

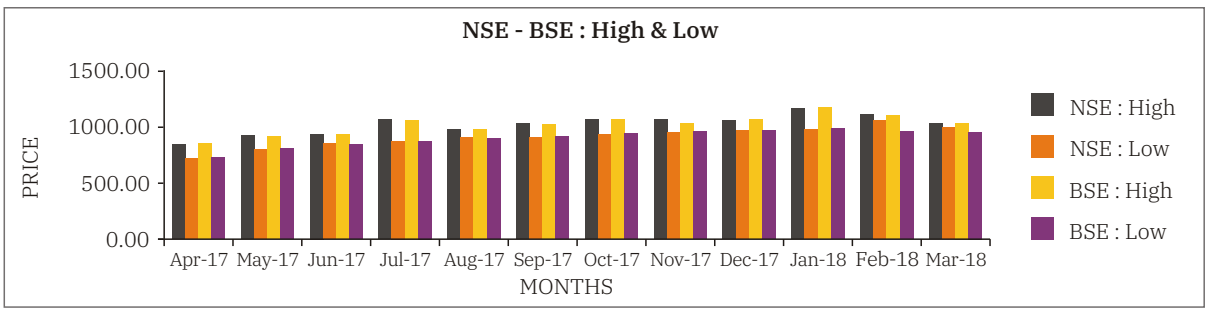
| | |
|---|---|
| BSE Limited | Code No. : 509557 |
| National Stock Exchange of India Limited | Symbol: GARWALLROP |

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 | GWRL Share Price (₹) | | | | BSE | | NSE | |
|---|---|---|---|---|---|---|---|---|
| | At BSE | | At NSE | | S&P Sensex | | CNX Nifty | |
| | High | Low | High | Low | High | Low | High | Low |
| Apr-17 | 786.00 | 669.40 | 785.00 | 675.00 | 30184.22 | 29241.48 | 9367.15 | 9367.15 |
| May-17 | 849.00 | 741.00 | 849.95 | 750.05 | 31255.28 | 29804.12 | 9649.60 | 9649.60 |
| Jun-17 | 868.00 | 794.00 | 866.00 | 790.05 | 31522.87 | 30680.66 | 9709.30 | 9643.75 |
| Jul-17 | 994.85 | 817.00 | 994.40 | 810.00 | 32672.66 | 31017.11 | 10114.85 | 10016.95 |
| Aug-17 | 908.00 | 841.05 | 905.00 | 834.00 | 32686.48 | 31128.02 | 10137.85 | 10065.75 |
| Sep-17 | 955.40 | 845.00 | 955.00 | 848.00 | 32524.11 | 31081.83 | 10178.95 | 10134.20 |
| Oct-17 | 994.00 | 864.00 | 993.00 | 870.00 | 33340.17 | 31440.48 | 10384.50 | 10344.30 |
| Nov-17 | 984.00 | 888.00 | 960.00 | 890.00 | 33865.95 | 32683.59 | 10490.45 | 10413.75 |
| Dec-17 | 987.15 | 894.10 | 1000.00 | 897.75 | 34137.97 | 32565.16 | 10552.40 | 10488.65 |
| Jan-18 | 1088.05 | 905.00 | 1089.00 | 909.00 | 36443.98 | 33703.37 | 11171.55 | 11075.95 |
| Feb-18 | 1024.95 | 982.85 | 1020.70 | 887.00 | 36256.83 | 33482.81 | 11117.35 | 10878.80 |
| Mar-18 | 949.90 | 931.25 | 955.00 | 880.00 | 34278.63 | 32483.84 | 10525.50 | 10447.15 |

*(Source: from BSE Web Site www.bseindia.com & NSE Web Site www.nseindia.com)*




viii. **Share Transfer Agent**

LINK INTIME INDIA PRIVATE LIMITED

Akshay Complex, Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001.

Tel. No.: (020) 2616 1629, 2616 0084; Fax No.: (020) 2616 3503; Email: pune@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 Agents. Share transfer requests are processed within fifteen (15) days from the date of receipt.

x. **(i) Distribution of Share holding as on 31st March, 2018**

| 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 ₹) | % of Nominal Value |
| | From | - | To | | | | | |
| 1 | 1 | to | 5,000 | 14457 | 84.45 | 1653670 | 16536700 | 7.56 |
| 2 | 5,001 | to | 10,000 | 1418 | 8.28 | 1047558 | 10475580 | 4.79 |
| 3 | 10,001 | to | 20,000 | 652 | 3.81 | 940396 | 9403960 | 4.30 |
| 4 | 20,001 | to | 30,000 | 240 | 1.40 | 580864 | 5808640 | 2.65 |
| 5 | 30,001 | to | 40,000 | 78 | 0.46 | 279267 | 2792670 | 1.28 |
| 6 | 40,001 | to | 50,000 | 46 | 0.27 | 212101 | 2121010 | 0.97 |
| 7 | 50,001 | to | 1,00,000 | 105 | 0.61 | 748666 | 7486660 | 3.42 |
| 8 | 1,00,001 | and | Above | 124 | 0.72 | 16419538 | 164195380 | 75.04 |
| | | | **Total** | **17120** | **100.00** | **21882060** | **218820600** | **100.00** |

(ii) **Pattern of Shareholding as on 31st March, 2018.**

| 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 | 14 | 1,10,91,791 | 1,10,91,791 | 50.69 |
| (2) | Foreign Promoters | --- | --- | --- | --- |
| | **Sub-Total (A)** | **14** | **1,10,91,791** | **1,10,91,791** | **50.69** |
| **(B)** | **Public Shareholding** | | | | |
| **(1)** | **Institutions** | | | | |
| (a) | Mutual Fund | 4 | 5,05,411 | 5,05,411 | 2.31 |
| (b) | Alternate Investment Funds | 1 | 1,92,894 | 1,92,894 | 0.88 |
| (c) | Foreign Portfolio Investor | 39 | 8,21,649 | 8,21,649 | 3.75 |
| (d) | Indian Institutions / Banks | 7 | 14,908 | 13,758 | 0.07 |
| (e) | Insurance Companies | 2 | 2,00,402 | 2,00,252 | 0.92 |
| | **Sub-Total (B)(1)** | **53** | **17,35,264** | **17,33,964** | **7.93** |
| **(2)** | **Non-Institutions** | | | | |
| (a) | Individuals | 15326 | 60,48,020 | 55,37,615 | 27.64 |
| (b) | Investor Education and Protection Fund Authority | 1 | 54,281 | 54,281 | 0.25 |
| (c) | Trust | 2 | 6,866 | 6,866 | 0.03 |
| (d) | Hindu Undivided Family | 326 | 3,28,595 | 3,28,595 | 1.50 |
| (e) | Non Resident Indians (Non Repat) | 182 | 74,512 | 72,234 | 0.34 |
| (f) | Non Resident Indians (Repat) | 326 | 1,77,805 | 1,77,805 | 0.81 |
| (g) | Clearing Member | 64 | 43,865 | 43,865 | 0.20 |
| (h) | Bodies Corporate | 343 | 13,71,341 | 13,67,045 | 6.27 |
| (i) | Foreign National | 3 | 3,220 | 3,220 | 0.01 |
| | **Sub-Total (B)(2)** | **16573** | **81,08,505** | **75,91,526** | **37.06** |
| | **Total Public Shareholding (B) = (B)(1)+(B)(2)** | **16626** | **98,43,769** | **93,25,490** | **44.99** |
| **(C)** | **Non-Promoter-Non Public Shareholding** | | | | |
| (a) | GWRL Managerial Staff Welfare Trust | 1 | 946500 | 546500 | 4.33 |
| | **Total Non-Promoter-Non Public Shareholding (C)** | **1** | **9,46,500** | **5,46,500** | **4.33** |
| | **TOTAL (A)+(B)+(C)** | **16641** | **2,18,82,060** | **2,09,63,781** | **100.00** |

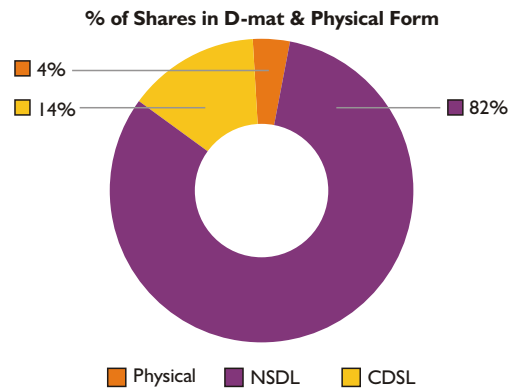
*Note: No Shares Pledged or otherwise Encumbered by Promoter and Promoter Group.*

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, 2018, 95.80% shares have already been dematerialized.

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



xii. **Email Addresses:**

In order to enable us to further extend our support towards paperless compliance, as a part of Green initiatives in the Corporate Governance, which was introduced by MCA in the year 2011, the Shareholders' who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, Shareholders are requested to register their e-mail addresses with the Company / R & T Agent. (With Depository Participant in case of Shares held in dematerialized form.)

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, 2018.

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) 3078 0000

Plot No. C-1/13, B-226/227/228 & 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-Wall Ropes Limited
Plot No. 11, Block D-1, M.I.D.C.,
Chinchwad, Pune - 411 019, Maharashtra
Tel. No.: (020) 3078 0177
Email: secretarial@garwareropes.com

Link Intime India Private Limited
Akshay Complex, Block No. 202, 2nd Floor,
Off Dhole Patil Road, Near Ganesh Temple, Pune - 411 001
Tel. No.: (020) 2616 1629, 2616 0084
Fax No.: (020) 2616 3503
Email: pune@linkintime.co.in

xvii. **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.**

(a) 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.

(b) Shareholder Rights: Quarterly Financial Statements are published in leading newspapers and uploaded on Company's website: http:// www.garwareropes.com.

(c) Modified opinion(s) in Audit Report: The Auditors have raised no qualification on the Financial Statements.

(d) Separate posts of Chairperson and CEO: Presently, Mr. V. R. Garware is the Chairman & Managing Director of the Company.

(e) Reporting of Internal Auditor: The Company has appointed Internal Auditor (employee) for conducting the Internal Audit. Internal Auditors 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 2017-2018.

**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 year 2017-2018 on compliance with Code of Conduct of the Company as applicable to them respectively.

**V. R. Garware**
Chairman & Managing Director
DIN 00092201

Pune,
30th April, 2018

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of GARWARE-WALL ROPES LIMITED

We, Mehta Chokshi & Shah, Chartered Accountants, the Statutory Auditors of Garware-Wall Ropes Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

Our examination is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and other Assurance and Related Service Engagements.

**Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended 31st March, 2018.

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**
Chartered Accountants
(FRN: 106201W)

**Abhay R. Mehta**
(Partner)
M. No. 46088

Pune,
30th May, 2018

# Management Discussion and Analysis

## Overview of Company

Your Company, Garware-Wall Ropes Limited*, an ISO 9001:2015 certified organization, was established in 1976 and is a leading manufacturer of technical textiles. A global player, your Company is known for providing innovative solutions in the field of fisheries, aquaculture, shipping, sports, agriculture, coated fabrics, and geosynthetics. Your Company's products are manufactured in state-of-art facilities at Wai and Pune (both in Maharashtra, India) and are marketed in more than 75 countries worldwide.

## Business Environment in FY 2017-18

FY 2017-18 was a tumultuous year marked by natural disasters in several parts of the world and sharp geopolitical tensions. However, the global economy saw improved growth, with GDP continuing to accelerate across much of the world in the broadest cyclical upswing since the start of the decade. That translated into strong growth in demand for salmon, which boded well for aquaculture farmers in nations like Norway, UK, Canada, Chile, and USA, and resulted in an increased demand for your Company's aquaculture products. By focusing on strong marketing and timely execution of orders, your Company could attain overall growth in its international business.

In the domestic market, the economic sentiment was affected by the rollout of the Goods and Services Tax (GST) in July 2017 and thereafter teething troubles associated with GST implementation. These factors adversely impacted the demand for your Company's products during the first half of the year. However, your Company improved its margins by focusing on value-added, differentiated products.

Your Company continued to improve its financial performance through good execution of its strategy for profitable growth, which is based on three pillars: innovation, geographic expansion, and operational excellence.

## Opportunities and Threats

In the coming financial year, your Company sees good growth prospects in the international market. With prices of aquaculture products expected to remain stable, we foresee increased demand for our aquaculture solutions. Furthermore, our expansion into new markets and revenue growth from innovative, value-added products are poised to boost our overall performance in the international markets.

In the domestic market, the prediction of a good monsoon and relative stability in policies leads us to expect growth in all business segments. However, sharp increases in polymer prices could have some impact on demand.

## Company's Performance in FY 2017-18

Your Company registered total revenue of ₹ 903.35 crores for the year ended 31st March, 2018, an increase of 5.3% over the previous year's revenue. Export revenue accounted for 49.8% of the total revenue. Profit after tax in the year under review was ₹ 105.12 crores, registering an increase of 24.7% over the previous year. Profitability was aided by an enhanced product mix and improvement in productivity. Growth in value-added, differentiated products aided growth in margins.

## Key Financial Indicators

- The Operating Profit Ratio of the Company is 15.3%.
- The Current Ratio of the Company is 1.20.
- The Earning Per Share is ₹48.04.
- The Return on Capital Employed (ROCE) is 23.8%.

## Risks and Concerns

Your Company's products are heavily dependent on petroleum-based raw material, power, and labour. Cost increases under these heads are generally passed on, and mitigated, by delivering higher value to customers, and improving manufacturing efficiency and productivity. However, as cost pressures are likely to continue, your Company faces the challenge of reducing operational costs and increasing productivity, without compromising on quality.

As international sales constitute 49.8% of your Company's revenue, uncertainty in global markets and foreign-exchange volatility would be a matter of concern. The Company's strategy is to push for growth in all geographies and all product segments to limit the impact of any uncertainty.

## Internal Control Systems

Your Company has elaborate internal control systems, driven through a centralized database management mechanism of SAP, which enables improved market interface, logistic efficiency, and customer support. Well-established systems for managing inventory, procurement, and assets ensure coordination of manufacturing with customers' requirements, faster delivery, and effective cost controls.

## Human Resources Management

Your Company's people are the key driving force of its success. In the year under view, several initiatives were undertaken to enhance the commitment of all employees to your Company's vision and mission. Under a unique 'Living the Values' programme, employees were encouraged to reflect upon and demonstrate values like enhanced ownership and bonding in their daily activities. Exemplary demonstrations of values were recognized and rewarded. Other efforts, such as outbound training programmes and an ongoing programme to align goals to balanced scorecards, aided in improving the engagement levels of employees, as corroborated by the Great Places to Work survey.

*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.*

**The name of your Company changed to Garware Technical Fibres Limited, with effect from 20th July, 2018.*

## INDEPENDENT AUDITORS' REPORT

**To the Members of, GARWARE-WALL ROPES LIMITED**

**1 Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying Standalone Ind AS Financial Statements of GARWARE-WALL ROPES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**2 Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including 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) prescribed 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3 Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financials in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

**4 Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018, its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**5 Other Matters**

The audit of Financial Statements for the year ended 31st March 2017, was carried out and reported by predecessor auditor, vide their unmodified audit report dated 24th May 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Standalone Ind AS Financial Statements. Our audit report is not qualified in respect of this matter.

**6 Report on Other Legal and Regulatory Requirements**

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in

terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.

II. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Company and the operative effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 financials position in its Standalone Ind AS Financial Statements- Refer Note No. 43 to the Standalone Ind AS Financial Statements.

ii. the Company has 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 Company during the year ended 31st March, 2018.

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December, 2016 which are not relevant to these Standalone Ind AS Financial Statements. Hence, reporting under this clause is not applicable.

For **Mehta Chokshi & Shah**
Chartered Accountants
Firm Registration Number: 106201W

**ABHAY MEHTA**
Partner
M. No.: 046088

Pune,
30th May, 2018

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 6 (I) of our report of even date]

i. a) As per information and explanations given to us and on the basis of examination of records of the company, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on the aforesaid verification.

iii. The Company has not granted unsecured loans to parties covered in the register maintained under Section 189 of the Companies Act 2013. Accordingly the provisions of clause 3(iii) (a), (b) &(c) of the order are not applicable to the company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits. Hence paragraph 3 (v) of the order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of 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. a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, GST, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, the dues outstanding of income tax, sales tax, service tax, duty of customs, GST, duty of excise, value added tax on account of any dispute, are as follows

| Name of the Statute | Nature of Dues | Forum where Dispute is Pending | Period to which Amount relates | Amount (₹ Lakhs) not deposited |
|---|---|---|---|---|
| Sales Tax Laws | State and Central Sales Tax | Deputy Commissioner of Sales Tax (Appeals) - Delhi | 1999-00 | 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 |
| Central Excise Laws | Excise Duty | CESTAT, Mumbai. | 2002-03 | 14.85 |
| | | | 2002-03 | 12.72 |
| Income Tax Laws | Income Tax | Supreme Court | 2002-03 | 94.00 |
| | | | 2002-04 | 114.00 |
| | | | **Total** | **244.72** |

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act;

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Notes to Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanations give to us and based on our examination of the records, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, paragraph 3(xiv) of the order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records , during the year the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us and based on our examination of the records, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **Mehta Chokshi & Shah**
Chartered Accountants
Firm Registration Number: 106201W

**ABHAY MEHTA**
Partner
M. No.: 046088

Pune,
30th May, 2018

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 6 (II) (f) of our report of even date]

Report on the Internal Financial Controls Over Financials Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) of GARWARE-WALL ROPES LIMITED.

We have audited the internal financial controls over financial reporting of GARWARE-WALL ROPES LIMITED (“the Company”) as of 31st March, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended and as at on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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'). 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 over financial reporting 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 Standalone Ind AS 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 over Financial Reporting**

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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note as issued by the ICAI.

For **Mehta Chokshi & Shah**
Chartered Accountants
Firm Registration Number: 106201W

**ABHAY MEHTA**
Partner
M. No.: 046088

Pune,
30th May, 2018

## BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in lakhs)

| | Note No. | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|---|
| **A ASSETS** | | | | |
| **(1) Non-Current Assets** | | | | |
| (a) Property, Plant and Equipment | 3 | **21,392.67** | 19,540.91 | 19,006.50 |
| (b) Capital Work-in-Progress | 3 | **-** | 30.59 | 20.16 |
| (c) Intangible Assets | 4 | **729.98** | 762.15 | 890.02 |
| (d) Financial Assets | | | | |
| (i) Investments in Subsidiaries, Associates & J.V. | 5 | **55.50** | 55.50 | 55.50 |
| (ii) Other Investments | 6 | **24,410.67** | 11,063.55 | 339.14 |
| (iii) Trade Receivable | 7 | **1,039.47** | 921.69 | 690.83 |
| (iv) Loans | 8 | **812.17** | 955.77 | 895.80 |
| (v) Other Financial Assets | 9 | **464.06** | 263.37 | 209.87 |
| (e) Other non-current Assets | 10 | **578.57** | 479.83 | 439.03 |
| **Total Non-Current Assets** | | **49,483.09** | 34,073.36 | 22,546.85 |
| **(2) Current Assets** | | | | |
| (a) Inventories | 11 | **16,417.98** | 14,095.93 | 12,546.27 |
| (b) Financial Assets | | | | |
| (i) Investments | 12 | **3.16** | 3.16 | 3.16 |
| (ii) Trade Receivables | 13 | **21,906.02** | 19,776.91 | 20,143.21 |
| (iii) Cash and Cash Equivalents | 14 | **816.60** | 409.80 | 292.70 |
| (iv) Bank Balances other than (iii) above | 14 | **1,375.59** | 10,968.62 | 8,030.34 |
| (v) Loans | 15 | **583.57** | 195.14 | 179.09 |
| (vi) Other Financial Assets | 16 | **21.79** | 633.61 | 445.26 |
| (c) Other Current Assets | 17 | **7,789.68** | 3,930.61 | 2,886.40 |
| **Total Current Assets** | | **48,914.39** | 50,013.78 | 44,526.43 |
| **TOTAL - ASSETS** | | **98,397.48** | 84,087.14 | 67,073.28 |
| **B EQUITY AND LIABILITIES** | | | | |
| **(1) Equity** | | | | |
| (a) Equity Share Capital | 18 | **2,188.21** | 2,188.21 | 2,188.21 |
| (b) Other Equity | 19 | **51,410.91** | 42,371.11 | 34,596.43 |
| **Total Equity** | | **53,599.12** | 44,559.32 | 36,784.64 |
| **(2) Liabilities** | | | | |
| **Non-Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Trade Payable | 20 | **-** | 345.36 | 288.47 |
| (ii) Other Financial Liabilities | 21 | **6.26** | - | - |
| (b) Provisions | 22 | **427.25** | 355.04 | 272.46 |
| (c) Deferred Tax Liabilities (Net) | 23 | **3,472.16** | 3,014.14 | 2,710.58 |
| **Total Non-Current Liabilities** | | **3,905.67** | 3,714.54 | 3,271.51 |
| **(3) Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 24 | **13,838.83** | 8,608.70 | 4,340.96 |
| (ii) Trade Payables | 25 | **20,444.06** | 19,827.08 | 16,111.56 |
| (iii) Other Current Financial Liabilities | 26 | **503.25** | 821.15 | 1,370.93 |
| (b) Other Current Liabilities | 27 | **5,489.11** | 5,857.45 | 4,680.32 |
| (c) Provisions | 28 | **272.58** | 527.50 | 293.98 |
| (d) Current Tax Liabilities (Net) | 29 | **344.86** | 171.40 | 219.38 |
| **Total Current Liabilities** | | **40,892.69** | 35,813.28 | 27,017.13 |
| TOTAL - EQUITY AND LIABILITIES | | **98,397.48** | 84,087.14 | 67,073.28 |

**C NOTES FORMING PART OF THE IND-AS FINANCIAL STATEMENTS 1-48**

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

**SUNIL AGARWAL**
Company Secretary
M. No. FCS 6407

**S. H. BAMNE**
VP Corporate (CFO)

**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

GARWARE TECHNICAL FIBRES

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | Note No. | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|
| **1 INCOME** | | | |
| Revenue from Operations | 30 | **88,549.56** | 84,930.70 |
| Other Income | 31 | **1,785.03** | 841.43 |
| Total Income | | **90,334.59** | 85,772.13 |
| **2 EXPENSES** | | | |
| Cost of Materials Consumed | 32 | **27,086.85** | 27,330.32 |
| Purchases of Traded Goods | | **3,141.15** | 2,910.17 |
| Changes in inventories of Finished Goods, Work-in-Progress and Traded Goods | 33 | **(1,166.05)** | (932.28) |
| Excise Duty on Sale of Goods | | **88.56** | 343.64 |
| Employee Benefits Expenses | 34 | **11,198.74** | 10,603.61 |
| Finance Cost | 35 | **997.69** | 653.55 |
| Depreciation and Amortisation Expenses | 3,4 | **1,534.76** | 1,416.35 |
| Other Expenses | 36 | **32,151.74** | 31,131.54 |
| **Total Expenses** | | **75,033.44** | 73,456.90 |
| **Profit Before Tax** | | **15,301.15** | 12,315.23 |
| **Tax Expenses** | 37 | | |
| 1. Current Tax | | **4,338.00** | 3,603.70 |
| 2. Deferred Tax | | **451.39** | 281.68 |
| **TOTAL TAX EXPENSE** | | **4,789.39** | 3,885.38 |
| **Profit for the year** | | **10,511.76** | 8,429.85 |
| **Other Comprehensive Income** | | | |
| **(i) Items that will not be reclasified to profit or loss** | | | |
| Remeasurement of Investment in Equity Instruments | | **73.49** | 145.90 |
| Remeasurement of Defined Benefit Obligation-OCI | | **(220.94)** | (30.31) |
| **(ii) Income tax related to items that will not be reclassified to profit or loss** | | **(6.64)** | (21.88) |
| **Total Other Comprehensive Income for the year** | | **(154.09)** | 93.71 |
| **Total Comprehensive Income for the year** | | **10,357.67** | 8,523.56 |
| EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10/- each) | | | |
| Basic (₹) & Diluted (₹) | 41 | **48.04** | 38.52 |

**3 NOTES FORMING PART OF THE IND-AS FINANCIAL STATEMENTS 1-48**

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

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

**M. V. GARWARE**
Director
DIN. 06948274

**SUNIL AGARWAL**
Company Secretary
M. No. FCS 6407

**R. M. TELANG**
Director
DIN. 00092103

**S. P. KULKARNI**
Director
DIN. 00006914

**S. H. BAMNE**
VP Corporate (CFO)

**S. S. RAJPATHAK**
Director
DIN: 00040387

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| Statement of Changes in Equity for the Year Ended 31st March, 2018 | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **(a) Equity share capital** | | | |
| Equity Shares of ₹ 10/- each issued, subscribed & fully paid | | | |
| **No of Shares** | **21,882,060** | **21,882,060** | **21,882,060** |
| **₹ in Lakhs** | 2,188.21 | 2,188.21 | 2,188.21 |

**(b) Other Equity**

For the year ended 31st March, 2018

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | | Other Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Share Premium | General Reserve | Retained earnings | Revaluation Reserve | FCMTR accounts | Net gain / (loss) on fair value of defined benefit plans | Equity instruments through other comprehensive income | |
| **Balance as at 1st April, 2016** | **24.75** | **182.63** | **7,700.11** | **3,869.84** | **22,416.33** | **4.85** | **(121.27)** | **269.75** | **249.44** | **34,596.43** |
| Profit for the year | - | - | - | - | 8,429.85 | (1.04) | 121.27 | - | - | 8,550.08 |
| Other comprehensive income | - | - | - | - | - | - | | (30.31) | 124.02 | 93.71 |
| **Total Comprehensive income for the year** | **24.75** | **182.63** | **7,700.11** | **3,869.84** | **30,846.18** | **3.81** | **-** | **239.44** | **373.46** | **43,240.22** |
| Dividends paid | - | - | - | - | (722.11) | - | - | - | - | (722.11) |
| Dividends distribution tax paid | - | - | - | - | (147.00) | - | - | - | - | (147.00) |
| **Balance as at 31st March, 2017** | **24.75** | **182.63** | **7,700.11** | **3,869.84** | **29,977.07** | **3.81** | **-** | **239.44** | **373.46** | **42,371.11** |
| Profit for the year | - | - | - | - | 10,511.76 | (1.04) | - | - | - | 10,510.72 |
| Other comprehensive income | - | - | - | - | - | - | - | (220.94) | 66.85 | (154.09) |
| **Total Comprehensive income for the year** | **-** | **-** | **-** | **-** | **10,511.76** | **(1.04)** | **-** | **(220.94)** | **66.85** | **10,356.63** |
| Dividends paid | - | - | - | - | (1,094.10) | - | - | - | - | (1,094.10) |
| Dividends distribution tax paid | - | - | - | - | (222.73) | - | - | - | - | (222.73) |
| **Balance as at 31st March, 2018** | **24.75** | **182.63** | **7,700.11** | **3,869.84** | **39,172.00** | **2.77** | **-** | **18.50** | **440.31** | **51,410.91** |

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

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

**M. V. GARWARE**
Director
DIN. 06948274

**SUNIL AGARWAL**
Company Secretary
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**S. P. KULKARNI**
Director
DIN. 00006914

**S. H. BAMNE**
VP Corporate (CFO)

**S. S. RAJPATHAK**
Director
DIN: 00040387

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **I. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net Profit Before Tax | **15,301.15** | 12,315.23 |
| **Adjustments for reconcile Profit Before Tax to Net Cash Flows:** | | |
| Depreciation and Amortisation Expenses | **1,534.76** | 1,416.35 |
| Finance Cost | **997.69** | 653.55 |
| Interest and Dividend Income Received | **(571.77)** | (762.92) |
| Fair Value Gain at Financial Instruments at FVTPL | **(725.97)** | (78.51) |
| Gain on sale/redemption of Investments | **(487.29)** | - |
| (Profit) / Loss on sale of Fixed Assets | **14.73** | 21.71 |
| Bad Debts | **35.78** | 17.00 |
| Provision for Doubtful Debts | **53.07** | (5.93) |
| **Operating Profit before Working Capital Changes** | **16,152.15** | 13,576.48 |
| **Working Capital Adjustments** | | |
| (Increase) / Decrease in Trade & Other Receivable and Other Assets | **(6,127.25)** | (1,278.49) |
| (Increase) / Decrease in Inventories | **(2,322.05)** | (1,549.66) |
| Increase / (Decrease) in Trade and Other Payables | **(782.88)** | 4,728.19 |
| **Cash generated from Operations** | **6,919.97** | 15,476.52 |
| Direct Taxes paid | **(4,121.23)** | (3,428.20) |
| **Net cash provided by Operating Activities** | **2,798.74** | 12,048.32 |
| **II. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Property, Plant & Equipment and Intangible Assets | **(3,338.49)** | (1,855.04) |
| (Increase)/ Decrease of Investments | **(13,347.12)** | (10,724.41) |
| (Increase)/ Decrease of Other Investments | **9,593.03** | (2,938.28) |
| Interest and Dividend Income Received | **1,785.03** | 841.43 |
| **Net cash provided by / (used in) Investing Activities** | **(5,307.55)** | (14,676.30) |
| **III. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from Short-term / Long-term Borrowings | **5,230.13** | 4,267.74 |
| Finance Cost | **(997.69)** | (653.55) |
| Dividend paid including Dividend Distribution Tax | **(1,316.83)** | (869.11) |
| **Net cash from Financing Activities** | **2,915.61** | 2,745.08 |
| **Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)** | **406.80** | 117.10 |
| **Cash & Cash Equivalents at the beginning of the year** | **409.80** | 292.70 |
| **Cash & Cash Equivalents at year end** | **816.60** | 409.80 |

**Amendment to Ind-AS 7**

Effective 1st April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The same is disclosed as follows:

**Reconciliation of cash flow in liabilities arising from financing activities**

(₹ in lakhs)

| Particulars | Amount |
|---|---|
| As at 1st April, 2016 | 4,340.96 |
| Cash movements | 4,267.74 |
| As at 31st March, 2017 | 8,608.70 |
| **Cash movements** | **5,230.13** |
| **As at 31st March, 2018** | **13,838.83** |

**IV. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-48**

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

**SUNIL AGARWAL**
Company Secretary
M. No. FCS 6407

**S. H. BAMNE**
VP Corporate (CFO)

**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

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 1. COMPANY INFORMATION

Garware-Wall Ropes Limited (the "Company") is incorporated under the provision of Companies Act, 1956 (as amended by Companies Act, 2013) and domiciled in India. Company is listed with BSE & NSE. The Company has it's the Registered Office and principal place of business at Plot No. 11, Block D-1, M.I.D.C., Chinchwad, Pune - 411 019, 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 30th May, 2018 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the Shareholders at the Annual General Meeting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

### 2. Significant Accounting Policies Accounting Judgements, Estimates and Assumptions:

#### (A) Significant Accounting Policies:

#### 2.1 Basis of preparation of Ind-AS Financial Statements:

The Ind-AS 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).

For all periods up to and including the year ended 31st March, 2017, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31st March, 2018 are the first the Company has prepared in accordance with Ind-AS. Refer to Note 48 for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the Company.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer Accounting Policy No. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**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 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.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**2.5 Capital Work in Progress and Capital Advances:**

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

**2.6 Intangible Assets and Amortisation thereof:**

**2.6.1 Internally generated Intangible Assets (Research and Development):**

i) Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

a) The technical feasibility of completing the Intangible Asset so that it will be available for use or sale.

b) Its intention to complete the asset.

c) Its ability to use or sell the asset.

d) How the asset will generate future economic benefits.

e) The availability of adequate resources to complete the development and to use or sell the asset.

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

**2.6.2 Other Intangible Assets:**

An Intangible Asset is recognised if

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**2.6.3 Amortisation of intangible assets:**

Amortization of the asset begins on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortisation is recognised in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the 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 |

**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:

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government, discounts and rebates.

i. Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.

ii. Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership based on Bill of lading date.

iii. Revenue in respect of other income/claims, etc is recognised only when it is reasonably certain that ultimate collection will be made.

iv. Revenue from Project Contracts and services rendered are recognised on the basis of percentage of completion method when works are rendered and related costs are incurred.

v. Unbilled revenue represents revenues recognised in excess of the amounts billed as at the Balance Sheet date.

vi. 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.

vii. 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.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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 company may transfer the cumulative gain or loss within equity.

Financial Assets at FVTPL:

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "Accounting Mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

**Derecognition:**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either;

   a. The Company has transferred substantially all the risks and rewards of the asset, or

   b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of Financial Assets:**

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognized during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

**ii) Financial Liabilities:**

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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 and 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 recognized 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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

**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. 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.

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Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT):

MAT paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Company.

**2.16 Provisions and Contingent Liabilities:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

When the Company expects some or all of a provision to be reimbursed, the same is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a present obligation that arises from past events that may, but probably will not, require an outflow of resources.

Both provisions and contingent liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes.

**2.17 Government Grants and Subsidy:**

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

(i) the Company will comply with the conditions attached to them, and

(ii) the grant / subsidy will be received.

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

**2.18 Earnings Per Share:**

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

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

**2.19 Cash and Cash Equivalent:**

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

**2.20 Cash Flow Statement:**

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

**2.21 Commitments:**

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

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

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(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 seperately for the purpose of making decision about resource allocation and performance assesment. 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 companys 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 intersegment 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.

**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.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**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.

**2.24 Standards issued but not yet effective**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Company has evaluated the effect of this on the financial statements and there is no impact on the company's financial statements due to the said changes. Ind AS 115- Revenue from Contract with Customers: On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 3 PROPERTY, PLANT & EQUIPMENT

(₹ in lakhs)

| Particulars | Leasehold Land | Buildings | Plant and Machinery | R&D Equipments | Electrical Installations | Furniture and Fixtures | Office Equipments | Vehicles | Helicopter | Total | Capital Work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Deemed cost as at 1st April 2016** | 194.69 | 2,621.75 | 13,038.53 | 1,693.15 | 327.06 | 132.86 | 187.24 | 650.45 | 160.77 | 19,006.50 | 20.16 |
| Additions | 317.02 | 196.64 | 559.94 | 413.57 | 32.11 | 70.52 | 86.24 | 153.15 | - | 1,829.19 | 30.59 |
| Disposals | - | - | (5.42) | - | - | - | - | (133.39) | - | (138.81) | (20.16) |
| **As at 31st March 2017** | **511.71** | **2,818.39** | **13,593.05** | **2,106.72** | **359.17** | **203.38** | **273.48** | **670.21** | **160.77** | **20,696.88** | **30.59** |
| Additions | 0.30 | 687.51 | 1,433.91 | 655.07 | 124.59 | 66.22 | 104.84 | 190.93 | 0.01 | 3,263.38 | - |
| Disposals | - | - | (96.16) | - | - | - | (0.28) | (10.49) | (48.00) | (154.93) | (30.59) |
| **As at 31st March 2018** | **512.01** | **3,505.90** | **14,930.80** | **2,761.79** | **483.76** | **269.60** | **378.04** | **850.65** | **112.78** | **23,805.33** | **-** |
| **Depreciation and Impairment** | | | | | | | | | | | |
| **At 1st April 2016** | - | - | - | - | - | - | - | - | - | - | - |
| Charge for the year | 3.14 | 239.13 | 628.78 | 75.88 | 55.84 | 29.05 | 80.69 | 126.24 | 8.43 | 1,247.18 | - |
| Disposals | - | - | (1.91) | - | - | - | - | (89.30) | - | (91.21) | - |
| **As at 31st March 2017** | **3.14** | **239.13** | **626.87** | **75.88** | **55.84** | **29.05** | **80.69** | **36.94** | **8.43** | **1,155.97** | **-** |
| Charge for the year | 5.68 | 235.93 | 702.47 | 105.40 | 47.16 | 31.38 | 83.81 | 132.75 | 8.43 | 1,353.01 | - |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | (42.84) | - | (0.10) | (0.04) | (0.27) | (5.07) | (48.00) | (96.32) | - |
| **As at 31st March 2018** | **8.82** | **475.06** | **1,286.50** | **181.28** | **102.90** | **60.39** | **164.23** | **164.62** | **(31.14)** | **2,412.66** | **-** |
| **Net Block** | | | | | | | | | | | |
| **As at 31st March 2018** | **503.19** | **3,030.84** | **13,644.30** | **2,580.51** | **380.86** | **209.21** | **213.81** | **686.03** | **143.92** | **21,392.67** | **-** |
| **As at 31st March 2017** | **508.57** | **2,579.26** | **12,966.18** | **2,030.84** | **303.33** | **174.33** | **192.79** | **633.27** | **152.34** | **19,540.91** | **30.59** |
| **As at 1st April 2016** | **194.69** | **2,621.75** | **13,038.53** | **1,693.15** | **327.06** | **132.86** | **187.24** | **650.45** | **160.77** | **19,006.50** | **20.16** |

Notes:

1. All the leases are 95 years whereas all the items of PPE are expected to be depreciated within that period of time and hence in current lot of PPE, no provision for restoration cost is required.
2. During the year ₹ 1.04 lakhs (previous year ₹ 1.04 lakhs) has been withdrawn from Revaluation Reserve on account of depreciation on revalued portion.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 4 INTANGIBLE ASSETS

(₹ in lakhs)

| Particulars | Technical Knowhow | Product Development | Computer Software | Total |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **Deemed cost as at 1st April, 2016** | - | 445.29 | 444.73 | 890.02 |
| Additions | - | - | 42.35 | 42.35 |
| Disposals | - | - | - | - |
| **As at 31st March, 2017** | **-** | **445.29** | **487.08** | **932.37** |
| Additions | - | (0.01) | 150.63 | 150.62 |
| Disposals | - | - | - | - |
| **As at 31st March, 2018** | **-** | **445.28** | **637.71** | **1,082.99** |
| **Amortisation and Impairment** | | | | |
| **At 1st April, 2016** | - | - | - | - |
| Charge for the year | - | 108.23 | 61.99 | 170.22 |
| Disposals | - | - | - | - |
| **As at 31st March, 2017** | **-** | **108.23** | **61.99** | **170.22** |
| Charge for the year | - | 89.14 | 93.65 | 182.79 |
| Impairment | - | - | - | - |
| Disposals | | | - | - |
| **As at 31st March, 2018** | **-** | **197.37** | **155.64** | **353.01** |
| **Net Block** | | | | |
| **As at 31st March, 2018** | **-** | **247.91** | **482.07** | **729.98** |
| **As at 31st March, 2017** | **-** | **337.06** | **425.09** | **762.15** |
| **As at 1st April, 2016** | **-** | **445.29** | **444.73** | **890.02** |

### 5 FINANCIAL ASSETS

**INVESTMENTS IN SUBSIDIARY AND ASSOCIATE**

(₹ in lakhs)

| | **As at 31st March, 2018** | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | **No. of Shares/units** | **Amount** | No. of Shares/units | Amount | No. of Shares/units | Amount |
| **a) In Subsidiary Company at cost:** | | | | | | |
| Shares in Garware Environmental Services Pvt. Limited of ₹ 10/- each | **1,000,000** | **55.00** | 1,000,000 | 55.00 | 1,000,000 | 55.00 |
| **b) In Associate Company at cost :** | | | | | | |
| Shares in Garware Meditech Pvt. Limited of ₹ 10/- each | **5,000** | **0.50** | 5,000 | 0.50 | 5,000 | 0.50 |
| **Total investment in Subsidiary & Associate** | | **55.50** | | 55.50 | | 55.50 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 6 OTHER INVESTMENTS

**INVESTMENTS IN EQUITY INSTRUMENTS ( FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME)**

(₹ in lakhs)

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares/units | Amount | No. of Shares/units | Amount | No. of Shares/units | Amount |
| **A. INVESTMENTS at FVTOCI** | | | | | | |
| **In Equity instruments:** | | | | | | |
| **Quoted** | | | | | | |
| Shares in Garware Marine Industries Limited of ₹ 10/- each | **50,000** | **2.13** | 50,000 | 4.43 | 50,000 | 7.40 |
| Shares in Garware Polyester Limited of ₹ 10/- each | **146,350** | **224.50** | 146,350 | 180.59 | 146,350 | 136.91 |
| **Unquoted** | | **226.63** | | 185.02 | | 144.31 |
| Shares in Intermedia Interactive Solutions Pvt. Limited of ₹ 10/- each | **890,680** | **314.23** | 890,680 | 282.35 | 890,680 | 177.16 |
| Shares of Gujarat Filament Corporation Limited of ₹ 10/- each | **50** | **0.01** | 50 | 0.01 | 50 | 0.01 |
| | | **314.24** | | 282.36 | | 177.17 |
| **Total Quoted Investment** | | **540.87** | | 467.38 | | 321.48 |
| **B. INVESTMENTS at FVTPL** | | | | | | |
| **a. Non Convertible Debentures** | | | | | | |
| Citicorp Finance India Limited | **4,004.89** | **4,138.87** | 3,200 | 3,200.00 | | - |
| Reliance Capital Limited | | **-** | 1,800 | 1,800.00 | | - |
| IIFLWF-GWFEC825-8.25%-2019-579 Days | **394** | **524.52** | | - | | |
| India Info line Housing Finance Ltd | **197** | **454.66** | | | | |
| Sub-total (a) | | **5,118.05** | | 5,000.00 | | - |
| **b. Other Debt Instruments** | | | | | | |
| 7 Year National Savings Certificates deposited with Sales Tax Authorities | | **0.16** | | 0.16 | | 0.16 |
| Sardar Sarovar Narmada Nigam Limited FDR | | **17.50** | | 17.50 | | 17.50 |
| Sub-total (b) | | **17.66** | | 17.66 | | 17.66 |
| **c. Investments in Mutual Funds** | | | | | | |
| **(i) ARBITRAGE MUTUAL FUND** | | | | | | |
| ICICI Prudential Equity Arbitrage Fund | | **-** | 2,318,518 | 504.30 | | - |
| KOTAK Equity Arbitrage Scheme (Growth) | **2,102,465.77** | **522.75** | 2,152,788 | 504.22 | | - |
| **(ii) DEBT MUTUAL FUND** | | | | | | |
| Aditya Birla Sun Life Short-term Opportunity Fund (Growth) | **1,838,715** | **530.57** | 1,838,715 | 498.91 | | - |
| Aditya Birla Sun Life Short-term Fund (Growth) | **927,652** | **616.40** | | - | | - |
| DSPBR Banking & PSU Debt Fund Growth) | **8,488,723** | **1,246.15** | 3,635,095 | 503.09 | | - |
| ICICI Prudential Banking & PSU Debt | **2,691,182** | **537.64** | 2,691,182 | 504.84 | | - |
| Reliance Banking & PSU Debt Funds (Growth) | **4,276,282** | **536.13** | 4,276,282 | 504.06 | | - |
| Reliance Money Manager Fund (Growth) | **22,497** | **538.70** | 22,497 | 504.50 | | - |
| Axis Treasury Advantage Fund (Growth) | **55,020** | **1,065.48** | 27,659 | 502.30 | | - |
| IDFC Corp Bond Fund-Reg (Growth) | **11,387,129** | **1,353.72** | 4,513,450 | 504.22 | | - |
| HDFC FRIF Short Term Plan (Growth) | **4,481,829** | **1,355.47** | | | | |
| ICICI Prudential Flexible Income Plan (Growth) | **153,450** | **511.48** | | | | |
| HDFC Medium Term Opportunity Fund (Growth) | **5,257,901** | **1,015.35** | | | | |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares/units | Amount | No. of Shares/units | Amount | No. of Shares/units | Amount |
| **(iii) DEBT MUTUAL FUND (FMP)** | | | | | | |
| HDFC Bank FMP 1127D | **5,000,000** | **589.59** | 5,000,000 | 544.68 | | - |
| DSPBR FMP 204-37M-Reg(G) [4023100/2 | **5,000,000** | **535.84** | 5,000,000 | 503.39 | | - |
| UTI Fix Term Inc Fund SerXXVIIIX | **2,000,000** | **205.25** | | - | | - |
| HDFC Bank FMP 1143 DAYS | **5,000,000** | **503.41** | | - | | - |
| SBI Debt Fund Ser C-12 1122 DAYS | **5,000,000** | **502.65** | | - | | - |
| DSPBR FMP SERIES 220 Growth | **10,000,000** | **1,011.72** | | - | | - |
| Aditya Birla Sun Life Fixed Tterm Plan | | | | | | - |
| Series PE(1159) | **15,000,000** | **1,505.65** | | - | | - |
| Kotak Fmp Series-219-1240Days | **10,000,000** | **1,012.15** | | - | | - |
| ICICI Series 82-1199Days | **10,008,937** | **1,012.20** | | - | | - |
| SBI Debt Fund Ser C-10 1150 DAYS | **10,008,824** | **1,011.47** | | - | | |
| ICICI Prud. Fmp Series 82-Plan | **10,000,000** | **1,014.32** | | - | | - |
| Sub-total (c) | | **18,734.09** | | 5,578.51 | | - |
| **Total Investments measured at FVTPL** | | **23,869.80** | | 10,596.17 | | 17.66 |
| **Total other Investments** | | **24,410.67** | | 11,063.55 | | 339.14 |

(₹ in lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **7 TRADE RECEIVABLE** | | | |
| Non-Current | | | |
| Unsecured, considered good | | | |
| Trade Receivable | **1,039.47** | 921.69 | 690.83 |
| (Includes retention money) | | | |
| **Total** | **1,039.47** | 921.69 | 690.83 |
| **8 LOANS - NON CURRENT** | | | |
| Unsecured, considered good | | | |
| At Amortised Cost | | | |
| (i) Security Deposits | **199.22** | 468.22 | 319.48 |
| (ii) Other Loans | **612.95** | 487.55 | 576.32 |
| **Total** | **812.17** | 955.77 | 895.80 |
| Other Loans includes : | | | |
| Loan to employees | **302.70** | 138.18 | 81.25 |
| **9 OTHER NON-CURRENT FINANCIAL ASSETS** | | | |
| Other Deposit Current Assets* | **266.86** | 261.17 | 207.67 |
| Recoverable from related party | **12.00** | - | - |
| * Bank Deposits with maturity of more than 12 months (Above bank deposits are pledged as margin money) | **185.20** | 2.20 | 2.20 |
| **Total** | **464.06** | 263.37 | 209.87 |
| **10 OTHER NON-CURRENT ASSETS** | | | |
| Taxes Receivable (other than Income Tax) | **450.05** | 425.05 | 411.77 |
| Capital Advances | **70.68** | - | - |
| Other Non-Current Assets* | **57.84** | 54.78 | 27.26 |
| **Total** | **578.57** | 479.83 | 439.03 |
| Other Non-Current Assets includes; | | | |
| *Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL | **41.00** | 13.63 | 13.21 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **11 INVENTORIES - CURRENT ASSET** | | | |
| Raw Materials | **5,296.81** | 4,156.15 | 3,657.00 |
| Work-in-Progress | **3,330.57** | 2,988.30 | 2,098.95 |
| ₹ 883.82 lakhs, As at 31st March, 2017 ₹ 534.62 lakhs, As at 1st April, 2016 ₹ 346.26 lakhs) | **5,896.26** | 5,139.33 | 5,131.91 |
| Traded Goods | **465.84** | 398.99 | 363.48 |
| Stores, Spares, Fuel and Packing Materials | **1,428.50** | 1,413.16 | 1,294.93 |
| **Total** | **16,417.98** | 14,095.93 | 12,546.27 |

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

(₹ in lakhs)

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares/units | Amount | No. of Shares/units | Amount | No. of Shares/units | Amount |
| **12 INVESTMENTS - CURRENT** | | | | | | |
| Unquoted Fair Value Through Profit & Loss | | | | | | |
| Shares of Cosmos Co-operative Bank Limited of ₹ 20/- each | **15,805** | **3.16** | 15,805 | 3.16 | 15,805 | 3.16 |
| **Total investment in Current Asset** | | **3.16** | | 3.16 | | 3.16 |
| **13 TRADE RECEIVABLES** | | | | | | |
| Unsecured, Considered Good | | **21,906.02** | | 19,776.91 | | 20,143.21 |
| Unsecured, Considered Doubtful | | **112.36** | | 74.70 | | 80.63 |
| | | **22,018.38** | | 19,851.61 | | 20,223.84 |
| Less: Allowance for Doubtful Debts | | **(112.36)** | | (74.70) | | (80.63) |
| **Total** | | **21,906.02** | | 19,776.91 | | 20,143.21 |

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 | | **74.70** | | 80.63 | | |
| Allowance for doubtful debts during the year | | **37.66** | | - | | |
| Reversal of allowance for doubtful debts during the year | | **-** | | (5.93) | | |
| Balance at the end of the year | | **112.36** | | 74.70 | | |
| **14 (A) CASH AND BANK BALANCES** | | | | | | |
| Cash on hand | | **74.86** | | 60.96 | | 12.82 |
| Balances with banks | | | | | | |
| a) In Current Accounts | | **624.59** | | 348.84 | | 279.88 |
| b) In Deposit Accounts with maturity less than 3 months | | | | | | |
| In Liquid Fund | | | | | | |
| Birla Sl Cash Plus Fund (Growth) (Total No. of Units 38,112 ) | | **117.15** | | - | | - |
| **Total (A)** | | **816.60** | | 409.80 | | 292.70 |
| **(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** | | | | | | |
| Unpaid dividend accounts | | **47.59** | | 368.66 | | 245.56 |
| Bank deposits above 3 months | | **1,328.00** | | 10,599.96 | | 7,784.78 |
| **Total (B)** | | **1,375.59** | | 10,968.62 | | 8,030.34 |
| **Total (A+B)** | | **2,192.19** | | 11,378.42 | | 8,323.04 |
| **15 LOANS** | | | | | | |
| Unsecured, considered good | | | | | | |
| Advances recoverable in cash or in kind or for value | | | | | | |
| Staff Loan | | **137.00** | | 95.72 | | 97.66 |
| Deposit | | **446.57** | | 99.42 | | 81.43 |
| **Total** | | **583.57** | | 195.14 | | 179.09 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **16 OTHER FINANCIAL ASSET** | | | |
| **Measured at FVTPL** | | | |
| Foreign currency forward contract | - | 354.46 | 158.47 |
| **At Amortised Cost** | | | |
| Other Financial Assets | **10.26** | 9.17 | 67.86 |
| Interest Accrued On Deposit Others | **11.53** | 269.98 | 218.93 |
| | **21.79** | 633.61 | 445.26 |
| **17 OTHER CURRENT ASSET** | | | |
| Balance with Government authorities | **6,119.29** | 1,411.16 | 1,430.21 |
| Advance to Suppliers | **1,358.37** | 2,165.08 | 1,071.38 |
| Prepayments | **104.87** | 265.98 | 271.13 |
| Advance to Employees | **77.34** | 81.22 | 98.42 |
| Others | **129.81** | 7.17 | 15.26 |
| | **7,789.68** | 3,930.61 | 2,886.40 |

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| **18 EQUITY SHARE CAPITAL** | **No. of Shares** | **Amount** | No. of Shares | Amount | No. of Shares | Amount |
| **(a) Authorised Share Capital** | | | | | | |
| i) Equity Shares of ₹ 10/- each | **50,000,000** | **5,000.00** | 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 | 10,000,000 | 1,000.00 |
| | | **6,000.00** | | 6,000.00 | | 6,000.00 |
| **(b) Issued, Subscribed and Fully Paid up** | | | | | | |
| Equity Shares of ₹ 10/- each | **21,882,060** | **2,188.21** | 21,882,060 | 2,188.21 | 21,882,060 | 2,188.21 |
| | | **2,188.21** | | 2,188.21 | | 2,188.21 |
| **a) Reconciliation of Number of Shares** | | | | | | |
| **Equity Shares** | | | | | | |
| Opening Balance | **21,882,060** | **2,188.21** | 21,882,060 | 2,188.21 | 21,882,060 | 2,188.21 |
| Changes during the year | **-** | **-** | - | - | - | - |
| **Closing Balance** | **21,882,060** | **2,188.21** | 21,882,060 | 2,188.21 | 21,882,060 | 2,188.21 |

**b) Rights, Preferences and restrictions attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each Shareholder of Equity Shares is entitled for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the Shareholders of equity shares are eligible to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any.

**c) Details of Shareholders holding more than 5% Shares in the Company**

(₹ in lakhs)

| **Equity Shares** | **As at 31st March, 2018** | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| Mr. V. R. Garware* | **3,566,162** | ** | ** |
| | **16.30%** | | |
| Late Shri Ramesh B. Garware *** | **-** | 3,612,053 | 3,612,053 |
| | **0.00%** | 16.51% | 16.51% |
| Garware Capital Markets Limited | **3,561,567** | 3,495,017 | 3,483,617 |
| | **16.28%** | 15.97% | 15.92% |

The above Shareholding represents the legal ownership of shares

* Out of 35,66,162 (16.30%) Equity Shares, 21,18,893 (9.68%) Equity Shares are registered in the name of Mr. V. R. Garware as partner of Partnership Firms. Beneficial interest in the said share is held by the Partnership Firms.

** Not holding more than 5% shares.

*** During the year ended 31st March, 2018, 36,12,053 Equity Shares were transmitted from Late Shri Ramesh B. Garware to Mr. V. R. Garware.

**d) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March, 2018): Nil**

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **19 OTHER EQUITY** | | | |
| **RETAINED EARNINGS** | **39,630.81** | 30,589.97 | 22,935.52 |
| **OTHER RESERVES** | | | |
| (a) Capital Reserve | **24.75** | 24.75 | 24.75 |
| (b) Capital Redemption Reserve | **182.63** | 182.63 | 182.63 |
| (c) Share Premium | | | |
| Share Premium Account | **7,597.37** | 7,597.37 | 7,597.37 |
| Share Premium Related To Forfeited Shares | **102.74** | 102.74 | 102.74 |
| (d) Revaluation Reserve | **2.77** | 3.81 | 4.85 |
| (e) General Reserve | **3,869.84** | 3,869.84 | 3,869.84 |
| (f) Foreign Currency Monetary Translation Difference Account | **-** | - | (121.27) |
| **Total** | **11,780.10** | 11,781.14 | 11,660.91 |
| **Grand Total** | **51,410.91** | 42,371.11 | 34,596.43 |
| **NON-CURRENT LIABILITIES** | | | |
| **FINANCIAL LIABILITIES** | | | |
| **20 NON-CURRENT TRADE PAYABLE** | | | |
| Retention money payable | **-** | 345.36 | 288.47 |
| | **-** | 345.36 | 288.47 |
| **21 NON-CURRENT FINANCIAL LIABILITY** | | | |
| Security Deposit from Contractor | **6.26** | - | - |
| | **6.26** | - | - |
| **22 NON CURRENT PROVISIONS** | | | |
| Provision for Employee Benefits * | **427.25** | 355.04 | 272.46 |
| **Total** | **427.25** | 355.04 | 272.46 |

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

| | | | |
|---|---|---|---|
| **23 DEFERRED TAX (ASSET) /LIABILITIES** | | | |
| **Deferred Tax relates to the following** | | | |
| Depreciation and Amortisation | **3,670.90** | 3,308.12 | 3,011.93 |
| Employee Benefit Obligation | **(185.15)** | (150.92) | (129.92) |
| Provision for Doubtful Debts | **(42.99)** | (25.91) | (27.99) |
| Financial Asset/Liabilities measured at FVTPL | **151.39** | 16.33 | - |
| Financial Asset/Liabilities measured at FVOCI | **28.51** | 21.88 | - |
| Financial Asset/Liabilities measured at Amortised Cost | **(53.22)** | (54.83) | (65.51) |
| Others | **(97.28)** | (100.53) | (77.93) |
| **Deferred Tax Liability (Net)** | **3,472.16** | 3,014.14 | 2,710.58 |
| Reconciliation of Deferred Tax (Assets)/Liabilities | | | |
| **Opening Balance as at April 1** | **3,014.14** | 2,710.58 | |
| Depreciation and Amortisation | **362.78** | 296.19 | |
| Employee Benefit Obligation | **(34.23)** | (21.00) | |
| Provision for Doubtful Debts | **(17.08)** | 2.08 | |
| Financial Asset/Liabilities measured at FVTPL | **135.06** | 16.33 | |
| Financial Asset/Liabilities measured at FVOCI | **6.63** | 21.88 | |
| Financial Asset/Liabilities measured at Amortised Cost | **1.61** | 10.68 | |
| Others | **3.25** | (22.60) | |
| | **3,472.16** | 3,014.14 | |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| 24 BORROWINGW-CURRENTS | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Secured (at amortised cost)** | | | |
| **- From banks** | | | |
| Working Capital Facilities | **13,838.83** | 6,895.97 | 2,769.55 |
| **Unsecured (at amortised cost)** | | | |
| **Loans repayable on demand** | | | |
| Loan from Promoter | **-** | 1,712.73 | 1,571.41 |
| **Total** | **13,838.83** | 8,608.70 | 4,340.96 |

Note :

1. 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% to 6 % p.a. for repayments on various dates ranging up to 180 days.
2. Unsecured loan carried interest @11% p.a. for amount received from Late Shri Ramesh B. Garware. The same has been repaid during the year ended 31st March, 2018.

| 25 TRADE PAYABLE-CURRENT | | | |
|---|---|---|---|
| Outstanding dues of Micro Enterprises & Small Enterprises | **37.96** | 2.37 | 23.44 |
| Outstanding dues of creditors other than Micro Enterprises & Small Enterprises | **20,406.10** | 19,824.71 | 16,088.12 |
| **Total** | **20,444.06** | 19,827.08 | 16,111.56 |

Note:

Trade payable are not interest bearing and are normally settled as terms of agreement. Refer Note 46 for discussion on company's credit risk management policies and procedures.

Details of dues to Micro and Small Enterprises are defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

| | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| The principle amount due the supplier under MSMED Act, 2006 at the year end. | **37.96** | 2.37 | 23.44 |
| Interest Accrued and due to supplier under MSMED Act, 2006 on the above amount, unpaid at the year end. | **1.31** | 12.95 | 22.76 |
| Payment made to supplier (other than interest) beyond the appointed date during the year. | **210.10** | 165.77 | 83.54 |
| Interest paid to supplier under MSMED Act, 2006 (Section 16) during the year. | **-** | - | - |
| Interest due and payable to supplier under MSMED Act, 2006 for payments already made. | **0.96** | - | - |
| Interest Accrued and not paid to supplier under MSMED Act, 2006 up to the year end. | **0.96** | - | - |
| The above information has been disclosed in respect of parties which have been identified on the basis of the information available. | | | |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **26 OTHER CURRENT FINANCIAL LIABILITIES** | | | |
| Current maturity of Long-Term Debt | - | - | 433.77 |
| Interest accrued but not due on borrowing | - | 4.66 | 6.88 |
| Payable to Employees | **243.86** | 310.59 | 292.64 |
| Unpaid Dividend (refer note below) | **47.59** | 368.71 | 245.56 |
| Security deposit from Customer | **133.96** | 128.98 | 301.49 |
| Other Payables | **77.84** | 8.21 | 90.59 |
| **Total** | **503.25** | 821.15 | 1,370.93 |

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

| | | | |
|---|---|---|---|
| **27 OTHER CURRENT LIABILITY** | | | |
| Unearned revenue | **4,285.43** | 4,565.59 | 3,717.16 |
| Advance received from Customers | **1,145.16** | 871.82 | 852.91 |
| Statutories dues and other liabilities | **58.52** | 420.04 | 110.25 |
| | **5,489.11** | 5,857.45 | 4,680.32 |
| **28 CURRENT PROVISIONS** | | | |
| Provision for Employee Benefits* | **272.58** | 527.50 | 293.98 |
| **Total** | **272.58** | 527.50 | 293.98 |

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

| | | | |
|---|---|---|---|
| **29 CURRENT TAX LIABILITY (NET)** | | | |
| Taxation | **344.86** | 171.40 | 219.38 |
| **Total** | **344.86** | 171.40 | 219.38 |

(₹ in lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **30 REVENUE** | | |
| **Sale of Products and Services** | | |
| Manufactured Goods | **80,445.74** | 78,853.77 |
| Traded Goods | **4,125.18** | 3,298.86 |
| Contracts for Supply & Installation | **3,781.36** | 2,479.05 |
| Other operating Revenue | | |
| Sale of Scrap | **153.65** | 188.52 |
| Miscellaneous Receipts | **43.63** | 110.50 |
| | **197.28** | 299.02 |
| **Total** | **88,549.56** | 84,930.70 |
| **31 OTHER INCOME** | | |
| Interest income from financial asset carried at amortise cost | | |
| Bank deposits | **528.41** | 706.07 |
| From other financial assets | **40.87** | 56.00 |
| Dividend income from equity investments designated at FVTOCI | **2.49** | 0.85 |
| Fair Value Gain at financial instruments at FVTPL | **725.97** | 78.51 |
| Gain on sale/redemption of investments | **487.29** | - |
| **Total** | **1,785.03** | 841.43 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **32 COST OF MATERIAL CONSUMED** | | |
| Opening Stock at the beginning of the year | **4,156.15** | 3,657.00 |
| Add : Purchases | **28,227.51** | 27,829.47 |
| Less : Closing Stock at the end of the year | **(5,296.81)** | (4,156.15) |
| **Total** | **27,086.85** | 27,330.32 |
| **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 | **2,988.30** | 2,098.95 |
| Finished Goods | **5,139.33** | 5,131.91 |
| Traded Goods | **398.99** | 363.48 |
| | **8,526.62** | 7,594.34 |
| **(b) Closing Stock at the end of the year** | | |
| Work-in-Progress | **3,330.57** | 2,988.30 |
| Finished Goods | **5,896.26** | 5,139.33 |
| Traded Goods | **465.84** | 398.99 |
| | **9,692.67** | 8,526.62 |
| **Net Total (Increase) / Decrease** | **(1,166.05)** | (932.28) |
| **34 EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries, Wages and Bonus | **9,763.13** | 8,667.47 |
| Contribution to Provident and other Funds (Note No. 38) | **389.97** | 780.87 |
| Staff Welfare | **1,045.64** | 1,155.27 |
| **Total** | **11,198.74** | 10,603.61 |
| **35 FINANCE COST** | | |
| Interest expenses on Borrowings * | **751.52** | 401.00 |
| Bank charges | **246.17** | 252.55 |
| **Total** | **997.69** | 653.55 |

* Interest expenses includes ₹ 362.24 lakhs (Previous year ₹ 315.94 lakhs) on account of interest on Borrowings from related parties.

| | | |
|---|---|---|
| **36 OTHER EXPENSES** | | |
| Stores and Spares consumed | **5,611.92** | 4,806.07 |
| Packing materials consumed | **1,453.00** | 1,219.02 |
| Power, Fuel and Water Charges | **3,506.96** | 3,304.24 |
| Processing and Testing Charges | **7,704.31** | 7,684.60 |
| Installation Contract related expenses | **1,256.47** | 1,733.23 |
| **Administrative, Selling and General Expenses** | | |
| Advertisement & Sales Promotion expenses | **542.73** | 472.73 |
| Rent | **475.70** | 477.15 |
| Rates, Taxes and Octroi | **147.03** | 190.09 |
| Insurance | **250.78** | 217.57 |
| Transport and Forwarding Charges | **4,705.43** | 4,299.17 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Repairs and Maintenance** | | |
| Buildings | **75.44** | 107.55 |
| Plant and Machinery | **1,816.62** | 1,490.65 |
| Others | **352.69** | 334.08 |
| Travelling Expenses | **1,258.70** | 1,180.97 |
| Discount and Commission on sales | **939.14** | 753.66 |
| Bad Debts | **35.78** | 17.00 |
| Provision for Doubtful Debts | **53.07** | (5.93) |
| Legal and Professional Charges | **1,219.72** | 720.41 |
| **Auditors' Remuneration** | | |
| Audit Fees | **12.49** | 9.20 |
| Fees for other Services | **1.80** | 1.80 |
| Out of pocket expenses | **1.46** | 0.20 |
| Establishment and other miscellaneous expenses * | **2,230.89** | 2,157.80 |
| Exchange ( Gain ) / Loss (net) | **(1,520.12)** | (67.43) |
| Directors' Fees | **5.00** | 6.00 |
| (Profit) / Loss on Fixed Assets Discarded | **14.73** | 21.71 |
| **Total** | **32,151.74** | 31,131.54 |
| **Detail of CSR Expenditure;** | | |
| Amount required to spent during the year | **159.16** | 98.76 |
| Amount spent during the year | **61.19** | 45.70 |
| **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 | **798.20** | 579.05 |
| Capital expenditure | **655.07** | 413.57 |

**37 Income taxes**

The major components of income tax expenses for the year ended 31st March, 2018 & 31st March, 2017.

**Statement of Profit and Loss:**

| | | |
|---|---|---|
| Current Income Tax Charges | | |
| Current Income Tax | **4,338.00** | 3,603.70 |
| Adjustment of tax for previous year | **-** | - |
| Deferred Tax | | |
| Relating to origination and reversal of temporary differences | **451.39** | 281.68 |
| **Income tax expenses reported in the Statement of Profit and Loss** | **4,789.39** | 3,885.38 |
| **Other Comprehensive Income:** | | |
| Deferred Tax related to items recongnised in other comprehensive income during the year | **73.49** | 145.90 |
| Net gain or loss on remeasurements of defined benefit plans | **(220.94)** | (30.31) |
| Income tax related to items that will not be reclassified to profit or loss | **(6.64)** | (21.88) |
| **Deferred tax charged / (Credited) in Other Comprehensive Income** | **(154.09)** | 93.71 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2018 & 31st March, 2017.

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Accounting profit before tax (before exceptional items) | **15,301.15** | 12,315.23 |
| At India's statutory income tax rate of 34.944% (For the year ended 31st March, 2017 : 34.608%) | **5,346.83** | 4,262.06 |
| Dividend income | **(168.08)** | - |
| Fair value gain of FVTOCI investment Dividend income | **(276.54)** | - |
| Weighted deduction on research and development capital and revenue expenses | **(478.11)** | (325.88) |
| Difference in book and IT depreciation | **(130.59)** | (145.70) |
| Others | **(11.54)** | (186.78) |
| Tax @11.536% on Capital gain income | **56.03** | - |
| Income Tax expenses reported in the Statement of Profit and loss | **4,338.00** | 3,603.70 |

**Deferred Tax**

Please refer to Note No. 23

**38 Gratuity**

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in bond yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

**I Changes in the net benefit obligation and fair value of plan assets are as follows :**

(₹ in Lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| **1st April, 2016** | **1,287.92** | **(1,113.30)** | **174.62** |
| Current service cost | 80.93 | | 80.93 |
| Interest expense/(income) | 103.55 | (89.51) | 14.04 |
| **Total amount recognised in Profit or Loss** | **184.48** | **(89.51)** | **94.97** |
| Experience adjustments | 73.41 | - | 73.41 |
| Return on plan assets (income) | 26.55 | (69.65) | (43.10) |
| **Total amount recognised in Other Comprehensive Income** | **99.96** | **(69.65)** | **30.31** |
| Employer contributions | - | (162.24) | (162.24) |
| Benefits paid | (73.66) | 73.66 | - |
| **31st March, 2017** | **1,498.70** | **(1,361.04)** | **137.66** |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| Current service cost | 97.07 | - | 97.07 |
| Interest expense/(income) | 110.75 | (100.58) | 10.17 |
| **Total amount recognised in Profit or Loss** | **207.82** | **(100.58)** | **107.24** |
| Experience adjustments | (50.93) | | (50.93) |
| Actuarial loss from change in financial assumptions | - | - | - |
| Return on plan assets (income) | 254.13 | 17.75 | 271.88 |
| **Total amount recognised in Other Comprehensive Income** | **203.20** | **17.75** | **220.95** |
| Employer contributions | - | (344.30) | (344.30) |
| Benefits paid | (54.35) | 54.35 | - |
| **31st March, 2018** | **1,855.37** | **(1,733.82)** | **121.55** |

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

| Particulars | 31st March, 2018 | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| Present value of funded obligation | 1855.37 | 1498.70 | 1287.92 |
| Fair value of plan assets | (1733.82) | (1361.04) | (1113.30) |
| **Surplus of funded plan** | **121.55** | **137.66** | **174.62** |

**III Significant estimates**

The principal actuarial assumptions were as follows :

| Particulars | 31st March, 2018 | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| Discount rate | 7.73% | 7.39% | 8.00% |
| Salary growth rate | 5.00% | 5.00% | 5.00% |
| Normal retirement age | 58/60 years | 58/60 years | 58/60 years |
| Mortality table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Employee turnover | 2% | 2% | 2% |

**IV Sensitivity analysis**

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

| Assumption | Impact on defined benefit obligation | |
|---|---|---|
| | 31st March, 2018 | 31st March, 2017 |
| **Discount rate** | | |
| 1.00% increase | Decrease by 136.61 | Decrease by 110.29 |
| 1.00% decrease | Increase by 157.09 | Increase by 126.91 |
| **Future salary increase** | | |
| 1.00% increase | Increase by 159.84 | Increase by 128.70 |
| 1.00% decrease | Decrease by 141.16 | Decrease by 113.63 |
| **Attrition Rate** | | |
| 1.00% increase | Increase by 32.87 | Increase by 22.47 |
| 1.00% decrease | Decrease by 36.61 | Decrease by 25.07 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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, 2018 | 31st March, 2017 |
|---|---|---|
| Within next 12 months | 287.26 | 222.51 |
| Between 1-5 years | 1160.08 | 967.11 |
| Between 5-10 years | 2576.13 | 1932.73 |

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

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Investments with Insurer (LIC of India) | 3.38% | 8.01% | 15.59% |
| HDFC Standard Life Insurance | 96.62% | 91.99% | 84.41% |

### 39 Segment Reporting

(a) The Company's operating businesses are organised 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.

(b) 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.

(c) 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.

d) 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 2017-2018 | | | | Year 2016-2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | Synthetic Cordage | Fibre and Industrial Products & Projects | Unallocated | Total | Synthetic Cordage | Fibre and Industrial Products & Projects | Unallocated | Total |
| i) Segment Revenue | **75,399.07** | **14,737.70** | | **90,136.77** | 72,646.85 | 14,042.25 | | 86,689.10 |
| Inter-segment revenue | **352.07** | **1,235.14** | | **1,587.21** | 485.66 | 1,272.74 | | 1,758.40 |
| Sales/Income From operations | **75,047.00** | **13,502.56** | | **88,549.56** | 72,161.19 | 12,769.51 | | 84,930.70 |
| ii) Depreciation and amortization | **1,060.58** | **203.29** | **270.89** | **1,534.76** | 1,006.51 | 194.25 | 215.59 | 1,416.35 |
| iii) Segment Result | **15,237.39** | **1,970.29** | **-** | **17,207.68** | 12,885.84 | 1,887.08 | - | 14,772.92 |
| Less - | | | | | | | | |
| i) Interest | | | | **(997.69)** | | | | (653.55) |
| ii) Other Unallocable expenditure net of unallocable (income) | | | | **(908.84)** | | | | (1,804.14) |
| Total profit before tax | | | | **15,301.15** | | | | 12,315.23 |
| iv)Segment Assets | **55,102.36** | **10,186.49** | **33,108.63** | **98,397.48** | 45,743.92 | 10,011.71 | 28,331.51 | 84,087.14 |
| v) Segment Liabilities | **26,226.49** | **3,941.22** | **14,630.65** | **44,798.36** | 26,048.88 | 2,501.62 | 10,977.32 | 39,527.82 |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Reconciliation of Profit

(₹ in Lakhs)

| Particulars | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| Segment Profit | 17,207.68 | 14,772.92 |
| Other Income | 1,785.03 | 841.43 |
| Finance Cost | (997.69) | (653.55) |
| Other Corporate Costs | (2,693.87) | (2,645.57) |
| **Profit Before Tax and discontinued operations** | **15,301.15** | **12,315.23** |

Reconciliation of Assets

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Segment operating assets | 65,288.85 | 55,755.63 | 54,619.34 |
| Investments | 24,466.17 | 11,119.05 | 394.64 |
| Cash and bank balances | 2,192.19 | 11,378.42 | 8,323.04 |
| Balances with government authorities | 6,119.29 | 1,411.16 | 1,430.21 |
| Other unallocable assets | 330.98 | 4,422.88 | 2,306.05 |
| **Total assets** | **98,397.48** | **84,087.14** | **67,073.28** |

Reconciliation of liabilities

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Segment operating liabilities | 30,167.71 | 28,550.50 | 23,613.70 |
| Borrowings | 13,838.83 | 8,608.70 | 4,340.96 |
| Income tax liabilities (Net) | 344.86 | 171.40 | 219.38 |
| Other unallocable liabilities | 446.96 | 2,197.22 | 2,114.60 |
| **Total liabilities** | **44,798.36** | **39,527.82** | **30,288.64** |

**ii) Information about geographic segment**

Revenue from external customers

| Particulars | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| India | 43,557.27 | 43,792.62 |
| Outside India | 44,992.29 | 41,138.08 |
| **Total** | **88,549.56** | **84,930.70** |

**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.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 40 TRANSACTIONS WITH RELATED PARTIES

**(I) List of Related Parties & Relationship :**

**A. Subsidiary / Joint Venture Company**

1. Garware Environmental Services Pvt. Ltd.

**B. Associate Company**

1. Garware Meditech Pvt. Ltd.

**C. Executive Directors - Key Managerial Personnel**

1. Mr. V. R. Garware

**D. Non Executive Directors**

1. Mrs. M. V. Garware
2. Mr. R. M. Telang - Independent Director
3. Mr. S. P. Kulkarni - Independent Director
4. Mr. Ashish Goel - Independent Director
5. Mr. M. V. Subbarao (up to 21-04-2017)
6. Mr. S. S. Rajpathak (w.e.f. 24-05-2017)

**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 Investments & Trading Company Pvt. Ltd.
4. Sanand Investments & Trading Company Pvt. Ltd.
5. Moonshine Investments & Trading Company Pvt. Ltd.
6. Starshine Investments & Trading Company 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. Garware Research Institute
14. Vimlabai Garware Research Institute
15. Consolidated Agricultural & Dairy Farming Co. Pvt. Ltd.
16. Late Shri R. B. Garware Estate

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**(II) Following are the transactions with the related parties mentioned in A, B, C, D & E above:**

(₹ in lakhs)

| | | Subsidiaries / Joint Venture Companies | Associate Companies | Enterprises Owned or significantly Influenced by key management Personnel or Their Relatives | | | | | | | | | | Directors | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Particulars | Garware Environmental Services Ltd. | Garware Meditech Pvt. Ltd. | Manmit Investments & Trading Co. Ltd. | Garware Capital Markets Ltd. | Gurukrupa Investments & Trading Co. Pvt. Ltd. | Sanand Investments & Trading Co. Pvt. Ltd. | Moonshine Investments & Trading Co. Pvt. Ltd. | Starshine Investments & Trading Co. Pvt. Ltd. | Sukukar Holdings & Trading Co. Pvt. Ltd. | VMIR Investments Ltd. | VRG Investments Ltd. | Late Shri R. B. Garware Estate | Mr. V. R. Garware | Ms. M. V. Garware | Mr. R. M. Telang | Mr. S. P. Kulkani | Mr. Ashish Geol | Mr. M. V. Subbarao | Mr. S. S. Rajpathak | Total |
| | Transactions with Related Parties | | | | | | | | | | | | | | | | | | | | |
| 1 | Deposit Received | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | 159.00 | 1,511.00 | 11.50 | 68.00 | 104.00 | 49.00 | 63.00 | 300.20 | 277.00 | - | 2,211.00 | - | | | | | | 4,753.70 |
| | 2016-17 | - | - | 140.90 | 718.50 | 15.45 | 51.60 | 76.50 | 37.30 | 47.60 | 235.90 | 213.70 | 141.33 | 254.00 | - | | | | | | 1,932.78 |
| 2 | Deposit Refund | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | 159.00 | 1,511.00 | 11.50 | 68.00 | 104.00 | 49.00 | 63.00 | 300.20 | 277.00 | 1,712.73 | 2,211.00 | - | | | | | | 6,466.43 |
| | 2016-17 | - | - | 140.90 | 718.50 | 15.45 | 51.60 | 76.50 | 37.30 | 47.60 | 235.90 | 213.70 | - | 254.00 | - | | | | | | 1,791.45 |
| 3 | Interest paid on Deposits | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | 16.15 | 67.97 | 0.92 | 6.56 | 9.94 | 4.79 | 6.07 | 29.39 | 27.27 | 60.91 | 132.26 | - | | | | | | 362.23 |
| | 2016-17 | - | - | 11.20 | 45.47 | 0.69 | 5.09 | 7.32 | 3.68 | 4.68 | 23.71 | 21.54 | 176.66 | 15.90 | - | | | | | | 315.94 |
| 4 | Director Remuneration * | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | 777.67 | - | | | | | | 777.67 |
| | 2016-17 | - | - | - | - | - | - | - | - | - | - | - | - | 640.63 | - | | | | | | 640.63 |
| 5 | Directors Sitting Fees | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.60 | 1.60 | 1.80 | 0.40 | - | 0.60 | 5.00 |
| | 2016-17 | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.80 | 1.80 | 1.80 | 0.80 | 0.80 | - | 6.00 |
| 6 | Sale of Goods/Services | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 2016-17 | - | 0.09 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.09 |
| | **Balance due from related parties** | | | | | | | | | | | | | | | | | | | | |
| 7 | Balance (Payable) /Receivable | | | | | | | | | | | | | | | | | | | | |
| | 31st March 2018 | - | - | - | 0.24 | - | - | - | - | - | - | - | - | (532.47) | | | | | | | (532.23) |
| | 31st March 2017 | - | - | - | 0.14 | - | - | - | - | - | - | - | (1,712.73) | (412.00) | | | | | | | (2,124.59) |
| | 1st April 2016 | - | 0.41 | - | 0.14 | - | - | - | - | - | - | - | (1,571.41) | (270.00) | | | | | | | (1,840.86) |

Note : For Investment in related parties as at 31st March, 2018 refer Note No. 5.

The above figures do not include provision for leave encashment and gratuity fund, as separate figures are not available for the Chairman & Managing Director.

* Includes commission paid/payable to Mr. V. R. Garware ₹ 549 lakhs ( Previous year ₹ 415 lakhs)

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| 41 EARNINGS PER SHARE (EPS) | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| **BASIC AND DILUTED EPS** | | |
| Net Profit attributable to Equity Shareholders of the Company | **10511.76** | 8429.85 |
| Weighted Average No. of Equity Shares of ₹ 10/- each (No. in lakhs) | **218.82** | 218.82 |
| Basic And Diluted Earning Per Share (₹) | **48.04** | 38.52 |

| 42 CONSTRUCTION CONTRACTS (Disclosure pursuant to Ind-AS 11) | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| Contract revenue recognised (reduced) during the year | **(1065.42)** | (924.66) |
| In respect of contract in progress as at 31st March, 2018. | | |
| Aggregate amount of contract cost was incurred and recognised profit (Less: recognise losses) | **4.79** | 121.79 |

| | 31st March, 2018 | 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| Customer advance outstanding for contracts in progress | **257.41** | 21.64 | 80.50 |
| Retention money due from contracts for contract in progress | **368.74** | 474.60 | 460.45 |
| Gross amount due from customer (Disclosed as unbilled revenue) | **26.48** | 1,091.90 | 2,016.56 |
| Gross amount due from customer (Disclosed as unearned revenue) | **-** | - | - |

**43 CONTINGENT LIABILITIES :**

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Claims against the company not acknowledged as debts: | | | |
| **In respect of matters under dispute** | | | |
| -Excise Duty | **-** | 27.57 | 27.57 |
| -Sales Tax | **9.15** | 41.68 | 196.68 |
| -Income Tax | **208.00** | 208.00 | 208.00 |
| -Octroi | **21.64** | 21.64 | 21.64 |

**44** Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹935.02 lakhs (As at 31st March, 2017 ₹ 981.38 lakhs, As at 31st March, 2016 ₹ 135.39 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 31.03.2018, the said partnership has incurred a loss of ₹(0.50 lakhs) (As at 31st March, 2017 ₹(1.73 lakhs).

| | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Current assets | **16.72** | 15.87 | 15.30 |
| Non-current assets | **18.96** | 19.81 | 19.81 |
| Current liabilities | **(0.47)** | (26.83) | (24.53) |
| Non-current liabilities | **(40.07)** | (13.21) | (13.21) |
| Reserve & Surplus | **4.86** | 4.36 | 2.63 |
| | **-** | - | - |
| Revenue | **4.48** | 22.46 | |
| Cost of material consumed | **(4.24)** | (21.25) | - |
| Employee benefit expenses | **-** | - | - |
| Other expenses | **(0.74)** | (2.94) | - |
| **Profit / (loss) before tax** | **(0.50)** | (1.73) | - |
| Income-tax expenses | **-** | - | - |
| **Profit / (loss) after tax** | **(0.50)** | (1.73) | - |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 46 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, 2018.

(₹ in Lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Amortised Cost | Total Carrying Amount |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments in subsidiaries, associates and joint ventures | - | - | 55.50 | 55.50 |
| Other Investments-Non Current | 540.87 | 23,869.80 | - | 24,410.67 |
| Trade Receivables-Non Current | - | - | 1,039.47 | 1,039.47 |
| Loans-Non Current | - | - | 812.17 | 812.17 |
| Other Financial Assets-Non Current | - | - | 464.06 | 464.06 |
| Other Investments-Current | - | 3.16 | - | 3.16 |
| Trade Receivables-Current | - | - | 21,906.02 | 21,906.02 |
| Loans-Current | - | - | 583.57 | 583.57 |
| Other Financial Assets-Current | - | - | 21.79 | 21.79 |
| **Total** | **540.87** | **23,872.96** | **24,882.58** | **49,296.41** |
| **Financial Liabilities** | | | | |
| Trade Payable-Non Current | - | - | - | - |
| Other Financial Liabilities-Non Current | - | - | 6.26 | 6.26 |
| Borrowings-Current | - | - | 13,838.83 | 13,838.83 |
| Trade Payable-Current | - | - | 20,444.06 | 20,444.06 |
| Other Financial Liabilities-Current | - | - | 503.25 | 503.25 |
| **Total** | **-** | **-** | **34,792.40** | **34,792.40** |

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2017.

(₹ in Lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Amortised Cost | Total Carrying Amount |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments in subsidiaries, associates and joint ventures | - | - | 55.50 | 55.50 |
| Other Investments-Non Current | 467.38 | 10,596.17 | - | 11,063.55 |
| Trade Receivables-Non Current | - | - | 921.69 | 921.69 |
| Loans-Non Current | - | - | 955.77 | 955.77 |
| Other Financial Assets-Non Current | - | - | 263.37 | 263.37 |
| Other Investments-Current | - | 3.16 | - | 3.16 |
| Trade Receivables-Current | - | - | 19,776.91 | 19,776.91 |
| Loans-Current | - | - | 195.14 | 195.14 |
| Other Financial Assets-Current | - | 354.46 | 279.15 | 633.61 |
| **Total** | **467.38** | **10,953.79** | **22,447.53** | **33,868.70** |
| **Financial Liabilities** | | | | |
| Trade Payable-Non Current | - | - | 345.36 | 345.36 |
| Other Financial Liabilities-Non Current | - | - | - | - |
| Borrowings-Current | - | - | 8,608.70 | 8,608.70 |
| Trade Payable-Current | - | - | 19,827.08 | 19,827.08 |
| Other Financial Liabilities-Current | - | - | 821.15 | 821.15 |
| **Total** | **-** | **-** | **29,602.29** | **29,602.29** |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

The following table presents the carrying amounts of each category of financial assets and liabilities as at 1st April, 2016.

(₹ in Lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Amortised Cost | Total Carrying Amount |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments in subsidiaries, associates and joint ventures | - | - | 55.50 | 55.50 |
| Other Investments-Non Current | 321.48 | 17.66 | - | 339.14 |
| Trade Receivables-Non Current | - | - | 690.83 | 690.83 |
| Loans-Non Current | - | - | 895.80 | 895.80 |
| Other Financial Assets-Non Current | - | 158.47 | 51.40 | 209.87 |
| Other Investments-Current | - | 3.16 | - | 3.16 |
| Trade Receivables-Current | - | - | 20,143.21 | 20,143.21 |
| Loans-Current | - | - | 179.09 | 179.09 |
| Other Financial Assets-Current | - | - | 445.26 | 445.26 |
| **Total** | **321.48** | **179.29** | **22,461.09** | **22,961.86** |
| **Financial Liabilities** | | | | |
| Trade Payable-Non Current | - | - | 288.47 | 288.47 |
| Other Financial Liabilities-Non Current | - | - | - | - |
| Borrowings-Current | - | - | 4,340.96 | 4,340.96 |
| Trade Payable-Current | - | - | 16,111.56 | 16,111.56 |
| Other Financial Liabilities-Current | - | - | 1,370.93 | 1,370.93 |
| **Total** | **-** | **-** | **22,111.92** | **22,111.92** |

**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 financials assets and liabilities that are measured at fair value or where fair value disclosure is required:

**As at 31st March, 2018**

**Fair Value Measurement Using**

| Particulars | Quoted Price in active markets | Significant observable inputs | Significant unobservable inputs | Total |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | |
| **Assets measured at fair value** | | | | |
| **FVTOCI financial investments** | | | | |
| Quoted equity instruments | 226.63 | - | - | **226.63** |
| Unquoted equity instruments | - | - | 314.24 | **314.24** |
| **FVTPL financial investments** | | | | |
| Other Debt Instrument | 17.66 | 18,734.09 | - | **18,751.75** |
| Unquoted debt instruments | - | 5,118.05 | - | **5,118.05** |
| Unquoted equity instruments | - | - | 3.16 | **3.16** |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**As at 31st March, 2017**
**Fair Value Measurement Using**

(₹ in Lakhs)

| Particulars | Quoted Price in active markets | Significant observable input | Significant unobservable input | Total |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | |
| **Assets measured at fair value** | | | | |
| **FVTOCI financial investments** | | | | |
| Quoted equity instruments | 185.02 | - | - | **185.02** |
| Unquoted equity instruments | - | - | 282.36 | **282.36** |
| **FVTPL financial investments** | | | | |
| Foreign Currency Forward Contract | - | 354.46 | - | **354.46** |
| Other Debt Instrument | 17.66 | 5,578.51 | - | **5,596.17** |
| Unquoted debt instruments | - | 5,000.00 | - | **5,000.00** |
| Unquoted equity instruments | - | - | 3.16 | **3.16** |

**As at 1st April, 2016**
**Fair Value Measurement Using**

(₹ in Lakhs)

| Particulars | Quoted Price in active markets | Significant observable input | Significant unobservable input | Total |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | |
| **Assets measured at fair value** | | | | |
| **FVTOCI financial investments** | | | | |
| Quoted equity instruments | 144.31 | - | - | **144.31** |
| Unquoted equity instruments | - | - | 177.17 | **177.17** |
| **FVTPL financial investments** | | | | |
| Foreign Currency Forward Contract | - | 158.47 | - | **158.47** |
| Other Debt Instrument | 17.66 | - | - | **17.66** |
| Unquoted equity instruments | - | - | 3.16 | **3.16** |

**c. Valuation technique to determine fair value**

The following methods and assumptions were used to estimate the fair values of financial instruments.

(i) The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

**d Financial risk management objectives**

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Management Group ('TMG') manages these risks.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and other price risks such as equity price risk and commodity price risk. Financial instruments affected by market risks mainly include borrowings, deposits and investments.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**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, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|---|
| Trade Receivable | USD | 7,850.47 | 5,504.17 | 4,987.55 |
| Trade Payable | USD | (365.87) | (468.44) | (327.09) |
| Net | | 7,484.60 | 5,035.73 | 4,660.46 |
| | | | | |
| Forward Contracts to Sell | USD | (5,145.03) | (2,804.17) | (1,510.27) |
| (Hedge of Receivables) | | | | |
| Net Exposure | | 2,339.57 | 2,231.56 | 3,150.19 |

The Company's exposure to foreign currency changes for all other currncies is not material.

**Foreign currency sensitivity analysis**

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant.

(₹ in lakhs)

| | Currency | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|
| Impact on profit before tax | | | |
| INR/USD - Increase by 2% | USD | 163.95 | 137.65 |
| INR/USD - Decrease by 2% | USD | (163.95) | (137.65) |

**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, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|---|
| Interest expense | Increase | 100 basis point | (70.78) | (15.46) |
| | Decrease | 100 basis point | 70.78 | 15.46 |
| Interest income/Fair Value gain | Increase | 100 basis point | 86.13 | 106.17 |
| | Decrease | 100 basis point | (86.13) | (106.17) |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

**Trade Receivable**

Customer credit risk is managed by SCM team subject to the company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counter party'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)

| Particulars | Year | Total | More than 1 year | < 1 year |
|---|---|---|---|---|
| Financial Liabilities | | | | |
| Trade Payables | 31st March, 2018 | **20,444.06** | - | 20,444.06 |
| | 31st March, 2017 | 20,172.44 | 345.36 | 19,827.08 |
| | 1st April, 2016 | 16,400.03 | 288.47 | 16,111.56 |
| | | | | |
| Borrowings | 31st March, 2018 | **13,838.83** | - | 13,838.83 |
| | 31st March, 2017 | 8,608.70 | - | 8,608.70 |
| | 1st April, 2016 | 4,340.96 | - | 4,340.96 |
| | | | | |
| Other Financial Liabilities | 31st March, 2018 | **509.51** | 6.26 | 503.25 |
| | 31st March, 2017 | 821.15 | - | 821.15 |
| | 1st April, 2016 | 1,370.93 | - | 1,370.93 |

**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.

**47 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.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

The following table summarises the capital of the Company.

(₹ in lakhs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| Short Term Debt (including current maturities of long term loan) | 13,838.83 | 8,608.70 | 4,340.96 |
| Long Term Debt | - | - | - |
| Trade Payables | 20,444.06 | 20,172.44 | 16,400.03 |
| Less: Cash and cash equivalents | (2,192.19) | (11,378.42) | (8,323.04) |
| **Net Debt** | **32,090.70** | **17,402.72** | **12,417.95** |
| **Equity** | **53,599.12** | **44,559.32** | **36,784.64** |
| **Capital and net debt** | **85,689.82** | **61,962.04** | **49,202.59** |
| **Net Debt to Capital Ratio (Debt/Equity plus debt)** | **0.37** | **0.28** | **0.25** |

**48 Disclosures required by Ind AS 101 First Time Adoption of Indian Accounting Standards:**

**48.1 Reconciliation of Statement of Total Equity as at 1st April, 2016 and 31st March, 2017**

(₹ in lakhs)

| | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|
| **Total Equity (Shareholders' Fund) under previous GAAP** | **44,924.89** | **36,477.48** |
| **Add/(Less): Ind-AS Adjustments :** | | |
| Restatement of fair value of financial assets/liability measured at amortise cost | (113.78) | (133.92) |
| Amortisation of leasehold land | (30.95) | (27.82) |
| Restatement of equity instruments measured at FVTOCI | (349.37) | (495.26) |
| ECL on Trade Receivables | (18.45) | (24.38) |
| Restatement of Investment measured at FVTPL | 78.51 | - |
| Proposed dividend including Tax there on | - | 869.11 |
| Deferred Tax Adjustment | 68.47 | 119.43 |
| **Total adjustments to equity** | **(365.57)** | **307.16** |
| **Total equity under Ind AS** | **44,559.32** | **36,784.64** |

**48.2 Reconciliation of Total Comprehensive Income for the year ended on 31st March, 2017**

| | As at 31st March, 2017 |
|---|---|
| **Total (Loss) as per Previous GAAP** | **8,327.18** |
| **Add/(Less): Ind-AS Adjustments :** | |
| Restatement of fair value of financial assets/liability measured at amortise cost | 20.14 |
| Amortisation of leasehold land | (3.13) |
| Restatement of equity instruments measured at FVTOCI | 145.90 |
| ECL on Trade Receivables | 5.93 |
| Restatement of Investment measured at FVTPL | 78.50 |
| Proposed dividend including Tax there on | - |
| Deferred Tax Adjustment | (50.96) |
| **Total adjustments to equity** | **196.38** |
| **Total (Loss) as per Ind AS** | **8,523.56** |
| Add:/(Less):Other Comprehensive Income Item | |
| Actuarial Gain/Loss on Employee Benefits (net of taxes) | |
| **Total Comprehensive Income as per Ind AS** | **8,523.56** |

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**48.3 Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2017**

**There are no material adjustments to the statement of cash flow as reported under previous GAAP.**

**48.4 Reconciliation Explanations:**

**a Remeasurements of financial assets and liabilities measured at amortised cost**

Under Indian GAAP, the deposit, retention money receivable/payable are valued at cost less provision for impairment. Ind AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Deposit/retention money is a Financial Asset as the lease agreement/work contracts give a contractual right to the company to receive cash. Deposit/retention money satisfies the contractual cash flow characteristic test and it also satisfies the business model test as there is intention of holding to collect contractual cash flows. Thus the same have been valued at amortised cost. The same has resulted in decrease in equity under Ind-AS by ₹ 113.78 lakhs and ₹ 133.92 respectively as at 31st March, 2017 and 1st April, 2016.

**b Amortisation of leasehold land**

As per Ind AS, leasehold property is also subject to amortisation. The company did not provide amortisation up to 1st April, 2016 on leasehold land. Under Ind AS financials, the company has provided amortisation on leasehold land with retrospective effect. The same has resulted in decrease in equity under Ind-AS by ₹ 30.95 lakhs and ₹ 27.82 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**c Remeasurement of equity instruments measured at FVTOCI**

The company's investments in certain equity instruments are recorded at FVTOCI. In previous GAAP, the same was measured at cost. The same has resulted in decrease in equity under Ind-AS by ₹ 349.37 lakhs and ₹ 495.26 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**d ECL on trade receivables**

As per Ind AS 109, the financial assets are subject to expected credit loss. Under previous GAAP, there was no such provision. In compliance with Ind AS 109, the company has made provision of ECL on Trade Receivables following simplified approach. The same has resulted in decrease in equity under Ind-AS by ₹ 18.45 lakhs and ₹ 24.38 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**e Remeasurement of investments measured at FVTPL**

The company's Investments in Debt Mutual Fund/NCD/FMP are recorded at FVTPL. In previous GAAP, the same was measured at cost. The same has resulted in increase in equity under Ind-AS by ₹ 78.51 lakhs and ₹ NIL respectively as at 31st March, 2017 and 1st April, 2016.

**f Proposed dividend including tax thereon**

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the Financial Statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the general meeting. Accordingly, the liability for proposed dividend as at 1st April, 2016 included under the Provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount. The same has resulted in increase in equity under Ind-AS by NIL and ₹ 869.11 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**g Deferred Tax impact on Ind-AS adjustments**

Various transitional adjustments resulted in temporary differences between taxable profits and accounting profits. Tax adjustments includes deferred tax impact on account of difference between previous GAAP and Ind AS on the adjustments discussed above. The same has resulted in increase in equity under Ind-AS by ₹ 68.47 lakhs and ₹ 119.43 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**h Remeasurement of defined benefit obligation**

Under the previous GAAP, actuarial gain and losses are charged to profit or loss, however under Ind-AS, they form part of remeasurement of defined benefit liability/assets and are recognised in OCI.

## NOTES TO THE IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**48.5 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time adoption of Indian Accounting Standards:**

The Company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April, 2015 and all the periods presented have been restated accordingly.

Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

**i) Deemed Cost:**

Ind AS 101 permits a first time adopter to elect to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment, and intangible assets on the date of transition.

**ii) Investments in subsidiary and associate:**

The company has elected to consider the carrying cost of equity investments in subsidiary and associate as per the previous GAAP as the deemed cost at the date of transition.

**iii) Designation of previously recognised financial instruments:**

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognised financial assets, as 'fair value through other comprehensive income' or 'fair value through profit and loss' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain investments at fair value through other comprehensive income and fair value through profit and loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

**iv) Leases:**

Ind AS17 - Leases requires an entity to assess whether a contract or an arrangement is in the nature of lease arrangement. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and recognised arrangements having embedded leases based on facts and circumstances existing as at the date of Transition.

**Exceptions**

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a) Estimates:

The estimates as at 1st April, 2016 and 31st March, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

(i) Impairment of financial assets based on the expected credit loss model; and

(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b) Derecognition of financial assets:

The Company has elected to apply the Derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and movement of financial assets and liabilities:

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

# Consolidated Financial Statements

## INDEPENDENT AUDITORS' REPORT

**To the Members of, GARWARE-WALL ROPES LIMITED**

**1 Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated Ind AS Financial Statements of Garware-Wall Ropes Limited ('the Holding Company') and its Subsidiary (Collectively referred to as 'the Group') and Associate, which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

**2 Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows 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 Rule 7 of the Companies (Accounts) Rules,2014. The respective 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 the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the 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 Ind AS 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 Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

**3 Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

**4 Opinion**

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 Ind AS Financial Statements and on the other financial information of the subsidiary and associate, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and the aforesaid Consolidated Ind AS Financial Statements 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, 2018, their Consolidated profit, Consolidated changes in equity and their Consolidated cash flows for the year ended on that date.

**5 Other Matters**

I We did not audit the Ind AS Financial Statements of 1 Subsidiary included in the statement, whose Ind As Financial Statements reflects total assets of 133.82 Lakhs, total revenue of ₹7.95 Lakhs and total profit after tax of ₹5.53 Lakhs for the year ended on that date. The Consolidated Ind AS Financial Statement also include Group's share of net loss (including other comprehensive income) of ₹0.1 Lakhs for the year ended 31st March 2018, as considered in the Consolidated Ind AS Financial Statements, in respect of 1 associate, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management

and our opinion on the Consolidated Ind AS 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.

II The audited Consolidated Financial Statements for the year ended 31st March, 2017, was carried out and reported by predecessor auditor, vide their unmodified audit report dated 24th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the Consolidated Ind AS Financial Statements.

Our audit report is not qualified in respect of these matters.

**6 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 of the aforesaid Consolidated Ind AS Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company 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, Consolidate 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 Ind AS Financial Statements;

d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2018, 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, 2018 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 of the Group and its associate and the operative effectiveness of such controls, refer to our separate report in "Annexure".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Ind AS Financial Statements has disclosed the impact of pending litigations on its consolidation financials position of the group and associate - Refer Note No.43 to the Consolidated Ind AS Financial Statements.

ii. the Group and its associate has 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, 2018.

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November, 2016 to 30 December, 2016 which are not relevant to these Consolidated Ind AS Financial Statements. Hence, reporting under this clause is not applicable.

For **Mehta Chokshi & Shah**
Chartered Accountants
Firm Registration Number: 106201W

**ABHAY MEHTA**
Partner
M. No.: 046088

Pune,
30th May, 2018

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 6 (II) (f) of our report of even date]

**[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of GARWARE-WALL ROPES LIMITED ("the Company") on the consolidated Ind AS Financial Statements for the year ended 31st March, 2018]**

We have audited the internal financial controls over financial reporting of Group and associate as of 31st March, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended and as at on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Group and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 the respective 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 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 judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 over Financial Reporting**

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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Group and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting 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 ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 1 subsidiary company and 1 associate company, is based on the corresponding reports of the auditors of such company.

For **Mehta Chokshi & Shah**
Chartered Accountants
Firm Registration Number: 106201W

**ABHAY MEHTA**
Partner
M. No.: 046088

Pune,
30th May, 2018

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in lakhs)

| | Note No. | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|---|
| **A ASSETS** | | | | |
| **(1) Non-Current Assets** | | | | |
| (a) Property, Plant and Equipment | 3 | **21,392.72** | 19,540.96 | 19,006.56 |
| (b) Capital Work-in-Progress | 3 | **-** | 30.59 | 20.16 |
| (c) Intangible Assets | 4 | **729.98** | 762.15 | 890.02 |
| (d) Financial Assets | | | | |
| (i) Investments in Subsidiaries, Associates & J.V. | 5 | **-** | - | 0.03 |
| (ii) Other Investments | 6 | **24,410.67** | 11,063.55 | 339.14 |
| (iii) Trade Receivable | 7 | **1,039.47** | 921.70 | 690.83 |
| (iv) Loans | 8 | **812.17** | 955.78 | 895.80 |
| (v) Other Financial Assets | 9 | **464.06** | 263.38 | 209.87 |
| (e) Other non-current Assets | 10 | **578.57** | 479.83 | 439.03 |
| **Total Non-Current Assets** | | **49,427.64** | 34,017.94 | 22,491.44 |
| **(2) Current Assets** | | | | |
| (a) Inventories | 11 | **16,417.98** | 14,095.93 | 12,546.27 |
| (b) Financial Assets | | | | |
| (i) Investments | 12 | **3.16** | 3.16 | 3.16 |
| (ii) Trade Receivables | 13 | **21,906.02** | 19,776.91 | 20,143.21 |
| (iii) Cash and Cash Equivalents | 14 | **817.99** | 411.19 | 293.11 |
| (iv) Bank Balances other than (iii) above | 14 | **1,507.98** | 11,096.13 | 8,150.72 |
| (v) Loans | 15 | **583.57** | 195.14 | 179.09 |
| (vi) Other Financial Assets | 16 | **21.79** | 633.61 | 445.26 |
| (c) Other Current Assets | 17 | **7,789.68** | 3,930.61 | 2,886.39 |
| **Total Current Assets** | | **49,048.17** | 50,142.68 | 44,647.21 |
| **TOTAL - ASSETS** | | **98,475.81** | 84,160.62 | 67,138.65 |
| **B EQUITY AND LIABILITIES** | | | | |
| **(1) Equity** | | | | |
| (a) Equity Share Capital | 18 | **2,188.21** | 2,188.21 | 2,188.21 |
| (b) Other Equity | 19 | **51,490.53** | 42,445.22 | 34,664.44 |
| **Total Equity** | | **53,678.74** | 44,633.43 | 36,852.65 |
| **(2) Liabilities** | | | | |
| **Non-Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Trade Payable | 20 | **-** | 345.36 | 288.47 |
| (ii) Other Financial Liabilities | 21 | **6.26** | - | - |
| (b) Provisions | 22 | **427.25** | 355.04 | 272.46 |
| (c) Deferred Tax Liabilities (Net) | 23 | **3,472.17** | 3,014.14 | 2,710.58 |
| **Total Non-Current Liabilities** | | **3,905.68** | 3,714.54 | 3,271.51 |
| **(3) Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 24 | **13,838.82** | 8,608.70 | 4,340.96 |
| (ii) Trade Payables | 25 | **20,444.07** | 19,827.08 | 16,111.56 |
| (III) Other Current Financial Liabilities | 26 | **503.91** | 821.57 | 1,371.34 |
| (b) Other Current Liabilities | 27 | **5,489.11** | 5,857.45 | 4,680.32 |
| (c) Provisions | 28 | **272.58** | 527.50 | 293.98 |
| (d) Current Tax Liabilities (Net) | 29 | **342.90** | 170.35 | 216.33 |
| **Total Current Liabilities** | | **40,891.39** | 35,812.65 | 27,014.49 |
| TOTAL - EQUITY AND LIABILITIES | | **98,475.81** | 84,160.62 | 67,138.65 |

**C NOTES FORMING PART OF THE IND-AS FINANCIAL STATEMENTS 1-48**

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

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

**M. V. GARWARE**
Director
DIN. 06948274

**SUNIL AGARWAL**
Company Secretary
M. No. FCS 6407

**R. M. TELANG**
Director
DIN. 00092103

**S. P. KULKARNI**
Director
DIN. 00006914

**S. H. BAMNE**
VP Corporate (CFO)

**S. S. RAJPATHAK**
Director
DIN: 00040387

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | Note No. | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|
| **1 INCOME** | | | |
| Revenue from Operations | 30 | **88,549.56** | 84,930.70 |
| Other Income | 31 | **1,792.98** | 850.88 |
| Total Income | | **90,342.54** | 85,781.58 |
| **2 EXPENSES** | | | |
| Cost of materials consumed | 32 | **27,086.85** | 27,330.32 |
| Purchases of traded goods | | **3,141.15** | 2,910.17 |
| Changes in inventories of finished goods, work-in-progress and traded goods | 33 | **(1,166.05)** | (932.28) |
| Excise Duty on sale of goods | | **88.56** | 343.64 |
| Employee benefits expenses | 34 | **11,198.74** | 10,603.61 |
| Finance cost | 35 | **997.69** | 653.55 |
| Depreciation and amortisation expenses | 3,4 | **1,534.77** | 1,416.36 |
| Other expenses | 36 | **32,152.23** | 31,131.93 |
| **Total Expenses** | | **75,033.94** | 73,457.30 |
| **Profit before tax** | | **15,308.60** | 12,324.28 |
| **Tax Expenses** | 37 | | |
| 1. Current Tax | | **4,339.92** | 3,606.65 |
| 2. Deferred tax | | **451.39** | 281.68 |
| **TOTAL TAX EXPENSE** | | **4,791.31** | 3,888.33 |
| **Profit after tax** | | **10,517.29** | 8,435.95 |
| **Share of (profit)/loss from Investment in Associate & Joint Venture** | | **(0.10)** | (0.03) |
| **Profit for the year** | | **10,517.19** | 8,435.92 |
| **Other Comprehensive Income** | | | |
| **(i) Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of Investment in Equity Instruments | | **73.49** | 145.90 |
| Remeasurement of Defined Benefit Obligation-OCI | | **(220.94)** | (30.31) |
| **(ii) Income tax relating to items that will not be reclassified to profit or loss** | | **(6.64)** | (21.88) |
| **Total Other Comprehensive Income for the year** | | **(154.09)** | 93.71 |
| **Total Comprehensive Income for the year** | | **10,363.10** | 8,529.63 |
| EARNINGS PER EQUITY SHARE (Nominal value per share ₹ 10/- each) | | | |
| Basic (₹) & Diluted (₹) | 41 | **48.06** | 38.55 |
| **Profit for the year** | | | |
| Atributable to: | | | |
| Equity holder of parent | | **10,517.29** | 8,435.95 |
| Non-controlling interest | | **(0.10)** | (0.03) |
| **Other Comprehensive income for the year** | | | |
| Atributable to: | | | |
| Equity holder of parent | | **(154.09)** | 93.71 |
| Non-controlling interest | | **-** | - |
| **Total comprehensive income for the year** | | | |
| Atributable to: | | | |
| Equity holder of parent | | **10,363.20** | 8,529.66 |
| Non-controlling interest | | **(0.10)** | (0.03) |
| **3 NOTES FORMING PART OF THE IND-AS FINANCIAL STATEMENTS 1-48** | | | |

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

**SUNIL AGARWAL**
Company Secretary
M. No. FCS 6407

**S. H. BAMNE**
VP Corporate (CFO)

**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

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| Statement of Changes in Equity for the Year Ended 31st March, 2018 | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **(a) Equity share capital** | | | |
| Equity Shares of ₹ 10/- each issued, subscribed & fully paid | | | |
| **No of Shares** | **21,882,060** | **21,882,060** | **21,882,060** |
| **₹ in Lakhs** | 2,188.21 | 2,188.21 | 2,188.21 |

**(b) Other Equity**

For the year ended 31st March, 2018

(₹ in lakhs)

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | | | Other Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Redemption Reserve | Share Premium | General Reserve | Retained earnings | Revaluation Reserve | FCMTR accounts | Net gain / (loss) on fair value of defined benefit plans | Equity instruments through other comprehensive income | |
| **Balance as at 1st April, 2016** | **72.23** | **182.63** | **7,700.11** | **3,869.84** | **22,436.86** | **4.85** | **(121.27)** | **269.75** | **249.44** | **34,664.44** |
| Profit for the period | - | - | - | - | 8,435.95 | (1.04) | 121.27 | - | - | 8,556.18 |
| Other comprehensive income | - | - | - | - | - | - | - | (30.31) | 124.02 | 93.71 |
| **Balance as at 31st March, 2017** | **72.23** | **182.63** | **7,700.11** | **3,869.84** | **30,872.81** | **3.81** | **-** | **239.44** | **373.46** | **43,314.33** |
| Dividends paid | - | - | - | - | (722.11) | - | - | - | - | (722.11) |
| Dividends distribution tax paid | - | - | - | - | (147.00) | - | - | - | - | (147.00) |
| **For the year ended 31st March, 2018** | **72.23** | **182.63** | **7,700.11** | **3,869.84** | **30,003.70** | **3.81** | **-** | **239.44** | **373.46** | **42,445.22** |
| Profit for the period | - | - | - | - | 10,517.29 | (1.04) | - | - | - | 10,516.25 |
| Other comprehensive income | - | - | - | - | - | - | - | (220.94) | 66.85 | (154.09) |
| **Total Comprehensive income for the year** | **72.23** | **182.63** | **7,700.11** | **3,869.84** | **40,520.99** | **2.77** | **-** | **18.50** | **440.31** | **52,807.38** |
| Dividends paid | - | - | - | - | (1,094.11) | - | - | - | - | (1,094.11) |
| Dividends distribution tax paid | - | - | - | - | (222.74) | - | - | - | - | (222.74) |
| **Balance as at 31st March, 2018** | **72.23** | **182.63** | **7,700.11** | **3,869.84** | **39,204.14** | **2.77** | **-** | **18.50** | **440.31** | **51,490.53** |

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

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

**M. V. GARWARE**
Director
DIN. 06948274

**SUNIL AGARWAL**
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DIN. 00006914

**S. H. BAMNE**
VP Corporate (CFO)

**S. S. RAJPATHAK**
Director
DIN: 00040387

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(₹ in Lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **I. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net Profit Before Tax | **15,308.60** | 12,324.28 |
| **Adjustments for reconcile Profit Before Tax to Net Cash Flows:** | | |
| Depreciation and Amortisation Expenses | **1,534.77** | 1,416.36 |
| Finance Cost | **997.69** | 653.55 |
| Interest and Dividend Income Received | **(579.72)** | (772.37) |
| Fair Value Gain at Financial Instruments at FVTPL | **(725.97)** | (78.51) |
| Gain on sale/redemption of investments | **(487.29)** | - |
| (Profit) / Loss on sale of Fixed Assets | **14.73** | 21.71 |
| Bad Debts | **35.78** | 17.00 |
| Provision for Doubtful Debts | **53.07** | (5.93) |
| **Operating Profit before Working Capital Changes** | **16,151.66** | 13,576.09 |
| **Working Capital Adjustments** | | |
| (Increase) / Decrease in Trade & Other Receivable and Other Assets | **(6,127.22)** | (1,278.55) |
| (Increase) / Decrease in inventories | **(2,322.05)** | (1,549.66) |
| Increase / (Decrease) in Trade and Other Payables | **(785.47)** | 4,727.25 |
| **Cash generated from Operations** | **6,916.92** | 15,475.13 |
| Direct Taxes paid | **(4,121.22)** | (3,428.20) |
| **Net cash provided by Operating Activities** | **2,795.70** | 12,046.93 |
| **II. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Property, Plant & Equipment and Intangible Assets | **(3,338.49)** | (1,855.02) |
| (Increase)/ Decrease of Investments | **(13,347.12)** | (10,724.38) |
| (Increase)/ Decrease of Other Investments | **9,588.15** | (2,945.41) |
| Interest and Dividend Income Received | **1,792.98** | 850.88 |
| **Net cash provided by / (used in) Investing Activities** | **(5,304.48)** | (14,673.93) |
| **III. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from Short-term / Long-term Borrowings | **5,230.12** | 4,267.74 |
| Finance Cost | **(997.69)** | (653.55) |
| Dividend paid including Dividend Distribution Tax | **(1,316.85)** | (869.11) |
| **Net cash from Financing Activities** | **2,915.58** | 2,745.08 |
| **Net Increase/ (Decrease) in Cash & Cash Equivalents (I+II+III)** | **406.80** | 118.08 |
| **Cash & Cash Equivalents at the beginning of the year** | **411.19** | 293.11 |
| **Cash & Cash Equivalents at year end** | **817.99** | 411.19 |

**Amendment to Ind-AS 7**

Effective 1st April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The same is disclosed as follows:

**Reconciliation of cash flow in liabilities arising from financing activities** (₹ in lakhs)

| Particulars | Amount |
|---|---|
| As at 1st April, 2016 | 4,340.96 |
| Cash movements | 4,267.74 |
| As at 31st March, 2017 | 8,608.70 |
| **Cash movements** | **5,230.12** |
| **As at 31st March, 2018** | **13,838.82** |

**IV. NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1-48**

As per our Report of even date

**For MEHTA CHOKSHI & SHAH**
Chartered Accountants,

**(ABHAY MEHTA)**
Partner
M. No. 046088
F. R. No.106201W

Pune,
30th May, 2018

**SUNIL AGARWAL**
Company Secretary
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**S. S. RAJPATHAK**
Director
DIN: 00040387

**M. V. GARWARE**
Director
DIN. 06948274

**S. P. KULKARNI**
Director
DIN. 00006914

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 1 COMPANY INFORMATION

Garware-Wall Ropes Limited (the "Company") is incorporated under the provision of Companies Act, 1956( As amended by Companies Act, 2013) and domiciled in India. Company is listed with BSE & NSE. The Company has its the Registered Office and principal place of business at Plot No.11, Block D-1, M.I.D.C., Chinchwad, 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 30th May, 2018 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the Shareholders at the Annual General Meeting.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency.

### 2 Significant Accounting Policies Accounting Judgements, Estimates and Assumptions:

#### (A) Significant Accounting Policies:

#### 2.1 Basis of preparation of Consolidated Ind-AS Financial Statements:

The Ind-AS 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).

For all periods up to and including the year ended 31st March 2017, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Ind-AS. Refer to Note No. 48 for information on how the Company adopted Ind AS, including the details of the first time adoption exemptions availed by the Company.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer Accounting Policy No. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**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 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.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**2.5 Capital Work in Progress and Capital Advances:**

Expenses incurred for acquisition of capital assets outstanding at each balance sheet date are disclosed under capital work-in-progress. Advances given towards the acquisition of fixed assets are shown separately as capital advances under the head Other Non-Current Assets.

**2.6 Intangible Assets and amortisation thereof:**

**2.6.1 Internally generated Intangible Assets (Research and Development):**

i) Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

a) The technical feasibility of completing the Intangible Asset so that it will be available for use or sale.

b) Its intention to complete the asset.

c) Its ability to use or sell the asset.

d) How the asset will generate future economic benefits.

e) The availability of adequate resources to complete the development and to use or sell the asset.

f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

**2.6.2 Other Intangible Assets:**

An Intangible Asset is recognised if

(a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and

(b) the cost of the asset can be measured reliably.

An item of Intangible Asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**2.6.3 Amortisation of Intangible Assets:**

Amortization of the asset begins on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortisation is recognised in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

The residual values, useful lives and methods of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the 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 |

**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:

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government, discounts and rebates.

i. Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.

ii. Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership based on Bill of lading date.

iii. Revenue in respect of other income/claims, etc is recognised only when it is reasonably certain that ultimate collection will be made.

iv. Revenue from Project Contracts and services rendered are recognised on the basis of percentage of completion method when works are rendered and related costs are incurred.

v. Unbilled revenue represents revenues recognised in excess of the amounts billed as at the Balance Sheet date.

vi. 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.

vii. 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.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Equity Instruments at FVTOCI:

For equity instruments not held for trading, an irrevocable choice is made on initial recognition to measure it at FVTOCI. All fair value changes on such investments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale or disposal of the investment. However, on sale or disposal the company may transfer the cumulative gain or loss within equity.

Financial Assets at FVTPL:

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. All other financial assets are measured at fair value through profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

i) The rights to receive cash flows from the asset have expired, or

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ''pass-through'' arrangement and either;

a. The Company has transferred substantially all the risks and rewards of the asset, or

b. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Impairment of Financial Assets**

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- Financial assets at amortised cost.
- Trade Receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under this approach the company does not track changes in credit risk but recognises impairment loss allowance based on lifetime ECLs at each reporting date. For this purpose the Company uses a provision matrix to determine the impairment loss allowance on the portfolio of trade receivables. The said matrix is based on historically observed default rates over the expected life of the trade receivables duly adjusted for forward looking estimates.

For recognition of impairment loss on other financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. The ECL impairment loss allowance (or reversal) recognised during the period in the statement of profit and loss and the cumulative loss is reduced from the carrying amount of the asset until it meets the write off criteria, which is generally when no cash flows are expected to be realised from the asset.

**ii) Financial Liabilities:**

Initial Recognition and Measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Subsequent Measurement:

This is dependent upon the classification thereof as under:

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(iii) Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise an asset and settle the liabilities simultaneously.

**(iv) Equity Instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity in accordance with the substance of the contractual arrangements. These are recognised at the amount of the proceeds received, net of direct issue costs.

**2.11 Employee Benefits**

i) Defined Contribution Plan:

The Company's contribution paid / payable during the year to Provident Fund, ESIC, Superannuation Fund etc., are recognised as expenses in the Statement of Profit and Loss. These are approved / recognised schemes of the Company.

ii) Defined Benefit Plan:

The Company's annual liability towards Gratuity is funded on the basis of actuarial valuation furnished by the Life Insurance Corporation of India under Group Gratuity Scheme.

iii) The undiscounted amount of short-term employee benefit expected to be paid in exchange for the service rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives and are determined using the Projected Unit Credit Method. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Balance Sheet with a corresponding effect in the Statement of Other Comprehensive Income. Past service cost is recognised immediately in the Statement of Profit or Loss.

**2.12 Borrowing Costs**

Borrowing costs comprising of interest and other costs that are incurred in connection with the borrowing of funds, that are attributable to the acquisition or construction of qualifying assets are considered as a part of cost of such assets less interest earned on the temporary investment. A qualifying asset is one that necessarily takes substantial period of time to get ready for the intended use. All other borrowing costs are charged to Statement of Profit & Loss in the year in which they are incurred.

**2.13 Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership is classified as a finance lease.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor.

**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. 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.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT):

MAT paid in accordance with the tax laws in India, which give rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified years. Accordingly, MAT is recognised as an asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will flow to the Company.

**2.16 Provisions and Contingent Liabilities:**

Provisions involving substantial degree of estimation in measurement are 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 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:**

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

**2.21 Commitments:**

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

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

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

**2.22 Segment Reporting**

**(A) Operating Segments**

i) Synthetic Cordage

ii) Fibre and Industrial Products and Projects

**Identification of Segments**

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

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

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

**Segments Revenue and Results**

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income/Costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated income/costs. Interest income and expense are not allocated to respective segments.

**Segments Assets and Liabilities**

Segment Assets/Liabilities include all operating assets/liabilities used by the operating segments. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets/liabilities.

**Inter Segment Transfer**

Inter segment revenues are recognised at sale price. The same is based on market price and business risks. Profit or loss on inter-segment transfer are eliminated at the Company level.

**(B) Significant Accounting Judgements, Estimates and Assumptions:**

The preparation of Financial Statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements for estimates and assumptions that affect the amounts of assets, liabilities and the disclosure of contingent liabilities on the reporting date and the amounts of revenues and expenses during the reporting period and the disclosure of contingent liabilities. Differences between actual results and estimates are recognised in the period in which the results are known/ materialize.

**2.23 Estimates Assumptions and Judgements:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

**a) Estimation of Current Tax Expense and Deferred Tax:**

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**b) Recognition of Deferred Tax Assets / Liabilities:**

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**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.

**2.24 Standards issued but not yet effective**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Company has evaluated the effect of this on the financial statements and there is no impact on the company's financial statements due to the said changes. Ind AS 115- Revenue from Contract with Customers: On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach).

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 3 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

| Particulars | Leasehold Land | Buildings | Plant and Machinery | R&D Equipments | Electrical Installations | Furniture and Fixtures | Office Equipments | Vehicles | Helicopter | Total | Capital Work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | | | | | |
| **Deemed cost as at 1st April 2016** | 194.69 | 2,621.75 | 13,038.53 | 1,693.15 | 327.06 | 132.86 | 187.31 | 650.44 | 160.77 | 19,006.56 | 20.16 |
| Additions | 317.02 | 196.64 | 559.94 | 413.57 | 32.11 | 70.52 | 86.23 | 153.15 | - | 1,829.18 | 30.59 |
| Disposals | - | - | (5.42) | - | - | - | - | (133.38) | - | (138.80) | (20.16) |
| **As at 31st March, 2017** | **511.71** | **2,818.39** | **13,593.05** | **2,106.72** | **359.17** | **203.38** | **273.54** | **670.21** | **160.77** | **20,696.94** | **30.59** |
| Additions | 0.30 | 687.51 | 1,433.92 | 655.06 | 124.59 | 66.22 | 104.84 | 190.93 | 0.01 | 3,263.38 | - |
| Disposals | - | - | (96.16) | - | - | - | (0.28) | (10.49) | (48.00) | (154.93) | (30.59) |
| **As at 31st March, 2018** | **512.01** | **3,505.90** | **14,930.81** | **2,761.78** | **483.76** | **269.60** | **379.10** | **850.65** | **112.78** | **23,805.39** | **-** |
| **Depreciation and Impairment** | | | | | | | | | | | |
| **At 1st April, 2016** | - | - | - | - | - | - | - | - | - | - | - |
| Charge for the year | 3.14 | 239.13 | 628.78 | 75.88 | 55.84 | 29.05 | 80.70 | 126.24 | 8.43 | 1,247.19 | - |
| Disposals | - | - | (1.91) | - | - | - | - | (89.30) | - | (91.21) | - |
| **As at 31st March, 2017** | **3.14** | **239.13** | **626.87** | **75.88** | **55.84** | **29.05** | **80.70** | **36.94** | **8.43** | **1,155.98** | **-** |
| Charge for the year | 5.68 | 235.93 | 702.47 | 105.40 | 47.16 | 31.38 | 83.82 | 132.75 | 8.43 | 1,353.02 | - |
| Impairment | - | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | (42.84) | - | (0.10) | (0.04) | (0.28) | (5.07) | (48.00) | (96.33) | - |
| **As at 31st March, 2018** | **8.82** | **475.06** | **1,286.50** | **181.28** | **102.90** | **60.39** | **164.24** | **164.62** | **(31.14)** | **2,412.67** | **-** |
| **Net Block** | | | | | | | | | | | |
| **As at 31st March, 2018** | **503.19** | **3,030.84** | **13,644.31** | **2,580.50** | **380.86** | **209.21** | **214.86** | **686.03** | **143.92** | **21,392.72** | **-** |
| **As at 31st March, 2017** | **508.57** | **2,579.26** | **12,966.18** | **2,030.84** | **303.33** | **174.33** | **192.84** | **633.27** | **152.34** | **19,540.96** | **30.59** |
| **As at 1st April, 2016** | **194.69** | **2,621.75** | **13,038.53** | **1,693.15** | **327.06** | **132.86** | **187.31** | **650.44** | **160.77** | **19,006.56** | **20.16** |

Notes:

1. All the leases are 95 years whereas all the items of PPE are expected to be depreciated within that period of time and hence in current lot of PPE, no provision for restoration cost is required.
2. During the year ₹ 1.04 lakhs (previous year ₹ 1.04 lakhs) has been withdrawn from Revaluation Reserve on account of depreciation on revalued portion.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 4 INTANGIBLE ASSETS

(₹ in Lakhs)

| Particulars | Technical Knowhow | Product Development | Computer Software | Total |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **Deemed cost as at 1st April, 2016** | - | 445.29 | 444.73 | 890.02 |
| Additions | - | - | 42.35 | 42.35 |
| Disposals | - | - | - | - |
| **As at 31st March, 2017** | **-** | **445.29** | **487.08** | **932.37** |
| Additions | - | (0.01) | 150.63 | 150.62 |
| Disposals | - | - | - | - |
| **As at 31st March, 2018** | **-** | **445.28** | **637.71** | **1,082.99** |
| **Amortisation and Impairment** | | | | |
| **At 1st April, 2016** | - | - | - | - |
| Charge for the year | - | 108.23 | 61.99 | 170.22 |
| Disposals | - | - | - | - |
| **As at 31st March, 2017** | **-** | **108.23** | **61.99** | **170.22** |
| Charge for the year | - | 89.14 | 93.65 | 182.79 |
| Impairment | - | - | - | - |
| Disposals | - | - | - | - |
| **As at 31st March, 2018** | **-** | **197.37** | **155.64** | **353.01** |
| **Net Block** | | | | |
| **As at 31st March, 2018** | **-** | **247.91** | **482.07** | **729.98** |
| **As at 31st March, 2017** | **-** | **337.06** | **425.09** | **762.15** |
| **As at 1st April, 2016** | **-** | **445.29** | **444.73** | **890.02** |

### 5 FINANCIAL ASSETS

**INVESTMENTS IN SUBSIDIARY AND ASSOCIATE**

(₹ in Lakhs)

| | **As at 31st March, 2018** | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | **No. of Shares/units** | **Ind AS** | No. of Shares/units | Ind AS | No. of Shares/units | Ind AS |
| **a) In Subsidiary Company at cost:** | | | | | | |
| Shares in Garware Environmental Services Pvt. Limited of ₹ 10/- each | **1,000,000** | **-** | 1,000,000 | - | 1,000,000 | - |
| **b) In Associate Company at cost :** | | | | | | |
| Shares in Garware Meditech Pvt. Limited of ₹ 10/- each | **5,000** | **-** | 5,000 | - | 5,000 | 0.03 |
| **Total investment in Subsidiary & Associate** | | **-** | | - | | 0.03 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 6 OTHER INVESTMENTS
### INVESTMENTS IN EQUITY INSTRUMENTS ( FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME)

(₹ in Lakhs)

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| **A. INVESTMENTS at FVTOCI** | | | | | | |
| **In Equity instruments:** | | | | | | |
| **Quoted** | **No. of Shares/units** | **Ind AS** | No. of Shares/units | Ind AS | No. of Shares/units | Ind AS |
| Shares in Garware Marine Industries Limited of ₹ 10/- each | **50,000** | **2.13** | 50,000 | 4.43 | 50,000 | 7.40 |
| Shares in Garware Polyester Limited of ₹ 10/- each | **146,350** | **224.50** | 146,350 | 180.59 | 146,350 | 136.91 |
| **Unquoted** | | **226.63** | | 185.02 | | 144.31 |
| Shares in Intermedia Interactive Solutions Pvt. Limited of ₹ 10/- each | **890,680** | **314.23** | 890,680 | 282.35 | 890,680 | 177.16 |
| Shares of Gujarat Filament Corporation Limited of ₹ 10/- each | **50** | **0.01** | 50 | 0.01 | 50 | 0.01 |
| | | **314.24** | | 282.36 | | 177.17 |
| **Total Quoted Investment** | | **540.87** | | 467.38 | | 321.48 |
| **B. INVESTMENTS at FVTPL** | | | | | | |
| **a. Non Convertible Debentures** | | | | | | |
| Citicorp Finance India Limited | **4,004.89** | **4,138.87** | 3,200 | 3,200.00 | | - |
| Reliance Capital Limited | | **-** | 1,800 | 1,800.00 | | - |
| IIFLWF-GWFEC825-8.25%-2019-579 Days | **394** | **524.52** | | - | | |
| India Info line Housing Finance Ltd | **197** | **454.66** | | | | |
| Sub-total (a) | | **5,118.05** | | 5,000.00 | | - |
| **b. Other Debt Instruments** | | | | | | |
| 7 Year National Savings Certificates deposited with Sales Tax Authorities | | **0.16** | | 0.16 | | 0.16 |
| Sardar Sarovar Narmada Nigam Limited FDR | | **17.50** | | 17.50 | | 17.50 |
| Sub-total (b) | | **17.66** | | 17.66 | | 17.66 |
| **c. Investments in Mutual Funds** | | | | | | |
| **(i) ARBITRAGE MUTUAL FUND** | | | | | | |
| ICICI Prudential Equity Arbitrage Fund | | **-** | 2,318,518 | 504.30 | | - |
| KOTAK Equity Arbitrage scheme (Growth) | **2,102,465.77** | **522.75** | 2,152,788 | 504.22 | | - |
| **(ii) DEBT MUTUAL FUND** | | | | | | |
| Aditya Birla Sun Life Short-term Opportunity Fund (Growth) | **1,838,715** | **530.57** | 1,838,715 | 498.91 | | - |
| Aditya Birla Sun Life Short-term Fund (Growth) | **927,652** | **616.40** | | - | | - |
| DSPBR Banking &PSU Debt Fund (Growth) | **8,488,723** | **1,246.15** | 3,635,095 | 503.09 | | - |
| ICICI Prudential Banking & PSU debt | **2,691,182** | **537.64** | 2,691,182 | 504.84 | | - |
| Reliance Banking & PSU Debt Funds (Growth) | **4,276,282** | **536.13** | 4,276,282 | 504.06 | | - |
| Reliance Money Manager Fund (Growth) | **22,497** | **538.70** | 22,497 | 504.50 | | - |
| Axis Treasury Advtge Fund (Growth) | **55,020** | **1,065.48** | 27,659 | 502.30 | | - |
| IDFC Corp Bond Fund-Reg (Growth) | **11,387,129** | **1,353.72** | 4,513,450 | 504.22 | | - |
| HDFC FRIF Short Term Plan (Growth) | **4,481,829** | **1,355.47** | | - | | - |
| ICICI Prudential Flexible Income Plan (Growth) | **153,450** | **511.48** | | - | | - |
| HDFC Medium Term Opportunity Fund (Growth) | **5,257,901** | **1,015.35** | | - | | - |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares/units | Ind AS | No. of Shares/units | Ind AS | No. of Shares/units | Ind AS |
| **(iii) DEBT MUTUAL FUND (FMP)** | | | | | | |
| HDFC Bank FMP 1127D | **5,000,000** | **589.59** | 5,000,000 | 544.68 | | - |
| DSPBR FMP 204-37M-Reg(G) [4023100/2 | **5,000,000** | **535.84** | 5,000,000 | 503.39 | | - |
| UTI Fix Term Inc Fund SerXXVIIIX | **2,000,000** | **205.25** | | - | | - |
| HDFC Bank FMP 1143 DAYS | **5,000,000** | **503.41** | | - | | - |
| SBI Debt Fund Ser C-12 1122 DAYS | **5,000,000** | **502.65** | | - | | - |
| DSPBR FMP SERIES 220 Growth | **10,000,000** | **1,011.72** | | - | | - |
| Aditya Birla Sun Life Fixed Tterm Plan | | | | | | - |
| Series PE(1159) | **15,000,000** | **1,505.65** | | - | | - |
| Kotak Fmp Series-219-1240Days | **10,000,000** | **1,012.15** | | - | | - |
| ICICI Series 82-1199Days | **10,008,937** | **1,012.20** | | - | | - |
| SBI Debt Fund Ser C-10 1150 DAYS | **10,008,824** | **1,011.47** | | - | | |
| ICICI Prud. Fmp Series 82-Plan | **10,000,000** | **1,014.32** | | - | | - |
| Sub-total (c) | | **18,734.09** | | 5,578.51 | | - |
| **Total Investments measured at FVTPL** | | **23,869.80** | | 10,596.17 | | 17.66 |
| **Total other Investments** | | **24,410.67** | | 11,063.55 | | 339.14 |

(₹ in Lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **7 TRADE RECEIVABLE** | | | |
| Non-Current | | | |
| Unsecured, considered good | | | |
| Trade Receivable | **1,039.47** | 921.70 | 690.83 |
| (Includes retention money) | | | |
| **Total** | **1,039.47** | 921.70 | 690.83 |
| **8 LOANS - NON CURRENT** | | | |
| Unsecured, considered good | | | |
| At Amortised Cost | | | |
| (i) Security Deposits | **199.22** | 468.23 | 319.48 |
| (ii) Other Loans | **612.95** | 487.55 | 576.32 |
| **Total** | **812.17** | 955.78 | 895.80 |
| Other Loans includes : | | | |
| Loan to employees | **302.70** | 138.18 | 81.25 |
| **9 OTHER NON-CURRENT FINANCIAL ASSETS** | | | |
| Other Deposit Current Assets* | **266.86** | 261.18 | 207.67 |
| Recoverable from related party | **12.00** | - | - |
| * Bank Deposits with maturity of more than 12 months (Above bank deposits are pledged as margin money) | **185.20** | 2.20 | 2.20 |
| **Total** | **464.06** | 263.38 | 209.87 |
| **10 OTHER NON-CURRENT ASSETS** | | | |
| Taxes Receivable (other than Income Tax) | **450.05** | 425.05 | 411.77 |
| Capital Advances | **70.68** | - | - |
| Other Non-Current Assets* | **57.84** | 54.78 | 27.26 |
| **Total** | **578.57** | 479.83 | 439.03 |
| Other Non-Current Assets includes; | | | |
| *Advance to a Partnership Firm i.e. Sopan D. Patil & GWRL | **41.00** | 13.63 | 13.21 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **11 INVENTORIES - CURRENT ASSET** | | | |
| Raw Materials | **5,296.81** | 4,156.15 | 3,657.00 |
| Work-in-Progress | **3,330.57** | 2,988.30 | 2,098.95 |
| ₹ 883.82 lakhs, As at 31st March, 2017 ₹ 534.62 lakhs, As at 1st April, 2016 ₹ 346.26 lakhs) | **5,896.26** | 5,139.33 | 5,131.91 |
| Traded Goods | **465.84** | 398.99 | 363.48 |
| Stores, Spares, Fuel and Packing Materials | **1,428.50** | 1,413.16 | 1,294.93 |
| **Total** | **16,417.98** | 14,095.93 | 12,546.27 |

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

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares/units | Amount | No. of Shares/units | Amount | No. of Shares/units | Amount |
| **12 INVESTMENTS - CURRENT** | | | | | | |
| Unquoted Fair Value Through Profit & Loss | | | | | | |
| Shares of Cosmos Co-operative Bank Limited of ₹ 20/- each | **15,805** | **3.16** | 15,805 | 3.16 | 15,805 | 3.16 |
| **Total investment in Current Asset** | | **3.16** | | 3.16 | | 3.16 |
| **13 TRADE RECEIVABLES** | | | | | | |
| Unsecured, Considered Good | | **21,906.02** | | 19,776.91 | | 20,143.21 |
| Unsecured, Considered Doubtful | | **112.36** | | 74.70 | | 80.63 |
| | | **22,018.38** | | 19,851.61 | | 20,223.84 |
| Less: Allowance for Doubtful Debts | | **(112.36)** | | (74.70) | | (80.63) |
| **Total** | | **21,906.02** | | 19,776.91 | | 20,143.21 |

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 | **74.70** | 80.63 | |
| Allowance for doubtful debts during the year | **37.66** | - | |
| Reversal of allowance for doubtful debts during the year | **-** | (5.93) | |
| Balance at the end of the year | **112.36** | 74.70 | |
| **14 (A) CASH AND BANK BALANCES** | | | |
| Cash on hand | **74.88** | 60.97 | 12.83 |
| Balances with banks | | | |
| a) In Current Accounts | **624.59** | 348.85 | 279.88 |
| b) In Deposit Accounts with maturity less than 3 months | **1.37** | 1.37 | 0.40 |
| In Liquid Fund | | | |
| Birla Sl Cash Plus Fund (Growth) (Total no of Units 38,112 ) | **117.15** | - | - |
| **Total (A)** | **817.99** | 411.19 | 293.11 |
| **(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS** | | | |
| (i) Unpaid dividend accounts | **47.59** | 368.67 | 245.56 |
| (ii) Bank deposits above 3 months | **1,328.00** | 10,599.95 | 7,784.78 |
| (iii)Bank deposits maturity of more than 3 months but less than 12 months | **132.39** | 127.51 | 120.38 |
| **Total (B)** | **1,507.98** | 11,096.13 | 8,150.72 |
| **Total (A+B)** | **2,325.97** | 11,507.32 | 8,443.83 |
| **15 LOANS** | | | |
| Unsecured, considered good | | | |
| Advances recoverable in cash or in kind or for value | | | |
| Staff Loan | **137.00** | 95.72 | 97.66 |
| Deposit | **446.57** | 99.42 | 81.43 |
| **Total** | **583.57** | 195.14 | 179.09 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **16 OTHER FINANCIAL ASSET** | | | |
| Measured at FVTPL | | | |
| Foreign currency forward contract | - | 354.46 | 158.47 |
| At amortised cost | | | |
| Other Financial Assets | **10.26** | 9.17 | 67.86 |
| Interest Accrued On Deposit Others | **11.53** | 269.98 | 218.93 |
| | **21.79** | 633.61 | 445.26 |
| **17 OTHER CURRENT ASSET** | | | |
| Balance with Government authorities | **6,119.29** | 1,411.16 | 1,430.21 |
| Advance to Suppliers | **1,358.38** | 2,165.08 | 1,071.37 |
| Prepayments | **104.87** | 265.98 | 271.13 |
| Advance to Employees | **77.34** | 81.22 | 98.42 |
| Others | **129.80** | 7.17 | 15.26 |
| | **7,789.68** | 3,930.61 | 2,886.39 |

| | As at 31st March, 2018 | | As at 31st March, 2017 | | As at 1st April, 2016 | |
|---|---|---|---|---|---|---|
| **18 EQUITY SHARE CAPITAL** | **No. of Shares** | **Ind AS** | No. of Shares | Ind AS | No. of Shares | Ind AS |
| **(a) Authorised Share Capital** | | | | | | |
| i) Equity Shares of ₹ 10/- each | **50,000,000** | **5,000.00** | 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 | 10,000,000 | 1,000.00 |
| | | **6,000.00** | | 6,000.00 | | 6,000.00 |
| **(b) Issued, Subscribed and Fully Paid up** | | | | | | |
| Equity Shares of ₹ 10/- each | **21,882,060** | **2,188.21** | 21,882,060 | 2,188.21 | 21,882,060 | 2,188.21 |
| | | **2,188.21** | | 2,188.21 | | 2,188.21 |
| **a) Reconciliation of Number of Shares** | | | | | | |
| **Equity Shares** | | | | | | |
| Opening Balance | **21,882,060** | **2,188.21** | 21,882,060 | 2,188.21 | 21,882,060 | 2,188.21 |
| Changes during the year | **-** | **-** | - | - | - | - |
| **Closing Balance** | **21,882,060** | **2,188.21** | 21,882,060 | 2,188.21 | 21,882,060 | 2,188.21 |

**b) Rights, Preferences and restrictions attached to Equity Shares:**

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each Shareholder of Equity Shares is entitled for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the Shareholders of Equity Shares are eligible to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any.

**c) Details of Shareholders holding more than 5% Shares in the Company**

(₹ in Lakhs)

| **Equity Shares** | **As at 31st March, 2018** | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| Mr. V. R. Garware* | **3,566,162** | ** | ** |
| | **16.30%** | | |
| Late Shri Ramesh B. Garware *** | **-** | 3,612,053 | 3,612,053 |
| | **0.00%** | 16.51% | 16.51% |
| Garware Capital Markets Limited | **3,561,567** | 3,495,017 | 3,483,617 |
| | **16.28%** | 15.97% | 15.92% |

The above Shareholding represents the legal ownership of shares

* Out of 35,66,162 (16.30%) Equity Shares, 21,18,893 (9.68%) Equity Shares are registered in the name of Mr. V. R. Garware as partner of Partnership Firms. Beneficial interest in the said share is held by the Partnership Firms.

** Not holding more than 5% shares.

*** During the year ended 31st March, 2018, 36,12,053 Equity Shares were transmitted from Late Shri Ramesh B. Garware to Mr. V. R. Garware.

**d) Shares allotted as fully paid up by way of Bonus Shares (during 5 years preceding 31st March, 2018): Nil**

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **19 OTHER EQUITY** | | | |
| **RETAINED EARNINGS** | **39,662.95** | 30,616.60 | 22,956.05 |
| **OTHER RESERVES** | | | |
| (a) Capital Reserve | **72.23** | 72.23 | 72.23 |
| (b) Capital Redemption Reserve | **182.63** | 182.63 | 182.63 |
| (c) Share Premium | | | |
| Share Premium Account | **7,597.37** | 7,597.37 | 7,597.37 |
| Share Premium Related To Forfeited Shares | **102.74** | 102.74 | 102.74 |
| (d) Revaluation Reserve | **2.77** | 3.81 | 4.85 |
| (e) General Reserve | **3,869.84** | 3,869.84 | 3,869.84 |
| (f) Foreign Currency Monetary Translation Difference Account | **-** | - | (121.27) |
| **Total** | **11,827.58** | 11,828.62 | 11,708.39 |
| **Grand Tiotal** | **51,490.53** | 42,445.22 | 34,664.44 |
| **NON-CURRENT LIABILITIES** | | | |
| **FINANCIAL LIABILITIES** | | | |
| **20 NON-CURRENT TRADE PAYABLE** | | | |
| Retention money payable | **-** | 345.36 | 288.47 |
| | **-** | 345.36 | 288.47 |
| **21 NON-CURRENT FINANCIAL LIABILITY** | | | |
| Security Deposit from Contractor | **6.26** | - | - |
| | **6.26** | - | - |
| **22 NON CURRENT PROVISIONS** | | | |
| Provision for Employee Benefits * | **427.25** | 355.04 | 272.46 |
| Total | **427.25** | 355.04 | 272.46 |

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

| | | | |
|---|---|---|---|
| **23 DEFERRED TAX (ASSET) /LIABILITIES** | | | |
| **Deferred Tax relates to the following** | | | |
| Depreciation and Amortisation | **3,670.90** | 3,308.12 | 3,011.93 |
| Employee Benefit Obligation | **(185.14)** | (150.92) | (129.92) |
| Provision for Doubtful Debts | **(42.99)** | (25.91) | (27.99) |
| Financial Asset/Liabilities measured at FVTPL | **151.39** | 16.33 | - |
| Financial Asset/Liabilities measured at FVOCI | **28.51** | 21.88 | - |
| Financial Asset/Liabilities measured at Amortised Cost | **(53.22)** | (54.83) | (65.51) |
| Others | **(97.28)** | (100.53) | (77.93) |
| **Deferred Tax Liability (Net)** | **3,472.17** | 3,014.14 | 2,710.58 |
| Reconciliation of deferred tax (assets)/liabilities | | | |
| **Opening Balance as at April 1** | **3,014.14** | 2,710.58 | |
| Depreciation and Amortisation | **362.78** | 296.19 | |
| Employee Benefit Obligation | **(34.22)** | (21.00) | |
| Provision for Doubtful Debts | **(17.08)** | 2.08 | |
| Financial Asset/Liabilities measured at FVTPL | **135.06** | 16.33 | |
| Financial Asset/Liabilities measured at FVOCI | **6.63** | 21.88 | |
| Financial Asset/Liabilities measured at Amortised Cost | **1.61** | 10.68 | |
| Others | **3.25** | (22.60) | |
| | **3,472.17** | 3,014.14 | |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| 24 BORROWINGS - CURRENTS | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **Secured (at amortised cost)** | | | |
| **- From banks** | | | |
| Working Capital Facilities | **13,838.82** | 6,895.97 | 2,769.55 |
| **Unsecured (at amortised cost)** | | | |
| **Loans repayable on demand** | | | |
| Loan from Promoter | **-** | 1,712.73 | 1,571.41 |
| **Total** | **13,838.82** | 8,608.70 | 4,340.96 |

Note :

1. 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% to 6 % p.a. for repayments on various dates ranging up to 180 days.
2. The above unsecured loan (carrying interest @11% pa) received from Late Shri Ramesh B. Garware and the same has been repaid during the year ended 31st March, 2018.

| 25 TRADE PAYABLE-CURRENT | | | |
|---|---|---|---|
| Outstanding dues of Micro Enterprises & Small Enterprises | **37.96** | 2.37 | 23.44 |
| Outstanding dues of creditors other than Micro Enterprises & Small Enterprises | **20,406.11** | 19,824.71 | 16,088.12 |
| **Total** | **20,444.07** | 19,827.08 | 16,111.56 |

Note:

Trade payable are not interest bearing and are normally settled as terms of agreement. Refer Note 46 for discussion on company's credit risk management policies and procedures.

Details of dues to Micro and Small Enterprises are defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

| | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| The principle amount due the supplier under MSMED Act, 2006 at the year end. | **37.96** | 2.37 | 23.44 |
| Interest Accrued and due to supplier under MSMED Act, 2006 on the above amount, unpaid at the year end. | **1.31** | 12.95 | 22.76 |
| Payment made to supplier (other than interest) beyond the appointed date during the year. | **210.10** | 165.77 | 83.54 |
| Interest paid to supplier under MSMED Act, 2006 (Section 16) during the year. | **-** | - | - |
| Interest due and payable to supplier under MSMED Act, 2006 for payments already made. | **0.96** | - | - |
| Interest Accrued and not paid to supplier under MSMED Act, 2006 up to the year end. | **0.96** | - | - |

The above information has been disclosed in respect of parties which have been identified on the basis of the information available.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| **26 OTHER CURRENT FINANCIAL LIABILITIES** | | | |
| Current maturity of Long-Term Debt | - | - | 433.77 |
| Interest accrued but not due on borrowing | - | 4.66 | 6.88 |
| Payable to Employees | **243.86** | 310.59 | 292.64 |
| Unpaid Dividend (refer note below) | **47.59** | 368.71 | 245.56 |
| Security deposit from Customer | **133.96** | 128.98 | 301.49 |
| Other Payables | **78.50** | 8.63 | 91.00 |
| **Total** | **503.91** | 821.57 | 1,371.34 |

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

| | | | |
|---|---|---|---|
| **27 OTHER CURRENT LIABILITY** | | | |
| Unearned revenue | **4,285.43** | 4,565.59 | 3,717.16 |
| Advance received from Customers | **1,145.16** | 871.82 | 852.91 |
| Statutories dues and other Liabilities | **58.52** | 420.04 | 110.25 |
| | **5,489.11** | 5,857.45 | 4,680.32 |
| **28 CURRENT PROVISIONS** | | | |
| Provision for Employee Benefits* | **272.58** | 527.50 | 293.98 |
| **Total** | **272.58** | 527.50 | 293.98 |

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

| | | | |
|---|---|---|---|
| **29 CURRENT TAX LIABILITY (NET)** | | | |
| Taxation | **342.90** | 170.35 | 216.33 |
| **Total** | **342.90** | 170.35 | 216.33 |

(₹ in lakhs)

| | For the year ended 31st March 2018 | For the year ended 31st March 2017 |
|---|---|---|
| **30 REVENUE** | | |
| **Sale of Products and Services** | | |
| Manufactured Goods | **80,445.74** | 78,853.77 |
| Traded Goods | **4,125.18** | 3,298.86 |
| Contracts for Supply & Installation | **3,781.36** | 2,479.05 |
| Other operating Revenue | | |
| Sale of Scrap | **153.65** | 188.52 |
| Miscellaneous Receipts | **43.63** | 110.50 |
| | **197.28** | 299.02 |
| **Total** | **88,549.56** | 84,930.70 |
| **31 OTHER INCOME** | | |
| Interest income from financial asset carried at amortise cost | | |
| Bank deposits | **536.36** | 715.52 |
| From other financial assets | **40.87** | 56.00 |
| Dividend income from equity investments designated at FVTOCI | **2.49** | 0.85 |
| Fair Value Gain at financial instruments at FVTPL | **725.97** | 78.51 |
| Gain on sale/redemption of investments | **487.29** | - |
| **Total** | **1,792.98** | 850.88 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **32 COST OF MATERIAL CONSUMED** | | |
| Opening Stock at the beginning of the year | **4,156.15** | 3,657.00 |
| Add : Purchases | **28,227.51** | 27,829.47 |
| Less : Closing Stock at the end of the year | **(5,296.81)** | (4,156.15) |
| **Total** | **27,086.85** | 27,330.32 |
| **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 | **2,988.30** | 2,098.95 |
| Finished Goods | **5,139.33** | 5,131.91 |
| Traded Goods | **398.99** | 363.48 |
| | **8,526.62** | 7,594.34 |
| **(b) Closing Stock at the end of the year** | | |
| Work-in-Progress | **3,330.57** | 2,988.30 |
| Finished Goods | **5,896.26** | 5,139.33 |
| Traded Goods | **465.84** | 398.99 |
| | **9,692.67** | 8,526.62 |
| **Net Total (Increase) / Decrease** | **(1,166.05)** | (932.28) |
| **34 EMPLOYEE BENEFIT EXPENSES** | | |
| Salaries, Wages and Bonus | **9,763.13** | 8,667.47 |
| Contribution to Provident and other Funds (Note No. 38) | **389.97** | 780.87 |
| Staff Welfare | **1,045.64** | 1,155.27 |
| **Total** | **11,198.74** | 10,603.61 |
| **35 FINANCE COST** | | |
| Interest expenses on borrowings * | **751.52** | 401.00 |
| Bank charges | **246.17** | 252.55 |
| **Total** | **997.69** | 653.55 |

* Interest expenses includes ₹ 362.24 lakhs (Previous year ₹ 315.94 lakhs) on account of interest on borrowings from related parties.

| | | |
|---|---|---|
| **36 OTHER EXPENSES** | | |
| Stores and Spares consumed | **5,611.92** | 4,806.07 |
| Packing materials consumed | **1,453.00** | 1,219.02 |
| Power, Fuel and Water Charges | **3,506.96** | 3,304.24 |
| Processing and Testing Charges | **7,704.31** | 7,684.60 |
| Installation Contract related expenses | **1,256.47** | 1,733.23 |
| **Administrative, Selling and General Expenses** | | |
| Advertisement & Sales Promotion expenses | **542.73** | 472.73 |
| Rent | **475.70** | 477.15 |
| Rates, Taxes and Octroi | **147.03** | 190.09 |
| Insurance | **250.78** | 217.57 |
| Transport and Forwarding Charges | **4,705.43** | 4,299.17 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in Lakhs)

| | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| **Repairs and Maintenance** | | |
| Buildings | **75.44** | 107.55 |
| Plant and Machinery | **1,816.62** | 1,490.65 |
| Others | **352.69** | 334.08 |
| Travelling Expenses | **1,258.70** | 1,180.97 |
| Discount and Commission on Sales | **939.13** | 753.66 |
| Bad Debts | **35.78** | 17.00 |
| Provision for Doubtful Debts | **53.07** | (5.93) |
| Legal and Professional Charges | **1,220.10** | 720.69 |
| **Auditors' Remuneration** | | |
| Audit Fees | **12.61** | 9.31 |
| Fees for other Services | **1.80** | 1.80 |
| Out of Pocket Expenses | **1.46** | 0.20 |
| Establishment and other miscellaneous expenses * | **2,230.89** | 2,157.80 |
| Exchange ( Gain ) / Loss (net) | **(1,520.12)** | (67.43) |
| Directors' Fees | **5.00** | 6.00 |
| (Profit) / Loss on Fixed Assets Discarded | **14.73** | 21.71 |
| **Total** | **32,152.23** | 31,131.93 |
| **Detail of CSR Expenditure;** | | |
| Amount required to spent during the year | **159.16** | 98.76 |
| Amount spent during the year | **61.19** | 45.70 |
| **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 | **798.20** | 579.05 |
| Capital expenditure | **655.06** | 413.57 |

**37 Income taxes**

The major components of income tax expenses for the year ended 31st March, 2018 & 31st March, 2017.

**Statement of Profit and Loss:**

| | | |
|---|---|---|
| Current Income Tax Charges | | |
| Current Income Tax | **4,339.92** | 3,606.65 |
| Adjustment of tax for previous year | **-** | - |
| Deferred Tax | | |
| Relating to origination and reversal of temporary differences | **451.39** | 281.68 |
| **Income tax expenses reported in the Statement of Profit and Loss** | **4,791.31** | 3,888.33 |
| **Other Comprehensive Income:** | | |
| Deferred Tax related to items recongnised in other comprehensive income during the year | **73.49** | 145.90 |
| Net gain or loss on remeasurements of defined benefit plans | **(220.94)** | (30.31) |
| Income tax related to items that will not be reclassified to profit or loss | **(6.64)** | (21.88) |
| **Deferred tax charged / (Credited) in Other Comprehensive Income** | **(154.09)** | 93.71 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2018 & 31st March, 2017.

(₹ in lakhs)

| Particulars | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|
| Accounting profit before tax (before exceptional items) | **15,308.60** | 12,324.28 |
| At India's statutory income tax rate of 34.944% (For the year ended 31st March, 2017 : 34.608%) | **5,349.44** | 4,265.19 |
| Dividend income | **(168.08)** | - |
| Fair value gain of FVTOCI investment Dividend income | **(276.54)** | - |
| Weighted deduction on research and development capital and revenue expenses | **(478.11)** | (325.88) |
| Difference in book and IT depreciation | **(130.59)** | (145.70) |
| Others | **39.87** | (186.96) |
| Tax @11.536% on Capital gain income | **3.93** | - |
| Income taxz expenses reported in the Statement of Profit and loss | **4,339.92** | 3,606.65 |

**Deferred Tax**

Please refer to Note No. 23

**38 Gratuity**

The Company operates a defined benefit plan viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each completed year of service. The scheme is funded with an insurance Company in the form of qualifying insurance policy. The fund has formed a trust and it is governed by the Board of Trustees.

The fund is subject to risks such as asset volatility, changes in bond yields and asset liability mismatch risk. In managing the plan assets, Board of Trustees reviews and manages these risks associated with the funded plan. Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes asset-liability matching strategy and investment risk management policy (which includes contributing to plans that invest in risk-averse markets). The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

**I Changes in the net benefit obligation and fair value of plan assets are as follows :**

(₹ in lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| **1st April, 2016** | **1,287.92** | **(1,113.30)** | **174.62** |
| Current service cost | 80.93 | | 80.93 |
| Interest expense/(income) | 103.55 | (89.51) | 14.04 |
| **Total amount recognised in Profit or Loss** | **184.48** | **(89.51)** | **94.97** |
| Experience adjustments | 73.41 | - | 73.41 |
| Return on plan assets (income) | 26.55 | (69.65) | (43.10) |
| **Total amount recognised in Other Comprehensive Income** | **99.96** | **(69.65)** | **30.31** |
| Employer contributions | | (162.24) | (162.24) |
| Benefits paid | (73.66) | 73.66 | - |
| **31st March, 2017** | **1,498.70** | **(1,361.04)** | **137.66** |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| Current service cost | 97.07 | | 97.07 |
| Interest expense/(income) | 110.75 | (100.58) | 10.17 |
| **Total amount recognised in Profit or Loss** | **207.82** | **(100.58)** | **107.24** |
| Experience adjustments | (50.93) | | (50.93) |
| Actuarial loss from change in financial assumptions | - | - | - |
| Return on plan assets (income) | 254.13 | 17.75 | 271.88 |
| **Total amount recognised in Other Comprehensive Income** | **203.20** | **17.75** | **220.95** |
| Employer contributions | | (344.30) | (344.30) |
| Benefits paid | (54.35) | 54.35 | - |
| **31st March, 2018** | **1,855.37** | **(1,733.82)** | **121.55** |

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

| Particulars | 31st March, 2018 | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| Present value of funded obligation | 1,855.37 | 1,498.70 | 1,287.92 |
| Fair value of plan assets | (1,733.82) | (1,361.04) | (1,113.30) |
| **Surplus of funded plan** | **121.55** | **137.66** | **174.62** |

**III Significant estimates**

The principal actuarial assumptions were as follows :

| Particulars | 31st March, 2018 | 31st March, 2017 | 31st March, 2016 |
|---|---|---|---|
| Discount rate | 7.73% | 7.39% | 8.00% |
| Salary growth rate | 5.00% | 5.00% | 5.00% |
| Normal retirement age | 58/60 years | 58/60 years | 58/60 years |
| Mortality table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |
| Employee turnover | 2% | 2% | 2% |

**IV Sensitivity analysis**

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

| Assumption | Impact on defined benefit obligation | |
|---|---|---|
| | 31st March, 2018 | 31st March, 2017 |
| **Discount rate** | | |
| 1.00% increase | Decrease by 136.61 | Decrease by 110.29 |
| 1.00% decrease | Increase by 157.09 | Increase by 126.91 |
| **Future salary increase** | | |
| 1.00% increase | Increase by 159.84 | Increase by 128.70 |
| 1.00% decrease | Decrease by 141.16 | Decrease by 113.63 |
| **Attrition Rate** | | |
| 1.00% increase | Increase by 32.87 | Increase by 22.47 |
| 1.00% decrease | Decrease by 36.61 | Decrease by 25.07 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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, 2018 | 31st March, 2017 |
|---|---|---|
| Within next 12 months | 287.26 | 222.51 |
| Between 1-5 years | 1160.08 | 967.11 |
| Between 5-10 years | 2576.13 | 1932.73 |

### V The major categories of plan assets are as follows:

(₹ in lakhs)

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Investments with Insurer (LIC of India) | 3.38% | 8.01% | 15.59% |
| HDFC Standard Life Insurance | 96.62% | 91.99% | 84.41% |

### 39 Segment Reporting

(a) 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.

(b) 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.

(c) 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.

d) 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 2017-2018 | | | | Year 2016-2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | Synthetic Cordage | Fibre and Industrial Products & Projects | Unallocated | Total | Synthetic Cordage | Fibre and Industrial Products & Projects | Unallocated | Total |
| i) Segment Revenue | **75,399.07** | **14,737.70** | | **90,136.77** | 72,646.85 | 14,042.25 | | 86,689.10 |
| Inter-segment revenue | **352.07** | **1,235.14** | | **1,587.21** | 485.66 | 1,272.74 | | 1,758.40 |
| Sales/Income From operations | **75,047.00** | **13,502.56** | | **88,549.56** | 72,161.19 | 12,769.51 | | 84,930.70 |
| ii) Depreciation and amortization | **1,060.58** | **203.29** | **270.90** | **1,534.77** | 1,006.51 | 194.25 | 215.60 | 1,416.36 |
| iii) Segment Result | **15,237.39** | **1,970.29** | **-** | **17,207.68** | 12,885.84 | 1,887.08 | - | 14,772.92 |
| Less - | | | | | | | | |
| i) Interest | | | | **(997.69)** | | | | (653.55) |
| ii) Other Unallocable expenditure net of unallocable (income) | | | | **(901.39)** | | | | (1,795.09) |
| Total profit before tax | | | | **15,308.60** | | | | 12,324.28 |
| iv)Segment Assets | **55,102.36** | **10,186.49** | **33,186.96** | **98,475.81** | 45,743.92 | 10,011.71 | 28,404.99 | 84,160.62 |
| v) Segment Liabilities | **26,226.49** | **3,941.22** | **14,629.36** | **44,797.07** | 26,048.88 | 2,501.62 | 10,976.69 | 39,527.19 |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Reconciliation of Profit

(₹ in lakhs)

| Particulars | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| Segment Profit | 17,207.68 | 14,772.92 |
| Other Income | 1,792.98 | 850.88 |
| Finance Cost | (997.69) | (653.55) |
| Other Corporate Costs | (2,694.37) | (2,645.97) |
| Profit Before Tax and discontinued operations | **15,308.60** | **12,324.28** |

Reconciliation of Assets

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Segment operating assets | 65,288.85 | 55,755.63 | 54,619.34 |
| Investments | 24,410.67 | 11,063.55 | 339.17 |
| Cash and bank balances | 2,325.97 | 11,507.32 | 8,443.83 |
| Balances with government authorities | 6,119.29 | 1,411.16 | 1,430.21 |
| Other unallocable assets | 331.03 | 4,422.96 | 2,306.10 |
| **Total assets** | **98,475.81** | **84,160.62** | **67,138.65** |

Reconciliation of liabilities

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Segment operating liabilities | 30,167.71 | 28,550.50 | 23,613.70 |
| Borrowings | 13,838.82 | 8,608.70 | 4,340.96 |
| Income tax liabilities (Net) | 342.90 | 170.35 | 216.33 |
| Other unallocable liabilities | 447.64 | 2,197.64 | 2,115.01 |
| **Total liabilities** | **44,797.07** | **39,527.19** | **30,286.00** |

**ii) Information about geographic segment**

Revenue from external customers

| Particulars | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| India | 43,557.27 | 43,792.62 |
| Outside India | 44,992.29 | 41,138.08 |
| **Total** | **88,549.56** | **84,930.70** |

**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.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 40 TRANSACTIONS WITH RELATED PARTIES

**(I) List of Related Parties & Relationship :**

**A. Subsidiary / Joint Venture Company**

1. Garware Environmental Services Pvt. Ltd.

**B. Associate Company**

1. Garware Meditech Pvt. Ltd.

**C. Executive Directors - Key Managerial Personnel**

1. Mr. V. R. Garware

**D. Non-Executive Directors**

1. Mrs. M. V. Garware
2. Mr. R. M. Telang - Independent Director
3. Mr. S. P. Kulkarni - Independent Director
4. Mr. Ashish Goel - Independent Director
5. Mr. M. V. Subbarao (up to 21-04-2017)
6. Mr. S. S. Rajpathak (w.e.f. 24-05-2017)

**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 Investments & Trading Company Pvt. Ltd.
4. Sanand Investments & Trading Company Pvt. Ltd.
5. Moonshine Investments & Trading Company Pvt. Ltd.
6. Starshine Investments & Trading Company 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. Garware Research Institute
14. Vimlabai Garware Research Institute
15. Consolidated Agricultural & Dairy Farming Co. Pvt. Ltd.
16. Late Shri R. B. Garware Estate

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### (II) Following are the transactions with the related parties mentioned in A, B, C, D & E above:

(₹ in lakhs)

| | | Subsidiaries / Joint Venture Companies | Associate Companies | Enterprises Owned or significantly Influenced by key management Personnel or Their Relatives | | | | | | | | | | Directors | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Particulars | Garware Environmental Services Ltd. | Garware Meditech Pvt. Ltd. | Manmit Investments & Trading Co. Ltd. | Garware Capital Markets Ltd. | Gurukrupa Investments & Trading Co. Pvt. Ltd. | Sanand Investments & Trading Co. Pvt. Ltd. | Moonshine Investments & Trading Co. Pvt. Ltd. | Starshine Investments & Trading Co. Pvt. Ltd. | Sukukar Holdings & Trading Co. Pvt. Ltd. | VMIR Investments Ltd. | VRG Investments Ltd. | Late Shri R. B. Garware Estate | Mr. V. R. Garware | Ms. M. V. Garware | Mr. R. M. Telang | Mr. S. P. Kulkani | Mr. Ashish Geol | Mr. M. V. Subbarao | Mr. S. S. Rajpathak | Total |
| | Transactions with Related Parties | | | | | | | | | | | | | | | | | | | | |
| 1 | Deposit Received | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | 159.00 | 1,511.00 | 11.50 | 68.00 | 104.00 | 49.00 | 63.00 | 300.20 | 277.00 | - | 2,211.00 | - | | | | | | 4,753.70 |
| | 2016-17 | - | - | 140.90 | 718.50 | 15.45 | 51.60 | 76.50 | 37.30 | 47.60 | 235.90 | 213.70 | 141.33 | 254.00 | - | | | | | | 1,932.78 |
| 2 | Deposit Refund | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | 159.00 | 1,511.00 | 11.50 | 68.00 | 104.00 | 49.00 | 63.00 | 300.20 | 277.00 | 1,712.73 | 2,211.00 | - | | | | | | 6,466.43 |
| | 2016-17 | - | - | 140.90 | 718.50 | 15.45 | 51.60 | 76.50 | 37.30 | 47.60 | 235.90 | 213.70 | - | 254.00 | - | | | | | | 1,791.45 |
| 3 | Interest paid on Deposits | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | 16.15 | 67.97 | 0.92 | 6.56 | 9.94 | 4.79 | 6.07 | 29.39 | 27.27 | 60.91 | 132.26 | - | | | | | | 362.23 |
| | 2016-17 | - | - | 11.20 | 45.47 | 0.69 | 5.09 | 7.32 | 3.68 | 4.68 | 23.71 | 21.54 | 176.66 | 15.90 | - | | | | | | 315.94 |
| 4 | Director Remuneration * | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | 777.67 | - | | | | | | 777.67 |
| | 2016-17 | - | - | - | - | - | - | - | - | - | - | - | - | 640.63 | - | | | | | | 640.63 |
| 5 | Directors Sitting Fees | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.60 | 1.60 | 1.80 | 0.40 | - | 0.60 | 5.00 |
| | 2016-17 | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.80 | 1.80 | 1.80 | 0.80 | 0.80 | - | 6.00 |
| 6 | Sale of Goods/Services | | | | | | | | | | | | | | | | | | | | |
| | 2017-18 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 2016-17 | - | 0.09 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0.09 |
| | **Balance due from related parties** | | | | | | | | | | | | | | | | | | | | |
| 7 | Balance (Payable) /Receivable | | | | | | | | | | | | | | | | | | | | |
| | 31st March 2018 | - | - | - | 0.24 | - | - | - | - | - | - | - | - | (532.47) | | | | | | | (532.23) |
| | 31st March 2017 | - | - | - | 0.14 | - | - | - | - | - | - | - | (1,712.73) | (412.00) | | | | | | | (2,124.59) |
| | 1st April 2016 | - | 0.41 | - | 0.14 | - | - | - | - | - | - | - | (1,571.41) | (270.00) | | | | | | | (1,840.86) |

Note : For Invesntment in related parties as at 31st March, 2018 refer Note No. 5.

The above figures do not include provision for leave encashment and gratuity fund, as separate figures are not available for the Chairman & Managing Director.

* Includes commission paid/payable to Mr. V. R. Garware ₹ 549 lakhs ( Previous year ₹ 415 lakhs)

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in lakhs)

| | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| **41 EARNINGS PER SHARE (EPS)** | | |
| **BASIC AND DILUTED EPS** | | |
| Net Profit attributable to Equity Shareholders of the company | **10517.29** | 8435.95 |
| Weighted Average No. of Equity Shares of ₹ 10/- each (No in Lakhs) | **218.82** | 218.82 |
| Basic And Diluted Earning Per Share (₹) | **48.06** | 38.55 |

| | 31st March, 2018 | 31st March, 2017 |
|---|---|---|
| **42 CONSTRUCTION CONTRACTS (Discloser persuant to Ind-AS 11)** | | |
| Contract revenue recognised / (reduced) during the year | **(1065.42)** | (924.66) |
| In respect of contract in progress as at 31st March, 2018. | | |
| Aggregate amount of contract cost was incurred and recognised profit (Less: recognise losses) | **4.79** | 121.79 |

| | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| Customer advance outstanding for contracts in progress | **257.41** | 21.64 | 80.50 |
| Retention money due from contracts for contract in progress | **368.74** | 474.60 | 460.45 |
| Gross amount due from customer (Disclosed as unbilled revenue) | **26.48** | 1,091.90 | 2,016.56 |
| Gross amount due from customer (Disclosed as unearned revenue) | **-** | - | - |

**43 CONTINGENT LIABILITIES :**

| Particulars | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Claims against the company not acknowledged as debts: | | | |
| **In respect of matters under dispute** | | | |
| -Excise Duty | **-** | 27.57 | 27.57 |
| -Sales Tax | **9.15** | 41.68 | 196.68 |
| -Income Tax | **208.00** | 208.00 | 208.00 |

**44** Estimated amount of contracts remaining to be executed on Capital Account and not provided for net of Advances ₹935.02 lakhs (As at 31st March, 2017 ₹ 981.38 lakhs, As at 31st March, 2016 ₹ 135.39 lakhs).

**45 INTEREST IN FIRM / JOINT VENTURE:**

The Company has entered into a partnership agreement (Sopan D. Patil & GWRL JV) 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 31.03.2018, the said partnership has incurred a loss of ₹ (0.50 lakhs) (As at 31st March, 2017 ₹ (1.73 lakhs).

| | 31st March, 2018 | 31st March, 2017 | 1st April, 2016 |
|---|---|---|---|
| Current assets | **16.72** | 15.87 | 15.30 |
| Non-current assets | **18.96** | 19.81 | 19.81 |
| Current liabilities | **(0.47)** | (26.83) | (24.53) |
| Non-current liabilities | **(40.07)** | (13.21) | (13.21) |
| Reserve & Surplus | **4.86** | 4.36 | 2.63 |
| | **-** | - | - |
| Revenue | **4.48** | 22.46 | |
| Cost of material consumed | **(4.24)** | (21.25) | - |
| Employee benefit expenses | **-** | - | - |
| Other expenses | **(0.74)** | (2.94) | - |
| **Profit / (loss) before tax** | **(0.50)** | (1.73) | - |
| Income-tax expenses | **-** | - | - |
| **Profit / (loss) after tax** | **(0.50)** | (1.73) | - |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

### 46 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, 2018.

(₹ in lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Amortised Cost | Total Carrying Amount |
|---|---|---|---|---|
| Financial Assets | | | | |
| Investments in subsidiaries, associates and joint ventures | - | - | - | - |
| Other Investments-Non Current | 540.87 | 23,869.80 | - | 24,410.67 |
| Trade Receivables-Non Current | - | - | 1,039.47 | 1,039.47 |
| Loans-Non Current | - | - | 812.17 | 812.17 |
| Other Financial Assets-Non Current | - | - | 464.06 | 464.06 |
| Other Investments-Current | - | 3.16 | - | 3.16 |
| Trade Receivables-Current | - | - | 21,906.02 | 21,906.02 |
| Loans-Current | - | - | 583.57 | 583.57 |
| Other Financial Assets-Current | - | - | 21.79 | 21.79 |
| **Total** | **540.87** | **23,872.96** | **24,827.08** | **49,240.91** |
| Financial Liabilities | | | | |
| Trade Payable-Non Current | - | - | - | - |
| Other Financial Liabilities-Non Current | - | - | 6.26 | 6.26 |
| Borrowings-Current | - | - | 13,838.82 | 13,838.82 |
| Trade Payable-Current | - | - | 20,444.07 | 20,444.07 |
| Other Financial Liabilities-Current | - | - | 503.91 | 503.91 |
| **Total** | **-** | **-** | **34,793.06** | **34,793.06** |

The following table presents the carrying amounts of each category of financial assets and liabilities as at 31st March, 2017.

(₹ in lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Amortised Cost | Total Carrying Amount |
|---|---|---|---|---|
| Financial Assets | | | | |
| Investments in subsidiaries, associates and joint ventures | - | - | - | - |
| Other Investments-Non Current | 467.38 | 10,596.17 | - | 11,063.55 |
| Trade Receivables-Non Current | - | - | 921.70 | 921.70 |
| Loans-Non Current | - | - | 955.78 | 955.78 |
| Other Financial Assets-Non Current | - | - | 263.38 | 263.38 |
| Other Investments-Current | - | 3.16 | - | 3.16 |
| Trade Receivables-Current | - | - | 19,776.91 | 19,776.91 |
| Loans-Current | - | - | 195.14 | 195.14 |
| Other Financial Assets-Current | - | 354.46 | 279.15 | 633.61 |
| **Total** | **467.38** | **10,953.79** | **22,392.06** | **33,813.23** |
| Financial Liabilities | | | | |
| Trade Payable-Non Current | - | - | 345.36 | 345.36 |
| Other Financial Liabilities-Non Current | - | - | - | - |
| Borrowings-Current | - | - | 8,608.70 | 8,608.70 |
| Trade Payable-Current | - | - | 19,827.08 | 19,827.08 |
| Other Financial Liabilities-Current | - | - | 821.58 | 821.58 |
| **Total** | **-** | **-** | **29,602.72** | **29,602.72** |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

The following table presents the carrying amounts of each category of financial assets and liabilities as at 1st April, 2016.

(₹ in lakhs)

| Particulars | Measured at FVTOCI | Measured at FVTPL | Amortised Cost | Total Carrying Amount |
|---|---|---|---|---|
| Financial Assets | | | | |
| Investments in subsidiaries, associates and joint ventures | - | - | 0.03 | 0.03 |
| Other Investments-Non Current | 321.48 | 17.66 | - | 339.14 |
| Trade Receivables-Non Current | - | - | 690.83 | 690.83 |
| Loans-Non Current | - | - | 895.80 | 895.80 |
| Other Financial Assets-Non Current | - | 158.47 | 51.40 | 209.87 |
| Other Investments-Current | - | 3.16 | - | 3.16 |
| Trade Receivables-Current | - | - | 20,143.21 | 20,143.21 |
| Loans-Current | - | - | 179.09 | 179.09 |
| Other Financial Assets-Current | - | - | 445.26 | 445.26 |
| **Total** | **321.48** | **179.29** | **22,405.62** | **22,906.39** |
| Financial Liabilities | | | | |
| Trade Payable-Non Current | - | - | 288.47 | 288.47 |
| Other Financial Liabilities-Non Current | - | - | - | - |
| Borrowings-Current | - | - | 4,340.96 | 4,340.96 |
| Trade Payable-Current | - | - | 16,111.56 | 16,111.56 |
| Other Financial Liabilities-Current | - | - | 1,371.34 | 1,371.34 |
| **Total** | **-** | **-** | **22,112.33** | **22,112.33** |

**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 financials assets and liabilities that are measured at fair value or where fair value disclosure is required:

**As at 31st March, 2018**

**Fair Value Measurement Using**

| Particulars | Quoted Price in active markets | Significant observable inputs | Significant unobservable inputs | Total |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | |
| **Assets measured at fair value** | | | | |
| **FVTOCI financial investments** | | | | |
| Quoted equity instruments | 226.63 | - | - | **226.63** |
| Unquoted equity instruments | - | - | 314.24 | **314.24** |
| **FVTPL financial investments** | | | | **-** |
| Other Debt Instrument | 17.66 | 18,734.09 | - | **18,751.75** |
| Unquoted debt instruments | - | 5,118.05 | - | **5,118.05** |
| Unquoted equity instruments | - | - | 3.16 | **3.16** |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**As at 31st March, 2017**
**Fair Value Measurement Using** (₹ in lakhs)

| Particulars | Quoted Price in active markets | Significant observable input | Significant unobservable input | Total |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | |
| **Assets measured at fair value** | | | | |
| **FVTOCI financial investments** | | | | |
| Quoted equity instruments | 185.02 | - | - | **185.02** |
| Unquoted equity instruments | - | - | 282.36 | **282.36** |
| **FVTPL financial investments** | | | | **-** |
| Foreign Currency Forward Contract | - | 354.46 | - | **354.46** |
| Other Debt Instrument | 17.66 | 5,578.51 | - | **5,596.17** |
| Unquoted debt instruments | - | 5,000.00 | - | **5,000.00** |
| Unquoted equity instruments | - | - | 3.16 | **3.16** |

**As at 1st April, 2016**
**Fair Value Measurement Using** (₹ in lakhs)

| Particulars | Quoted Price in active markets | Significant observable input | Significant unobservable input | Total |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | |
| **Assets measured at fair value** | | | | |
| **FVTOCI financial investments** | | | | |
| Quoted equity instruments | 144.31 | - | - | **144.31** |
| Unquoted equity instruments | - | - | 177.17 | **177.17** |
| **FVTPL financial investments** | | | | |
| Foreign Currency Forward Contract | - | 158.47 | - | **158.47** |
| Other Debt Instrument | 17.66 | - | - | **17.66** |
| Unquoted equity instruments | - | - | 3.16 | **3.16** |

**c. Valuation technique to determine fair value**

The following methods and assumptions were used to estimate the fair values of financial instruments.

(i) The management assesses that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair values of the equity investment which are quoted, are derived from quoted market prices in active markets. The Investments measured at fair value and falling under fair value hierarchy Level 3 are valued on the basis of valuation reports provided by external valuers with the exception of certain investments, where cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair values within that range. The carrying value of those investments are individually immaterial.

**d Financial risk management objectives**

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimise the potential adverse effects on its financial performance. The Company's senior management which is supported by a Treasury Management Group ('TMG') manages these risks.

All hedging activities are carried out by specialist teams that have the appropriate skills, experience and supervision.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises of risks relating to interest rate risk and other price risks such as equity price risk and commodity price risk. Financial instruments affected by market risks mainly include borrowings, deposits and investments.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

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, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|---|
| Trade Receivable | USD | 7,850.47 | 5,504.17 | 4,987.55 |
| Trade Payable | USD | (365.87) | (468.44) | (327.09) |
| Net | | 7,484.60 | 5,035.73 | 4,660.46 |
| | | | | |
| Forward Contracts to Sell | USD | (5,145.03) | (2,804.17) | (1,510.27) |
| (Hedge of Receivables) | | | | |
| Net Exposure | | 2,339.57 | 2,231.56 | 3,150.19 |

The company's exposure to foreign currency changes for all other currencies is not material.

Foreign currency sensitivity analysis

The following table demonstrate the sensitivity to a reasonable possible change in USD exchange rate, with all other variables held constant.

(₹ in lakhs)

| | Currency | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|
| Impact on profit before tax | | | |
| INR/USD - Increase by 2% | USD | 163.95 | 137.65 |
| INR/USD - Decrease by 2% | USD | (163.95) | (137.65) |

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.

| Particulars | | Change in interest rate | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|---|---|---|---|
| Interest expense | Increase | 100 basis point | (70.78) | (15.46) |
| | Decrease | 100 basis point | 70.78 | 15.46 |
| Interest income/Fair Value gain | Increase | 100 basis point | 86.13 | 106.17 |
| | Decrease | 100 basis point | (86.13) | (106.17) |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**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 Receiveble**

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)

| Particulars | Year | Total | More than 1 year | < 1 year |
|---|---|---|---|---|
| Financial Liabilities | | | | |
| Trade Payables | 31st March, 2018 | **20,444.05** | - | 20,444.05 |
| | 31st March, 2017 | 20,172.44 | 345.36 | 19,827.08 |
| | 1st April, 2016 | 16,400.03 | 288.47 | 16,111.56 |
| | | | | |
| Borrowings | 31st March, 2018 | **13,838.82** | - | 13,838.82 |
| | 31st March, 2017 | 8,608.70 | - | 8,608.70 |
| | 1st April, 2016 | 4,340.96 | - | 4,340.96 |
| | | | | |
| Other Financial Liabilities | 31st March, 2018 | **510.17** | 6.26 | 503.91 |
| | 31st March, 2017 | 821.58 | - | 821.58 |
| | 1st April, 2016 | 1,371.34 | - | 1,371.34 |

**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.

**47 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.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

The following table summarises the capital of the Company.

(₹ in lakhs)

| Particulars | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|---|---|---|---|
| Short Term Debt (including current maturities of long term loan) | 13,838.82 | 8,608.70 | 4,340.96 |
| Long Term Debt | - | - | - |
| Trade Payables | 20,444.07 | 20,172.44 | 16,400.03 |
| Less: Cash and cash equivalents | (2,325.97) | (11,507.32) | (8,443.83) |
| **Net Debt** | **31,956.92** | **17,273.82** | **12,297.16** |
| **Equity** | **53,678.74** | **44,633.43** | **36,852.65** |
| **Capital and net debt** | **85,635.66** | **61,907.25** | **49,149.81** |
| **Net Debt to Capital Ratio (Debt/Equity plus debt)** | **0.37** | **0.28** | **0.25** |

**48 Disclosures required by Ind AS 101 First Time Adoption of Indian Accounting Standards:**

**48.1 Reconciliation of Statement of Total Equity as at 1st April, 2016 and 31st March, 2017**

(₹ in lakhs)

| | As at 31st March 2017 | As at 1st April 2016 |
|---|---|---|
| **Total Equity (Shareholders' Fund) under previous GAAP** | **44,998.96** | **36,545.50** |
| **Add/(Less): Ind-AS Adjustments :** | | |
| Restatement of fair value of financial assets/liability measured at amortise cost | (113.77) | (133.92) |
| Amortisation of leasehold land | (30.95) | (27.82) |
| Restatement of equity instruments measured at FVTOCI | (349.34) | (495.27) |
| ECL on Trade Receivables | (18.45) | (24.38) |
| Restatement of Investment measured at FVTPL | 78.51 | - |
| Proposed dividend including Tax there on | - | 869.11 |
| **Deferred Tax Adjustment** | 68.47 | 119.43 |
| **Total adjustments to equity** | **(365.53)** | **307.15** |
| **Total equity under Ind AS** | **44,633.43** | **36,852.65** |

**48.2 Reconciliation of Total Comprehensive Income for the year ended on 31st March, 2017**

| | As at 31st March 2017 |
|---|---|
| **Total (Loss) as per Previous GAAP** | **8,333.24** |
| **Add/(Less): Ind-AS Adjustments:** | |
| Restatement of fair value of financial assets/liability measured at amortise cost | 20.15 |
| Amortisation of leasehold land | (3.14) |
| Restatement of equity instruments measured at FVTOCI | 145.90 |
| ECL on Trade Receivables | 5.93 |
| Restatement of Investment measured at FVTPL | 78.51 |
| Proposed dividend including Tax there on | - |
| Deferred Tax Adjustment | (50.96) |
| Others | - |
| **Total adjustments to equity** | **196.39** |
| **Total (Loss) as per Ind AS** | **8,529.63** |
| Add:/(Less):Other Comprehensive Income Item | |
| Actuarial Gain/Loss on Employee Benefits (net of taxes) | |
| **Total Comprehensive Income as per Ind AS** | **8,529.63** |

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**48.3** Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2017

There are no material adjustments to the statement of cash flow as reported under previous GAAP.

**48.4 Reconciliation Explanations:**

**a Remeasurements of financial assets and liabilities measured at amortised cost**

Under Indian GAAP, the deposit, retention money receivable/payable are valued at cost less provision for impairment. Ind AS requires certain categories of financial assets and liabilities to be measured at amortized cost using the effective interest rate method. Deposit/retention money is a Financial Asset as the lease agreement/work contracts give a contractual right to the company to receive cash. Deposit/retention money satisfies the contractual cash flow characteristic test and it also satisfies the business model test as there is intention of holding to collect contractual cash flows. Thus the same have been valued at amortised cost. The same has resulted in decrease in equity under Ind-AS by ₹ 113.77 lakhs and ₹ 133.92 respectively as at 31st March, 2017 and 1st April, 2016.

**b Amortisation of leasehold land**

As per Ind AS, leasehold property is also subject to amortisation. The company did not provide amortisation up to 1st April, 2016 on leasehold land. Under Ind AS financials, the company has provided amortisation on leasehold land with retrospective effect. The same has resulted in decrease in equity under Ind-AS by ₹ 30.95 lakhs and ₹ 27.82 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**c Remeasurement of equity instruments measured at FVTOCI**

The company's investments in certain equity instruments are recorded at FVTOCI. In previous GAAP, the same was measured at cost. The same has resulted in decrease in equity under Ind-AS by ₹ 349.34 lakhs and ₹ 495.27 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**d ECL on trade receivables**

As per Ind AS 109, the financial assets are subject to expected credit loss. Under previous GAAP, there was no such provision. In compliance with Ind AS 109, the company has made provision of ECL on Trade Receivables following simplified approach. The same has resulted in decrease in equity under Ind-AS by ₹ 18.45 lakhs and ₹ 24.38 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**e Remeasurement of investments measured at FVTPL**

The company's Investments in Debt Mutual Fund/NCD/FMP are recorded at FVTPL. In previous GAAP, the same was measured at cost. The same has resulted in increase in equity under Ind-AS by ₹ 78.51 lakhs and ₹ NIL respectively as at 31st March, 2017 and 1st April, 2016.

**f Proposed dividend including tax thereon**

Under the previous GAAP, dividend proposed by the board of directors after the balance sheet date but before the approval of the Financial Statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the general meeting. Accordingly, the liability for proposed dividend as at 1st April, 2016 included under the Provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased by an equivalent amount. The same has resulted in increase in equity under Ind-AS by NIL and ₹ 869.11 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**g Deferred Tax impact on Ind-AS adjustments**

Various transitional adjustments resulted in temporary differences between taxable profits and accounting profits. Tax adjustments includes deferred tax impact on account of difference between previous GAAP and Ind AS on the adjustments discussed above. The same has resulted in increase in equity under Ind-AS by ₹ 68.47 lakhs and ₹ 119.43 lakhs respectively as at 31st March, 2017 and 1st April, 2016.

**h Remeasurement of defined benefit obligation**

Under the previous GAAP, actuarial gain and losses are charged to profit or loss, however under Ind-AS, they form part of remeasurement of defined benefit liability/assets and are recognised in OCI.

## NOTES TO CONSOLIDATED IND-AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

**48.5 Disclosures as required by Indian Accounting Standard (Ind-AS) 101 First Time adoption of Indian Accounting Standards:**

The Company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Retained Earnings as at 1st April, 2015 and all the periods presented have been restated accordingly.

Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

**i) Deemed Cost:**

Ind AS 101 permits a first time adopter to elect to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment, and intangible assets on the date of transition.

**ii) Investments in subsidiary and associate:**

The company has elected to consider the carrying cost of equity investments in subsidiary and associate as per the previous GAAP as the deemed cost at the date of transition.

**iii) Designation of previously recognised financial instruments:**

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' or 'fair value through profit and loss' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain investments at fair value through other comprehensive income and fair value through profit and loss on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

**iv) Leases:**

Ind AS 17 - Leases requires an entity to assess whether a contract or an arrangement is in the nature of lease arrangement. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and recognised arrangements having embedded leases based on facts and circumstances existing as at the date of Transition.

Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

**a) Estimates:**

The estimates as at 1st April, 2016 and 31st March, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

(i) Impairment of financial assets based on the expected credit loss model; and

(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

**b) Derecognition of financial assets:**

The Company has elected to apply the Derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**c) Classification and movement of financial assets and liabilities:**

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

**Form AOC-1:**

**Statement containing the salient features of the Financial Statement of Subsidiary/ Associate Company / Joint Venture pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014.**

**Part - A : Subsidiary**

(₹ in Lakhs)

| Sr.No. | Particulars | |
|---|---|---|
| 1. | Name of the Subsidiary | Garware Environmental Services Pvt Ltd. |
| 2. | Reporting period for the Subsidiary | 1st April, 2017 to 31st March, 2018 |
| 3. | Reporting currency as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries | ₹ in lakhs |
| 4. | Exchange rate as on the last date of the relevant Financial Year in case of Foreign Subsidiaries | N.A. |
| 5. | Share Capital | 100.00 |
| 6. | Reserves and Surplus | 35.13 |
| 7. | Total Assets | 133.82 |
| 8. | Total Liabilities | 133.82 |
| 9. | Investments | 132.39 |
| 10. | Turnover | 7.95 |
| 11. | Profit Before Tax | 7.45 |
| 12. | Provision for Tax | 1.92 |
| 13. | Profit After Tax | 5.53 |
| 14. | Proposed Dividend | - |
| 15. | % of Shareholding | 100% |
| Notes: | | |
| 1. | Names of Subsidiary which are yet to commence operations | Garware Environmental Services Pvt. Ltd. |
| 2. | Names of Subsidiaries which have been liquidated or sold during the year | - |

**Part - B : Associate Company**

| Sr.No. | Particulars | |
|---|---|---|
| 1. | Name of Associate Company | Garware Meditech Pvt. Ltd. |
| 2. | Latest Audited Balance Sheet Date | 31st March, 2018 |
| 3. | Shares of Associate held by the Company on the year end | |
| | No. | 5,000 Shares |
| | Amount of Investment in Associates | ₹ 0.50 lakhs |
| | Extend of Holding % | 50% |
| 4. | Description of how there is significant influence | Chairman same in both company |
| 5. | Reason why the Associate is not Consolidated | Consolidated |
| 6. | Net worth attributable to Shareholding as per latest Balance Sheet | ₹ (0.10) lakhs |
| 7. | Loss for the year | |
| | i) Considered in Consolidation | ₹ (0.10) lakhs |
| | ii) Not considered in Consolidation | - |

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

**M. V. GARWARE**
Director
DIN. 06948274

**SUNIL AGARWAL**
Company Secretary
M. No. FCS 6407

**R. M. TELANG**
Director
DIN. 00092103

**S. P. KULKARNI**
Director
DIN. 00006914

**S. S. RAJPATHAK**
Director
DIN: 00040387

**S. H. BAMNE**
VP Corporate (CFO)

Pune,
30th May, 2018

## NOTES

## NOTES

GARWARE
TECHNICAL FIBRES

# Garware Technical Fibres Limited

(Formerly Garware-Wall Ropes Limited)

## Progress through the Years

**(Standalone)**

(₹ in Lakhs)

| Particulars | As per GAAP | | | | | | | | As per IND AS* | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **31.03.09** | **31.03.10** | **31.03.11** | **31.03.12** | **31.03.13** | **31.03.14** | **31.03.15** | **31.03.16** | **31.03.17** | **31.03.18** |
| **COMPANY OWNED** | | | | | | | | | | |
| 1. FIXED ASSETS (NET) | 13,272.38 | 14,411.74 | 15,574.99 | 16,985.21 | 15,449.16 | 16,012.58 | 17,260.92 | 19,916.68 | 20,333.66 | 22,122.65 |
| 2. INVESTMENTS | 1,762.98 | 1,697.60 | 892.18 | 911.96 | 916.95 | 933.46 | 904.00 | 397.80 | 11,122.21 | 24,469.33 |
| 3. NET CURRENT ASSETS $$ | 17,601.04 | 15,987.40 | 20,405.98 | 22,977.38 | 23,160.21 | 19,694.59 | 19,049.52 | 23,955.47 | 24,726.28 | 24,318.13 |
| **TOTAL ASSETS (NET)** | **32,636.40** | **32,096.74** | **36,873.15** | **40,874.55** | **39,526.32** | **36,640.63** | **37,214.44** | **44,269.95** | **56,182.15** | **70,910.11** |
| **COMPANY OWED** | | | | | | | | | | |
| 1. LOAN FUNDS | 10,574.11 | 8,652.16 | 11,621.06 | 14,033.21 | 11,043.33 | 7,133.07 | 3,972.47 | 4,774.73 | 8,608.70 | 13,838.83 |
| 2. COMPANY'S NET WORTH - | | | | | | | | | | |
| - EQUITY SHARE CAPITAL | **2,370.84 | 2,370.84 | 2,370.84 | 2,370.84 | 2,370.84 | $$$2,197.23 | ## 2,188.21 | 2,188.21 | 2,188.21 | 2,188.21 |
| - RESERVES AND SURPLUS Δ | 18,107.40 | 19,350.96 | 21,104.29 | 22,671.54 | 24,297.79 | 25,285.32 | 28,806.75 | 34,596.43 | 42,371.11 | 51,410.91 |
| 3. DEFERRED TAX LIABILITY | 1,584.05 | 1,722.78 | 1,776.96 | 1,798.96 | 1,814.36 | 2,025.01 | 2,247.01 | 2,710.58 | 3,014.14 | 3,472.16 |
| **TOTAL CAPITAL EMPLOYED** | **32,636.40** | **32,096.74** | **36,873.15** | **40,874.55** | **39,526.32** | **36,640.63** | **37,214.44** | **44,269.95** | **56,182.15** | **70,910.11** |
| **INCOME** | **44,694.83** | **45,444.97** | **50,366.94** | **58,416.39** | **60,880.36** | **69,275.60** | **79,051.88** | **83,543.67** | **85,772.13** | **90,334.59** |
| RAW MATERIAL AND STOCK CONSUMED | 20,010.60 | 20,481.25 | 21,927.07 | 25,181.95 | 24,468.38 | 31,633.68 | 36,345.89 | 31,526.85 | 29,308.21 | 29,061.95 |
| SALARIES AND WAGES | 5,188.45 | 5,523.82 | 6,536.65 | 7,936.04 | 7,915.59 | 6,379.98 | 8,424.09 | 9,279.29 | 10,603.61 | 11,198.74 |
| OPERATING AND OTHER EXPENSES | 14,413.50 | 14,171.95 | 16,171.09 | 18,575.28 | 19,707.50 | 24,209.35 | 25,530.59 | 31,411.81 | 31,131.54 | 32,151.74 |
| INTEREST | 1,292.82 | 1,074.45 | 891.58 | 1,660.62 | 1,448.01 | 1,282.96 | 1,024.83 | 872.69 | 653.55 | 997.69 |
| EXCISE DUTY | 673.55 | 296.98 | 235.35 | 255.23 | 368.44 | 422.62 | 436.77 | 438.31 | 343.64 | 88.56 |
| PROFIT BEFORE DEPRECIATION AND TAX | 3,115.91 | 3,896.52 | 4,605.20 | 4,807.27 | 4,972.44 | 5,347.01 | 7,289.71 | 10,014.72 | 13,731.59 | 16,835.91 |
| DEPRECIATION | 1,230.16 | 1,292.42 | 1,483.98 | 1,601.92 | 1,632.44 | 1,439.33 | 1,238.55 | 1,310.49 | 1,416.35 | 1,534.76 |
| PROFIT BEFORE TAX | 1,885.75 | 2,604.10 | 3,121.22 | 3,205.35 | 3,340.00 | 3,907.68 | 6,051.16 | 8,704.23 | 12,315.23 | 15,301.15 |
| TAX | 265.84 | 662.06 | 677.95 | 804.78 | 872.62 | 1,241.49 | 1,745.67 | 2,516.60 | 3,885.38 | 4,789.39 |
| PROFIT AFTER TAX | 1,619.91 | 1,938.04 | 2,443.27 | 2,400.57 | 2,467.38 | 2,666.19 | 4,305.49 | 6,187.63 | 8,429.85 | 10,511.76 |
| EARNING PER SHARE | 6.92 | 8.17 | 10.31 | 10.13 | 10.41 | 12.13 | 19.68 | 28.28 | 38.52 | 48.04 |
| DIVIDEND PAID PER EQUITY SHARE (₹) | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.70 | 3.00 | 3.30 | ***5.00 | @4.50 |
| BOOK VALUE OF EQUITY SHARE (₹) (Without Revaluation) | 86.32 | 91.57 | 98.97 | 105.59 | 112.45 | 125.08 | 141.65 | 166.68 | 203.63 | 244.95 |
| FOB VALUE OF EXPORTS | 14,415.98 | 14,522.30 | 17,784.50 | 24,584.47 | 25,414.56 | 32,715.82 | 33,946.01 | 32,966.53 | 37,021.66 | 39,938.92 |

* The Company had transitioned to Indian Accounting Standards (Ind AS) w.e.f. 1st April, 2017. Therefore, the figures for FY 17 and FY 18 are as per Ind AS. Hence, not strictly comparable with earlier years figures presented under GAAP.

** 19,96,000 Equity Shares against Convertible Warrants.

Δ The figures of reserves and surplus has been calculated after dedction of miscellanious expenditure to the extend not written off or adjusted and Includes revaluation reserve ₹ 12.15 lakhs for 31.03.09, ₹ 11.11 lakhs for 31.03.10, ₹ 10.07 lakhs for 31.03.11, ₹ 9.02 lakhs for 31.03.12, ₹ 12.15 lakhs for 31.03.09, ₹ 11.11 lakhs for 31.03.10 , ₹ 10.07 lakhs for 31.03.11, ₹ 9.02 lakhs for 31.03.12, ₹ 7.98 lakhs for 31.03.13, ₹ 6.93 lakhs for 31.03.14, ₹ 5.98 lakhs for 31.03.15 , ₹ 4.85 lakhs for 31.03.16, ₹ 3.81 lakhs for 31.03.17, ₹ 2.77 lakhs for 31.03.18 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.

*** To commemorate completion of 40 years of the Company, a special one-time dividend of ₹ 1.50/- (15%) per share of ₹ 10/- each in addition to normal dividend of ₹ 3.50/- (35%) per share of ₹ 10/- each was declared at Fortieth Annual General Meeting of the Company.

@ The Board of Directors have recommended a dividend of ₹ 4.50/-(45%) per share of ₹ 10/- each at ensuing Annual General Meeting of the Company.

# GLOBAL PRESENCE

Garware Technical Fibres Limited delivers innovative, application-focused solutions in more than 75 countries across the globe.

GARWARE
TECHNICAL FIBRES

## Garware Technical Fibres Limited

(Formerly Garware-Wall Ropes Limited)

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