

GARWARE HI-TECH FILMS LIMITED



ANNUAL REPORT

2022-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

S. B. Garware (Dr.) - Chairman & Managing Director (DIN: 00943822)
 Monika Garware (Ms.) - Vice Chairperson & Jt. Managing Director (DIN: 00143400)
 Sarita Garware Ramsay (Mrs.) - Jt. Managing Director (DIN: 00136048)
 Sonia Garware (Ms.) - Non-Executive & Non-Independent Director (DIN: 00135995)
 M. C. Agarwal (Dr.) - Independent Director (DIN: 02595878)
 Ramesh P. Makhija (Mr.) - Independent Director (DIN: 00209869)
 T. M. Parikh (Mr.) - Independent Director (DIN: 00049287)
 Nilesh R. Doshi (Mr.) - Independent Director (DIN: 00249715)
 Vivekanand H. Kamath (Mr.) - Independent Director (DIN: 07260441)
 Devanshi H. Nanavati (Ms.) - Independent Director (DIN: 08770422)
 Uday V. Joshi (Mr.) – Whole-Time Director (DIN: 09753984) (appointed w.e.f. October 18, 2022)
 Hemant Nikam (Mr.) - Whole -Time Director (DIN: 07517849) (resigned w.e.f. October 18, 2022)
 Mohan S. Adsul (Mr.) – Additional Director - Whole-Time Director (DIN:00146752) (appointed w.e.f. August 11, 2023)

CHIEF FINANCIAL OFFICER

Pradeep Mehta (Mr.)

COMPANY SECRETARY & VICE PRESIDENT (LEGAL)

Awaneesh Srivastava (Mr.)

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| <p>AUDIT COMMITTEE T. M. Parikh (Mr.) M. C. Agarwal (Dr.) Ramesh P. Makhija (Mr.) Nilesh R. Doshi (Mr.)</p> <p>STAKEHOLDERS RELATIONSHIP COMMITTEE M. C. Agarwal (Dr.) Vivekanand H. Kamath (Mr.) U. V. Joshi (Mr.)</p> <p>NOMINATION & REMUNERATION COMMITTEE M. C. Agarwal (Dr.) Ramesh P. Makhija (Mr.) T. M. Parikh (Mr.)</p> <p>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE M. C. Agarwal (Dr.) Nilesh R. Doshi (Mr.) U. V. Joshi (Mr.)</p> <p>RISK MANAGEMENT COMMITTEE M. C. Agarwal (Dr.) Ramesh P. Makhija (Mr.) T. M. Parikh (Mr.) Pradeep Mehta (Mr.) Sunil Wadikar (Mr.)</p> | <p>BANKERS Indian Overseas Bank Bank of Baroda Bank of India</p> <p>STATUTORY AUDITORS M/s. Manubhai & Shah, LLP Chartered Accountants (Mumbai) M/s. Kirtane & Pandit, LLP Chartered Accountants (Mumbai)</p> <p>INTERNAL AUDITOR M/s. Deloitte Touche Tohmatsu India LLP Chartered Accountants (Mumbai)</p> <p>SOLICITORS & ADVOCATES Crawford Bayley & Co. (Mumbai)</p> <p>REGISTRARS & TRANSFER AGENTS Link Intime India Private Limited, Mumbai.</p> | <p>REGISTERED OFFICE Naigaon, Post Waluj, Aurangabad - 431 133.</p> <p>CORPORATE OFFICE Garware House, 50-A, Swami Nityanand Marg, Vile Parle (East), Mumbai - 400 057.</p> <p>WORKS</p> <ol style="list-style-type: none"> 1) L- 5 & L- 6, Chikalthana Industrial Area, Dr. Abasaheb Garware Marg, Aurangabad - 431 210. 2) Naigaon, Post Waluj, Aurangabad - 431 133. 3) A-1 & A-2, MIDC, Ambad, Nashik - 422 010. <p>OFFICES</p> <ol style="list-style-type: none"> 1) 8-B, Atma Ram House, Tolstoy Mg, Connaught Place, New Delhi – 110001 2) Old No. 37, New No. 55, Ambercrest, 4th Floor, Pantheon Road Lane Egmore, Chennai - 600 008 <p>OVERSEAS OFFICE</p> <ol style="list-style-type: none"> 1) Unit 1.05, 1.06, The Plaza, 535, Kings Road, London - SW10 0SZ. 2) 101, Lake Forest Blvd. Suite 410, Gaithersburg MD, 20877, U.S.A. <p>WEBSITE www.garwarehitechfilms.com</p> |
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NOTICE

GARWARE HI-TECH FILMS LIMITED
CIN: L10889MH1957PLC010889

Registered Office: Naigaon, Post Waluj, Aurangabad – 431 133.

Website: www.garwarehitechfilms.com Email: cs@garwarehitech.com

Tel. No.: 022 6698 8000.

NOTICE is hereby given that the 66th Annual General Meeting (“AGM”) of the members of Garware Hi-Tech Films Limited will be held on **Wednesday, September 27, 2023**, at 11.30 a.m. (IST) at the Registered Office of the Company situated at Naigaon, Post Waluj, Aurangabad – 431 133 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Audited Standalone and Consolidated Financial Statements

To consider and adopt:

- The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon; and
- The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the reports of the Auditors thereon.

2. Declaration of Final Dividend

To declare a final dividend of ₹ 10/- per equity share for the financial year ended March 31, 2023.

3. Re-appointment of Ms. Sonia Garware (DIN: 00135995) as a Director, liable to retire by rotation.

To appoint a Director in place of Ms. Sonia Garware (DIN: 00135995), who retires by rotation and being eligible, offers herself for re-appointment in terms of Section 152(6) of the Companies Act, 2013.

SPECIAL BUSINESS:

4. Ratification of the remuneration of Cost Auditors:

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 3,05,000/- (Rupees Three Lakhs Five Thousand only) plus taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit, to M/s. B. R. Chandak & Co., Cost Accountants (Firm Registration No: 100380) who were appointed by the Board of Directors as Cost Auditor(s) of the Company, based on recommendations of Audit Committee, to conduct cost audits relating to cost records of the Company for the financial year ending March 31, 2024 be and is hereby ratified by the Members of the Company.

RESOLVED FURTHER THAT the Board of Directors (including Committee thereof) and/ or Company Secretary of the Company, be and is hereby authorised to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

5. Revision in tenure of Ms. Monika Garware (DIN: 00143400), as a Joint Managing Director of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 (“Act”) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and Articles of Association of the Company and subject to such other regulatory approvals, permissions and sanctions, as may be required, and as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, the consent of the members of the Company be and is hereby accorded to revise the tenure of Ms. Monika Garware (DIN: 00143400), as a Joint Managing Director of the Company upto October 31, 2026 and liable to retire by rotation, on the terms and conditions including payment of remuneration as recommended by Nomination and Remuneration Committee and approved by Board of Directors and set out in the Explanatory Statement to this resolution, with further liberty to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee), to alter and vary the said terms and conditions including remuneration from time to time as it may deem fit and as may be acceptable to Ms. Monika Garware (DIN: 00143400), as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Ms. Monika Garware, the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary or modify the scope and terms of remuneration, perquisites, benefits and amenities, as provided under the provisions of the Act and Schedule V of the Act, payable to Ms. Monika Garware any time during the currency of her tenure, in such manner as may be agreed between the Board and Ms. Monika Garware and for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary and take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

6. Appointment of Mr. Mohan Sitaram Adsul (DIN: 00146752) as a Director in the category of Executive Director as a Whole- Time Director designated as a Director – Technical.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules made thereunder and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s) or re-enactment

thereof for the time being in force) and the Articles of Association of the Company, Mr. Mohan Sitaram Adsul (DIN: 00146752), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act, by Board of Directors with effect from August 11, 2023 and who holds office till the approval of members of the Company at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation for a period of 3 (Three) years with effect from August 11, 2023.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to appoint Mr. Mohan Sitaram Adsul (DIN: 00146752) as a Whole Time Director designated as Director – Technical of the Company for a period of 3 (Three) years, with effect from August 11, 2023 to August 10, 2026 and who would attain the age of 70 (Seventy) years during the term of his Directorship, shall continue to act as an Whole Time Director of the Company on his attaining the age of 70 (Seventy) years, on such terms and conditions including remuneration as as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting.

RESOLVED FURTHER THAT so long as Mr. Mohan Sitaram Adsul functions as Whole Time Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

RESOLVED FURTHER THAT if in any financial year during the currency of the tenure, the Company has no profits or the profits of the Company are inadequate, the Company will pay to Mr. Mohan Sitaram Adsul the remuneration as specified in the Explanatory Statement to this resolution as and by way of minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary or modify the scope and terms of remuneration, perquisites, benefits and amenities, as provided under the provisions of the Companies Act, 2013 and Schedule V of the Act, payable to Mr. Mohan Sitaram Adsul (DIN: 00146752) any time during the currency of his tenure, in such manner as may be agreed between the Board and Mr. Mohan Sitaram Adsul (DIN: 00146752), without requiring to obtain any further approval from the Members of the Company and for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be

necessary and take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

By order of the Board of Directors
For Garware Hi-Tech Films Limited

Awaneesh Srivastava
Company Secretary
(ICSI M. No. FCS 8513)

Place: Mumbai
Date: August 11, 2023

Registered Office:
Naigaon, Post Waluj, Aurangabad – 431 133.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND TO VOTE ONLY ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to Section 105 of the Companies Act, 2013, person can act as a proxy on behalf of members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.

If a Proxy is appointed for more than 50 (fifty) Members, the Proxy shall choose any 50 (fifty) Members and confirm the same to the Company not later than 48 (forty-eight) hours before the commencement of the meeting. In case, if the Proxy fails to do so, only the first 50 (fifty) proxies received by the Company shall be considered as valid.

The instrument Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting.

A Proxy Form is attached herewith. Proxies submitted on behalf of the companies, societies, body corporate etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 4, 5 & 6 of the Notice is annexed hereto.
3. Details under Reg. 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and Secretarial Standards -2 on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

4. Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company at least 15 days in advance to enable the Management to keep the information, as far as possible, ready at the Meeting.

5. Members / Proxies / Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.

6. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.garwarehitechfilms.com/> and on the website of the Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd, at <https://web.linkintime.co.in/KYC-downloads.html>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

7. Book Closure and Dividend:

The Register of Members and the Share Transfer Books of the Company will be closed from Thursday September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive) for the purpose of this AGM and for determining entitlement of members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.

The final dividend of ₹ 10/- per equity share of ₹ 10/- each (100%), if declared at the AGM, will be paid subject to deduction of Income tax at source ('TDS') on or after Thursday, September 28, 2023:

- (a) To all the Beneficial Owners as on Wednesday, September 20, 2023, as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
- (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as on Wednesday, September 20, 2023.

Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members, subject to availability of postal services and /or courier services.

8. Further, in order to receive the dividend in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to send the following documents to our RTA - Link Intime India Private Limited, at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai -400-083, latest by Friday September 15, 2023:

- a) A signed request letter by the first holder, mentioning the name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - i) Name of Bank and Bank Branch.
 - (ii) Bank Account Number & Type allotted by your bank after implementation of Core Banking Solutions; and
 - (iii) 11-digit IFSC Code.
 - (iv) 9-digit MICR Code
- b) Original cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
- c) Self-attested copy of the PAN Card; and
- d) Self-attested copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

9. Income Tax Deductible at Source / Withholding tax:

Pursuant to the requirement of the Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/ RTA/ Depository Participant.

A. Resident Shareholders:

(i) Income Tax Deductible at Source for Resident Shareholders

| Sr. No. | Particulars | Withholding tax rate | Documents required (if any) / Remarks |
|---------|---|-----------------------------------|---|
| 1. | Valid PAN updated in the Company's Register of Members | 10% | No document required. If dividend does not exceed ₹ 5,000/-, no TDS/ withholding tax will be deducted. |
| 2. | No PAN/Valid PAN not updated in the Company's Register of Members | 20% | TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/ RTA/ Depository Participant. All the shareholders are requested to update, on or before Saturday September 09, 2023, their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. |
| 3. | Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of the Income Tax Act, 1961 | Rate specified in the certificate | Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before Saturday September 9, 2023 |

(ii) (No Income Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit following documents as mentioned in column no. 4 of the below table with the Company / RTA/Depository Participant on or before Saturday September 9, 2023.

| Sr. No. (1) | Particulars (2) | Withholding tax rate (3) | Documents required (if any) / Remarks (4) |
|-------------|--|--------------------------|---|
| 1. | Submission of form 15G/15H | NIL | Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions |
| 2. | Shareholders to whom section 194 of the Income Tax, 1961 does not apply as per second proviso to section 194 such as LIC, GIC. etc. | NIL | Documentary evidence for exemption u/s 194 of the Income Tax Act, 1961. |
| 3. | Shareholder covered u/s 196 of the Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds. | NIL | Documentary evidence for coverage u/s 196 of the Income Tax Act, 1961. |
| 4. | Category I and II Alternate Investment Fund | NIL | SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961 |
| 5. | <ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund | NIL | Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT) |
| 6. | National Pension Scheme | NIL | No TDS/ withholding tax as per section 197A (1E) of the Income Tax Act, 1961 |
| 7. | Any resident shareholder exempted from TDS deduction as per the provisions of the Income Tax Act or by any other law or notification | NIL | Necessary documentary evidence substantiating exemption from deduction of TDS |

B. Non-Resident Shareholders:

The table below shows the withholding tax on dividend payment to non-resident shareholders who submit, on or before Saturday September 9, 2023, the following document(s), as mentioned in column no. 4 of the below table, to the Company / RTA. In case all necessary documents are not submitted, then the TDS/ Withholding tax will be deducted @ 20% (plus applicable surcharge and cess).

| Sr. No. (1) | Particulars (2) | Withholding tax rate (3) | Documents required (if any) / Remarks (4) |
|-------------|---|--|--|
| 1. | Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) / Other Non- Resident shareholders | 20% (plus applicable surcharge and cess) or tax treaty rate, whichever is beneficial | FPI registration certificate in case of FIIs / FPIs. To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company) |
| 2. | Indian Branch of a Foreign Bank | NIL | Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India |
| 3. | Availability of Lower/NIL tax deduction certificate issued by Income Tax Authority | Rate specified in certificate | Lower tax deduction certificate obtained from Income Tax Authority |
| 4. | Any non-resident shareholder exempted from WHT deduction as per the provisions of the Income Tax Act or any other law such as the United Nations (Privileges and Immunities) Act 1947, etc. | NIL | Necessary documentary evidence substantiating exemption from WHT deduction |

- (a) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ RTA.
- (b) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- (c) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/ RTA/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-. All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and RTA (if shares are held in physical form) against all their folio holdings on or before Saturday, September 9, 2023.
- (d) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the

Company with all information / documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them. No communication would be accepted from members after Saturday, September 9, 2023, tax withholding matters.

- 10. Transfer of Unclaimed Dividend Amounts to the Investor Education and Protection Fund (IEPF):
 - (a) Pursuant to the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends that are unpaid or unclaimed for a period of 7 (seven) years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

- (b) The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at www.garwarehitechfilms.com and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.
11. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, at rnt.helpdesk@linkintime.co.in for assistance in this regard.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their Depository Participant ("DP") in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio number and enclosing the self-attested supporting document. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he may submit the same in Form SH-14. The said forms can be downloaded from the RTA's website at <https://linkintime.co.in>. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA in case the shares are held in physical form, quoting your folio no.
14. A route map showing directions to reach the venue of the 66th AGM is given along with this Annual Report as per the requirement of "Secretarial Standard-2" on General Meeting.
15. The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and had issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this initiative of the Government in full measure members are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants. A member who holds shares in physical form are requested to send their e-mail address to the Registrar and Share Transfer Agent of the Company.
- Registrar and Share Transfer Agent**
Link Intime India Private Limited
(Unit: Garware Hi- Tech Films Limited)
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.
Tel No. 022- 491 86000; Fax: 022- 491 86060.
Email: rnt.helpdesk@linkintime.co.in
- Electronic copy of the Annual Report for the Financial Year 2022-23 and Notice of the 66th Annual General Meeting of the Company *inter-alia* indicating the process and manner of electronic voting ("e-voting") along with Attendance Slip, Proxy Form and Route Map is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2022-23 and Notice of the 66th Annual General Meeting of the Company *inter-alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by the permitted mode.
16. Members may note that this Notice and Annual Report shall also be available on the Company's website at www.garwarehitechfilms.com, websites of the Stock Exchange where Company's shares are listed i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Ltd (NSE) at www.nseindia.com and Notice of the AGM is also available on the website of National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.
17. Voting through electronic means
- (a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time, the Company is pleased to provide members facility to exercise their right to vote at the 66th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- (b) The facility for voting through poll paper shall be made available at the venue of the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through poll paper.
- (c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period begins on Saturday, September 23, 2023 at 9:00 A.M. IST and ends on Tuesday, September 26, 2023 at 5:00 P.M. IST. During this period, members of the Company, holding shares, either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 20, 2023, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Wednesday, September 20, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- (e) A person who is not a member as on the cut-off date should treat this notice for information purpose only.

(f) The instructions for members for remote e-Voting are as under:

The remote e-voting period begins on Saturday, September 23, 2023 at 9:00 AM IST and ends on Tuesday, September 26, 2023 at 5:00 PM IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, September 20, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 20, 2023.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center;">   </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. |

| Type of shareholders | Login Method |
|--|--|
| | <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically on NSDL e-Voting system.**
- How to cast your vote electronically on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer@mgconsulting.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@garwarehitech.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@garwarehitech.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Wednesday, September 20, 2023.
6. M/s. Manish Ghia & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.
7. The Scrutinizer shall after the conclusion of voting at an AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and will make, not later than 48 hours of the conclusion of an AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, submit it to the Chairman of the Company or in his absence to a person authorised by him in writing, who shall counter sign the Scrutinizer's Report and shall declare the result forthwith.
8. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.garwarehitechfilms.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in this behalf.

The results shall also be uploaded on the BSE & NSE Portal.

18. Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Share Registrars and Transfer Agents to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to submit the details to the Company at cs@garwarehitech.com or Link Intime India Private Limited. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

Updation of PAN, KYC, and nomination details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated 16th March, 2023, in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details. As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the PAN, KYC, and nomination details were not available on or after 1st April, 2023, were to be frozen by the RTA and would be eligible for lodging grievance or any service request only after registering the required details. The said timeline of 1st April, 2023 for freezing of folios has been extended to 1st October, 2023.

Any payments including dividend in respect of such frozen folios shall only be made electronically with effect from 1st April, 2024, upon registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Prohibition of Benami Property Transactions Act, 1988 and/or Prevention of Money-Laundering Act, 2002, if they continue to remain frozen as on 31st December, 2025.

If a Shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, the Shareholder may submit the same in the prescribed form. Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before 30th September, 2023, failing which their trading accounts shall be frozen for trading and demat account shall be frozen for debits.

The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN, KYC, and nomination details. Accordingly, the members are advised to register their details with the RTA or DPs, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrance.

19. Issue of securities in dematerialised form

- a. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings.
- b. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated listed companies to issue securities only in dematerialised form while processing service requests viz, Issue of duplicate

securities certificate; Claim from unclaimed suspense account; Renewal/exchange of securities certificate; Endorsement; Sub-division/splitting of securities certificate; Consolidation of securities certificates/folios; Transmission; and Transposition.

20. Issue of securities in dematerialised form

- a. SEBI vide its notification dated 24th January, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, the members are advised to dematerialise their holdings.
- b. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated listed companies to issue securities only in dematerialised form while processing service requests viz, Issue of duplicate securities certificate; Claim from unclaimed suspense account; Renewal/exchange of securities certificate; Endorsement; Sub-division/splitting of securities certificate; Consolidation of securities certificates/folios; Transmission; and Transposition.

The manner and process of making application as per the aforesaid revised framework and operational guidelines thereto is available on the website of the RTA <https://www.linkintime.co.in/>

By order of the Board of Directors
For **Garware Hi-Tech Films Limited**

Awaneesh Srivastava
Company Secretary
(ICSI M. No. FCS 8513)

Place: Mumbai
Date: August 11, 2023

Registered Office:
Naigaon, Post Waluj,
Aurangabad – 431 133.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM 4:

Ratification of the remuneration of Cost Auditors:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. B.R Chandak and Co., Cost Accountant, to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2024.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration recommended by the Audit Committee under Rule 14 (a) (i) shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for approval of the remuneration of ₹ 3,05,000/- (Rupees Three Lakhs Five Thousand only) plus taxes and reimbursement of out-of-pocket expenses at actuals, if any, payable to the Cost Auditors, for the financial year ending March 31, 2024.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is / are in anyway concerned or interested, financially or otherwise, in this resolution.

ITEM 5:

Revision in tenure of Ms. Monika Garware (DIN: 00143400), as a Joint Managing Director of the Company.

Ms. Monika Garware (DIN: 00143400) was re-appointed as a Joint Managing Director of the Company for a period of 3 (Three) years from November 01, 2021 to October 31, 2024, by the members of the Company at the 64th Annual General Meeting (AGM) held on September 28, 2021 and the terms of her remuneration were approved by the members at the said AGM.

Based on the outcome of performance evaluation, recommendations of the Nomination and Remuneration Committee and experience and significant contributions made by Ms. Monika Garware (DIN: 00143400) towards the growth of the Company since her appointment as Joint Managing Director, the Nomination and Remuneration Committee at its meeting held on August 11, 2023 recommended to the Board to revise the tenure of Ms. Monika Garware (DIN: 00143400), as a Joint Managing Director of the Company upto October 31, 2026, (which is within the maximum permissible limit of five years as set out in the Section 196 of the Companies Act, 2013). Thereafter, the Board at its meeting held on August 11, 2023 approved the revision in tenure of Ms. Monika Garware (DIN: 00143400) as the Joint Managing Director for a further period upto October 31, 2026, in terms of the applicable provisions of the Act, subject to approval of Members at this Annual General Meeting.

Ms. Monika Garware has been associated with the Company since April 1989 and later on appointed as the Vice-Chairperson of the Company in the year 2002. She is graduated from Vasaar College, U.S.A. and subsequently completed her M.B.A. from Lubin Business School, Pace University, New York, U.S.A. She manages the finance vertical of the organization comprising of fund raising and fund management, audit, taxation, Capex and inventory management. Additionally, she monitors the 'Safety' and adherence to 'TPM', 'ISO' norms etc. She is also responsible for the business development and other strategic issues of the Company.

Ms. Monika Garware satisfies all the conditions as set out in Part I of Schedule V read with Section 197(11) of the Companies Act, 2013 for being eligible for revision in tenure as a Joint Managing Director of the Company. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Brief profile of Ms. Monika Garware along with other details as required in compliance with Schedule V of the Companies Act, 2013, Listing Regulations and Secretarial Standards issued by ICSI are provided in the "Annexure" to the Notice.

The draft agreement between the Company and Ms. Monika Garware, inter-alia, contains the following terms and conditions:

a) **Basic Salary:**

₹ 47,00,000/- per month from November 01, 2024. (With an annual increase of 10% per annum w.e.f. April 01, 2025 until the expiry of the term).

b) Perquisites & Allowances:

- i. She will be entitled to furnished housing accommodation, gas, electricity, water and furnishings and other perquisites such as reimbursement of medical expenses incurred for self and family, leave travel concession for self and family once in a year, club fees, personal accident insurance, provision of a car with driver, telephone at residence etc. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules. The aggregate value of the above perquisites shall be restricted to a maximum of 40% of Basic Salary. Ms. Monika Garware shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:
- ii. Encashment of leave at the end of her tenure.

c) Commission:

She will be paid commission, equivalent to the annual salary, in addition to salary and perquisites, based on the net profits of the Company in a particular year in accordance with the provisions of Sections 198 and such other applicable provisions, if any of the Companies Act, 2013.

- d) She will be entitled to leave on full remuneration as per the rules of the Company but not exceeding one month's leave for every 11 months of service.
- e) She will also be entitled to reimbursement of entertainment expenses actually incurred by her in the course of business of the Company.
- f) She will also be entitled to receive from the Company travelling, hotel and other expenses incurred by her in the performance of her duties on behalf of the Company.

In anticipation that during the term of employment of Ms. Monika Garware, the Company has no profits or the profits of the Company are inadequate in any financial year/s, in such case the above mentioned remuneration may be paid as and by way of minimum remuneration to Ms. Monika Garware, and in such cases remuneration may be in excess of the limits prescribed under Schedule V read with relevant provisions of Companies Act 2013, therefore the special resolution is proposed for the approval of the shareholders.

The draft agreement and the Resolution of the Annual General Meeting referred to in the Resolution under Item No. 5 of the notice will be open for inspection by the Members at the Registered Office of the Company during the office hours on all the working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting.

The Board of Directors are of the opinion that the revision in tenure and payment of remuneration as contained in this resolution to Ms. Monika Garware as Joint Managing Director is in the best interest of the Company and accordingly, recommend the Special Resolution as set out in Items No. 5 of this notice for approval of the members.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). This may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013.

Your Directors recommend this Special Resolution as set out at Item No. 5 of the Notice for approval of the members.

Ms. Monika Garware is interested in the resolution set out at Item No. 5. None of the Directors or Key Managerial Personnel of the Company

other than Dr. Shashikant B. Garware, Mrs. Sarita Garware Ramsay and Ms. Sonia Garware are deemed to be interested in this resolution.

ITEM 6:

Appointment of Mr. Mohan Sitaram Adsul (DIN: 00146752) as a Director in the category of Executive Director as a Whole- Time Director designated as Director – Technical.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company by passing a resolution on August 11, 2023, approved the appointment of Mr. Mohan Sitaram Adsul (DIN: 00146752) as an Additional Director in the category of Executive Director as a Whole- Time Director designated as Director – Technical of the Company for a period of 3 (Three) Years, on terms and conditions as specified in the resolution at Item no. 6 of the notice. The appointment of Mr. Mohan Sitaram Adsul (DIN: 00146752) and remuneration, fixed in accordance with Section 196, 197 198, 203 and Schedule V of the Companies Act, 2013 ("Act"), is subject to approval of the members of the Company.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a Member proposing candidature of Mr. Mohan Sitaram Adsul (DIN: 00146752) for the office of Director. The Company has received his consent to act as Whole-Time Director of the Company along with a declaration to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Companies Act, 2013 and has not been debarred or disqualified from being appointed or continuing as Director of a company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. Mr. Adsul satisfies all the conditions set out in Part-I of Schedule V to the Act and conditions set out under sub section (3) of Section 196 of the Act for being eligible for this appointment.

Section 196 of Companies Act 2013 states that, as an executive director who attains the age of 70 (Seventy) years, shall not continue his directorship as an executive director, unless such appointment is approved by the members by special resolution. Since Mr. Adsul will attain the age of 70 (Seventy) years during his terms as Whole Time Director, the approval of the members is sought for continuation of his term on attaining the age of 70 (seventy) years.

The draft agreement between the Company and Mr. Mohan Sitaram Adsul (DIN: 00146752), inter-alia, contains the following terms and conditions:

Mr. Mohan Sitaram Adsul

- a) Basic Salary:
₹ 6,00,000/- per month from the date of appointment.
- b) Perquisites & Allowances:

In addition to the salary, he will be entitled to Directors Allowance which shall not exceed ₹ 4,00,000/- per month, Other Allowances/ re-imbusement of expenses which shall not exceed ₹ 40,000/- per month, other perquisites in the form of a car with driver, reimbursement of petrol expenses, and telephone/mobile bills. The monetary value of the perquisites will be calculated in accordance with the Income Tax Rules, wherever applicable in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Encashment of leave at the end of his tenure, if applicable as per the policy of the Company.

- i. He shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration.
 - a) He will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.

- b) He will also be entitled to the reimbursement of traveling, hotel and other expenses incurred in performance of the duties on behalf of the Company.
- ii. This Agreement can be terminated by giving one month's Notice on either side.

In anticipation that during the term of his employment, the Company may have inadequacy of profits in any such financial year/s, in such case the remuneration mentioned in resolution paid / payable to him, would be more than the limits prescribed under Schedule V read with relevant provisions of Companies Act, 2013 therefore, the Special Resolution is proposed for the approval of the shareholders.

The brief profile of Mr. Mohan Sitaram Adsul (DIN: 00146752) along with other information as required in compliance with Schedule V of the Companies Act, 2013, Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Secretarial Standards are provided in the "Annexure" to this Notice.

He was associated with the Company from 1979 till October 2017. Mr. M. S. Adsul holds a B.Sc.-Tech. degree in Plastics from Bombay University and a DBM from Marathwada University.

Mr. Adsul, an experienced technical person in the field of Plastics, has helped the Company in accomplishing its desired goals. Under his technical guidance production and the quality of production has

improved substantially. Mr. Adsul is having very sound knowledge of commercial aspects of the Company's operations.

The draft agreement and the proposed members resolution of appointment of Mr. Mohan Sitaram Adsul (DIN: 00146752) referred to in the Resolution under Item no. 6 of the notice will be open for inspection by the Members at the Registered Office of the Company during the office hours on all the working days except Saturdays and Sundays.

This statement may also be regarded as an appropriate disclosure under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). This resolution may also be treated as an abstract of the draft agreement and the Memorandum of Interest of Directors therein pursuant to the provisions of Section 190 of the Companies Act, 2013.

The Board of Directors are of the opinion that the appointment and payment of remuneration as contained in this resolution to Mr. Mohan Sitaram Adsul (DIN: 00146752) as the Whole-Time Director is in the best interest of the Company and accordingly, recommend the Special Resolution as set out in Item No. 6 of this notice for approval of the members.

Mr. Mohan Sitaram Adsul is interested in the resolution set out at Item No.6 None of the Directors or Key Managerial Personnel of the Company are deemed to be interested in this resolution.

Annexure:

Statement as per Section II of Part II of Schedule V of the Companies Act, 2013 with reference to the Resolution at Item No. 5 and 6 of the Notice.

| I. General Information: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|------------|-------------|------------|------------|------------|----|------------------|----------|----------|--------|----|-------------------|--------|--------|--------|----|------------|--------|--------|--------|----|-----------------------|-------|-------|-------|----|--------------|---------|---------|----------|----|-----------------|-------|-------|-------|
| 1. Nature of Industry | Manufacturer of Polyester Films | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Date or expected date of commencement of commercial production | Existing Company which is in operation since 06/06/1957 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Financial performance based on given indicators | (₹ in lakhs) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Sr.</th> <th>Particulars</th> <th>FY 2022-23</th> <th>FY 2021-22</th> <th>FY 2020-21</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Turnover (Gross)</td> <td>1,31,124</td> <td>1,26,397</td> <td>96,039</td> </tr> <tr> <td>2.</td> <td>Profit Before Tax</td> <td>19,564</td> <td>22,259</td> <td>18,053</td> </tr> <tr> <td>3.</td> <td>Net Profit</td> <td>14,759</td> <td>16,021</td> <td>11,870</td> </tr> <tr> <td>4.</td> <td>Paid-up Share Capital</td> <td>2,323</td> <td>2,323</td> <td>2,323</td> </tr> <tr> <td>5.</td> <td>Other equity</td> <td>179,017</td> <td>166,466</td> <td>1,52,421</td> </tr> <tr> <td>6.</td> <td>Dividend Payout</td> <td>2,323</td> <td>2,323</td> <td>2,323</td> </tr> </tbody> </table> | Sr. | Particulars | FY 2022-23 | FY 2021-22 | FY 2020-21 | 1. | Turnover (Gross) | 1,31,124 | 1,26,397 | 96,039 | 2. | Profit Before Tax | 19,564 | 22,259 | 18,053 | 3. | Net Profit | 14,759 | 16,021 | 11,870 | 4. | Paid-up Share Capital | 2,323 | 2,323 | 2,323 | 5. | Other equity | 179,017 | 166,466 | 1,52,421 | 6. | Dividend Payout | 2,323 | 2,323 | 2,323 |
| Sr. | Particulars | FY 2022-23 | FY 2021-22 | FY 2020-21 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | Turnover (Gross) | 1,31,124 | 1,26,397 | 96,039 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Profit Before Tax | 19,564 | 22,259 | 18,053 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Net Profit | 14,759 | 16,021 | 11,870 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | Paid-up Share Capital | 2,323 | 2,323 | 2,323 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Other equity | 179,017 | 166,466 | 1,52,421 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | Dividend Payout | 2,323 | 2,323 | 2,323 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Foreign investments or collaborators, if any | NIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| II. Information about the appointee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. Name of the appointee | Ms. Monika Garware | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Background Details | <p>Ms. Monika Garware has graduated from Vasaar College, in U.S.A. and subsequently completed her M.B.A. degree from Lubin Business School, Pace University, New York, U.S.A. She manages the finance vertical of the organization comprising of fund raising and fund management, audit, taxation, Capex and inventory management.</p> <p>She has been associated with the Company as a Whole Time Director since April, 1989. The Board of Director elevated her to the position of Joint Managing Director w.e.f. July 01, 2003. Since then she has been effectively and efficiently discharging her duties and responsibilities to the Company.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Mr. Mohan Sitaram Adsul | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Mr. M. S. Adsul has been appointed as the Whole-time Director, designated as Director – Technical, subject to approval of the Members. He has been associated with the Company from 1979 till 2017. Mr. M. S. Adsul holds a B.Sc.-Tech. degree in Plastics from Bombay University and a DBM from Marathwada University. He has worked in the Company in various areas, including Research and Development, Production and Technical departments.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|----|---|---|--|
| 3. | Past Remuneration | ₹ 694.61 Lakhs | NIL |
| 4. | Recognition or awards | Nil | Nil |
| 5. | Job profile and his /her suitability | <p>Ms. Monika Garware is graduated from Vasaar College, in U.S.A. and subsequently completed her M.B.A. from Lubin Business School, Pace University, New York, U.S.A.</p> <p>She manages the finance vertical of the organization comprising of fund raising and fund management, audit, taxation, Capex and inventory management.</p> <p>Additionally, she monitors the 'Safety' and adherence to 'TPM', 'ISO' norms etc. She is also responsible for the business development and other strategic issues of the Company. She has been associated with the Company as a Whole Time Director since April, 1989.</p> | <p>Mr. M. S. Adsul is B.Sc. – Tech. in Plastics from Bombay University and DBM from Marathwada University. He was working with the Company from 1979 till 2017, in various departments such as Research and Development, production and Technical.</p> <p>Mr. M. S. Adsul has technical expertise and vast experience spanning over a period of more than 40 years.</p> <p>Mr. Mohan S. Adsul, an experienced technical person in the field of Plastics, who has helped the Company in accomplishing its desired goals, his technical guidance has helped in the production department to maintain and improve the quality of production.</p> <p>Mr. Adsul is having very sound knowledge of commercial aspects of the Company's operations.</p> <p>Current Roles & Responsibilities:</p> <ul style="list-style-type: none"> · Operations Head · Product & Process Quality, and · New Product Development |
| 6. | Remuneration proposed | Refer Explanatory Statement | Refer Explanatory Statement |
| 7. | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin): | Revised remuneration proposed to Ms. Monika Garware is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses. | The remuneration proposed to Mr. Mohan Sitaram Adsul is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and diverse nature of its businesses. |
| 8. | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | <p>Ms. Monika Garware is a Promoter-Director, holding 2,67,504 equity shares of ₹ 10/- each representing 1.15% of the total paid up capital of the Company. She holds 5,73,917 equity shares of ₹ 10/- each representing 2.47% of the total paid-up capital of the Company as a Trustee of Monika Garware Benefit Trust. She is also a trustee of S.B. Garware Family Trust.</p> <p>Dr. S. B. Garware, Chairman & Managing Director is the father of Ms. Monika Garware.</p> <p>Mrs. Sarita Garware Ramsay and Ms. Sonia Garware are sisters of Ms. Monika Garware.</p> | Apart from receiving remuneration Mr. Mohan Sitaram Adsul is not having any pecuniary relationship with the Company and he is not related to any managerial personnel. |

| | | |
|-------------------------------|---|--|
| III. Other information | | |
| 1. | Reasons of loss or inadequate profits | The Company has made adequate profit during the financial year 2022-23. The Company's future revenue and profits may be negatively impacted due to material adverse changes to the economic, business and other associated risks that are inherent to the operations of the Company. |
| 2. | Steps taken or proposed to be taken for improvement | The Company is earning profits and it would be endeavor of the management to increase profitability by focusing on cost control, introducing new products, exploring new markets etc. |
| 3. | Expected increase in productivity and profits in measurable terms | The management expects normal growth in operations and profitability in the coming years, subject to unforeseen circumstances. The Company is continuously taking steps to reduce costs and optimize the operations of the Company. It is difficult to quantify future projections in view of dynamic business situation. |

As required under Regulation 36(3) of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2) as laid down by The Institute of Company Secretaries of India, additional information relating to the particulars of Directors who are proposed to be appointed/re-appointed are given below.

Details of the Directors Seeking appointment

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with clause 1.2.5 of the Secretarial Standard-2]

| Name of the Director | Ms. Sonia Garware | Mr. Mohan Sitaram Adsul | Ms. Monika Garware |
|--|---|--|---|
| DIN No: | 00135995 | 00146752 | 00143400 |
| Date of Birth | 24/07/1971 | 01/06/1955 | 04/06/1963 |
| Age | 52 years | 68 years | 60 years |
| Date of Appointment on the Board | 31/01/2007 | 11/08/2023 | 31/03/1989 |
| Qualifications | M. B. A. from, Boston College USA. | B. Sc (Tech.) in Plastics & DBM | M.B.A from Lubin Business School, Pace University, New York, U.S.A |
| Experience / Nature of Expertise in specific functional areas | Wide experience in international sales and marketing, finance, business development, and strategy. | Wide experience in Product Development & Production | Wide experience in Business Finance, fund raising and fund management, audit, taxation, Capex. |
| Terms and Conditions of Appointment/ Re-appointment | Re-appointment as Director liable to retire by rotation. | Appointed as a Whole Director of the Company for a period of 3 (Three) years w.e.f. August 11, 2023, to August 10, 2026. | Revision in tenure of Ms. Monika Garware as a Joint Managing Director for a further period upto October 31, 2026. |
| Remuneration to be paid | Eligible for sitting fees | As per the Agreement of appointment | As per the Agreement of appointment |
| Remuneration last drawn | ₹ 0.80 Lakh as sitting fees | NIL | ₹ 694.61 Lakhs |
| Remuneration drawn from Subsidiary Company | ₹ 1023.58 Lakhs | NIL | NIL |
| Number of Meetings of the Board attended during the year | 4 out of 5 | NA | 5 out of 5 |
| Directorship(s) held in other public companies and listed companies along with listed entities from which the person has resigned in the past three years | NIL | NIL | NIL |
| Chairmanships/Memberships of Committees of other public companies (includes only Audit & Stakeholders Relationship Committee) | NIL | NIL | NIL |
| Disclosure of relationship with Directors and Key Managerial Personnel (KMP) inter-se | Daughter of Dr. Shashikant Garware and sister of Ms. Monika Garware and Mrs. Sarita Garware Ramsay. | Mr. Mohan Sitaram Adsul is not related to any Directors and Key Managerial Personnel of the Company. | Daughter of Dr. Shashikant Garware and sister of Mrs. Sarita Garware Ramsay and Ms. Sonia Garware |
| Shareholding in the Company as on 31/03/2023 | 2,68,595 | NIL | 2,67,504 |

By Order of the Board of Directors
For **Garware Hi-Tech Films Limited**

Awaneesh Srivastava
Company Secretary
(ICSI Membership No. FCS 8513)

Place: Mumbai
Date: August 11, 2023

DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2023

To the Members,

The Directors present the 66th Annual Report of Garware Hi-Tech Films Limited (the Company or GHFL) along with the Audited Financial Statement for the year ended March 31, 2023.

1) FINANCIAL RESULTS

(₹ in Crore)

| Particulars | Standalone | | Consolidated | |
|---|----------------|---------|----------------|---------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Financial Year | | | | |
| Operating Profit before interest & Depreciation | 242.64 | 267.81 | 269.35 | 277.49 |
| Less: Finance Cost | (15.31) | (17.15) | (16.99) | (18.24) |
| Depreciation | (31.69) | (28.07) | (32.41) | (28.19) |
| Profit before tax | 195.64 | 222.59 | 219.95 | 231.06 |
| Provision for Income Tax | (48.04) | (62.39) | (53.81) | (63.88) |
| Profit After Tax | 147.60 | 160.20 | 166.14 | 167.18 |
| Other Comprehensive income (Net of Tax) | 1.14 | 3.48 | 1.14 | 3.48 |
| Total Comprehensive Income | 148.74 | 163.68 | 167.28 | 170.66 |
| Opening balance in Retained Earnings | 702.86 | 568.50 | 724.46 | 583.12 |
| Closing Balance in Retained Earnings | 826.51 | 702.86 | 866.66 | 724.46 |

2) DIVIDEND

The Directors are pleased to recommend a Dividend of ₹ 10 per equity share of face value of ₹ 10/- each (100%) for the financial year ended March 31, 2023 on paid-up share capital of the Company.

The Dividend is subject to the approval of the Members at the 66th Annual General Meeting. The dividend of ₹ 10/- per equity share of ₹ 10/- each will amount to ₹ 23.23 crores.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The

Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is available on the Company's website at <https://www.garwarehitechfilms.com/investors/policies-of-company/>.

3) TRANSFER TO RESERVES

The Company do not propose to transfer any amount to General Reserve.

4) COMPANY'S PERFORMANCE

(₹ in Crore)

| Particulars | Standalone | | | Consolidated | | |
|--|-----------------|----------|--------|-----------------|----------|--------|
| | 2022-23 | 2021-22 | Change | 2022-23 | 2021-22 | Change |
| Revenue from Operation | 1,311.24 | 1,263.97 | 4% | 1,438.01 | 1,302.63 | 10% |
| Earnings before interest, tax, depreciation, and amortization (EBITDA) | 242.64 | 267.81 | -9% | 269.35 | 277.49 | -3% |
| Profit After Tax (PAT) | 147.60 | 160.20 | -8% | 166.14 | 167.18 | -1% |
| Total Comprehensive Income | 148.74 | 163.68 | -9% | 167.28 | 170.66 | -2% |
| Earnings per equity shares of ₹ 10 each | 63.53 | 68.96 | -8% | 71.51 | 71.96 | -1% |

5) STATE OF COMPANY'S AFFAIRS AND BUSINESS REVIEW

The details of the Company's affairs, including its operations are more specifically given in the Management Discussion and Analysis Report, which forms part of this Report.

6) SHARE CAPITAL

The paid-up Equity Share Capital as at March 31, 2023 stood at ₹ 23.23 Crore. During the year, there was no change in the Share Capital of the Company. The Company neither issued any shares nor has granted any Stock Options or any Sweat Equity Shares during the year.

7) MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There has been no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on March 31, 2023 to the date of this Report. There has been no change in the nature of business of the Company.

8) OPERATIONS

The Company's Standalone Profit before tax reduced by 8% on account of pressure on selling price of commodity products due to excess supply over demand in Domestic market. The recession in US economy and Russia-Ukraine war also impacted capacity utilization of laminated film.

9) FUTURE OUTLOOK

The Company successfully commenced the production of Laminated Sun control film during FY 2022-23. This will positively impact the Revenues and Profitability in coming years.

10) RESEARCH & DEVELOPMENT

Your Company's R&D Centre is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India for decades. Your Company is an aggressive leader in development of new products and new applications for BOPET Films and Solar Control Window Films, Lidding Films and Paint Protective Film (PPF) for Automobile.

The Company has introduced many Coated Products, like Antimicrobial PET film and Flame-Retardant PET film, solar back-sheet component films, Co Extruded Products, PETG Shrink Films for label applications with Low, Medium High Shrink film and Post-Consumer Recycled (PCR) shrink film. A wide range of high heat rejection films are introduced in the International Market. Lidding films for food grade packaging applications, Water Floatable shrink film for easy recycling of labels from PET container recycling eliminating possibility of label contamination to PET recycling.

The R&D team works hand-in-hand with production and marketing team to introduce and establish new products and to ensure proper Quality, Output, Cost and efficiency is achieved. The R&D also focused on cost reduction measures by introducing new methods in processes.

Functioning of R&D Centre

The R&D Centre is well equipped with qualified and experienced Technical experts and scientists with adequate lab and measuring equipment/s and pilot scale plant/s to develop application-oriented processes and product developments using the available R&D facility.

11) INFORMATION TECHNOLOGY

- The Company is using the latest ERP System after upgrading its Core ERP system to SAP S4HANA and achieved desired servers' system performance. The company is also planning for an upgrade of the latest SAP S4 HANA version level.
- The digital transformation projects like implementation of supply chain efficiency enhancement i.e., Vendor Portal, Safety system monitoring are in process.
- The company is in the process of implementation of solutions like Production and Process Planning tool, Management Analytics tool (SAC) and Dashboards, and Customer Portal are under progress.

- The Company has implemented advanced solutions with online meetings and video conferencing for multiple locations.
- The Company has implemented an online solution for accidents reporting and Safety actions tracking within factory premises and is effectively being used. The company also implemented an online vehicle tracking system for tracking vehicles' entry in the plant.
- The Company has implemented Online Warranty Management applications PPF and Film Products for global customers Warranty Tracking.
- The company has implemented an online Work permit system for the Safety of employees while performing Maintenance activities.
- The Company has completed Implementation of online solution for Contract Labor Management.
- The Company has upgraded its internet connectivity services at all locations for fast and effective communication and upgraded its Firewall System for Cyber security.
- The Company has upgraded all network equipment's and devices at Factory premises for internet connectivity.
- The Company has installed state of the art CCTV Monitoring and controlling system with centralized monitoring and recording of CCTV surveillance systems for all the production facilities and premises.
- The Company has implemented mobile Application digital applications for employee self-services, digital solutions for visitor's management
- The Company initiated Digitization of Security operations for online tracking.
- The Company has completed of Implementation of latest ITSM solution for IT support and system monitoring as a tool for faster IT services and SLA Monitoring.
- The Company is in the process of evaluating people and vehicle tracking systems within factory premises.
- The Company is in the process of preparation for implementation of ISO 27001 along with ITIL Framework for enhanced information security and IT service management.
- The Company is in the process of evaluating the Digitization of Plotter cutting Software which is under progress.
- The Company is in the process of Evaluating the requirement of IPD Warehouse Management system for FG Materials through RFID & SAP.
- The Company successfully implemented the Gate Pass system for the employee IN/OUT tracking.
- The Company is in the process of exploring the new Initiatives from the business side to enhance the technology towards Digitalization perspective.

12) AWARDS AND RECOGNITIONS

During the year, the Company won the JIPM TPM Excellence Award - Category 'A' in recognition of our outstanding performance and commitment to Total Productive Maintenance (TPM). As a part of the JIPM Award, we have received a plaque and 2 ceremony medals. JIPM TPM Excellence Award Ceremony was conducted on 21st March 2023 at the Kyoto International Conference Center, Japan

13) HUMAN RESOURCE DEVELOPMENT

Your Company Human resource team is well aligned with Company's Vision, Mission, Strategy, Goals & Objectives and has facilitated interventions to Build High Performance Organization by Strengthening our Competitiveness, Capacity, Competence & Culture. We strive to be the best in People Management & Community Engagement Practices within the Industry.

During the year, Company's Human Resources Team has proficiently worked upon various Talent Management Programs to Acquire, Develop & Retain the Right Talent. It has enabled us building strong chain of Leadership through Internal Succession Planning process and by onboarding competent leaders from similar as well as diverse domains.

Our Talent Development approach is holistic and covers Technical, Functional, Safety, Behavioral and Leadership Development Interventions. During the year we invested over 875 man-days in total with more focus on Experiential Learning like On-The-Job training, Health & Safety Mindset, Cross-Functional working exposure. Our Learning & Development strategy aim to remain Competitive in the context of our Products, Processes & People.

Our Culture & People Value System of "Caring, Sharing, Trust and Respect" was well reflected in various HR Interventions during the year. We encouraged open dialogue & communication across all levels of the organization and have fostered a Customer Oriented-Performance driven work environment. We empowered our people to apply innovation & creativity while delivering their best to the common goal. Rewards & Recognition from the Top Management has further enhanced the motivation & commitment level of employees to contribute their best.

This is reflected in our Retention Rate of 97.2% with Voluntary Attrition Rate of 2.8% during the year.

14) MANUFACTURING AND QUALITY INITIATIVES

The Company has adopted an integrated approach of Quality Management systems comprises of TQM, TPM, Lean and six sigma. The external professionals are also appointed to audit the effectiveness of the systems put in place. The quality culture of your Company ensures that the products are bench marked as best in class by the customers.

The upgradation of plant and machinery and expansion of Laminated film capacity helped Company to establish quality and improved reliability.

15) SUBSIDIARY COMPANIES

The Company has two subsidiaries as on March 31, 2023.

1. Garware Hi-Tech Films International Limited (Formerly known as Garware Polyester International Limited)
2. Global Hi-Tech Films Inc (Formerly known as Global Pet Films Inc)

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries (in Form AOC-1) is attached to the financial statements.

16) SAFETY, HEALTH & ENVIRONMENTAL PROTECTION

Being a Responsible Corporate Citizen, your Company has regularly undertaken various initiatives for the continual improvement in Health, Safety and Environment (HSE) at the works and surrounding areas.

Some of the prominent regular activities include—Safety audits of Thermic Fluid system and Electrical System by external expertise, HAZOP study of the process, Internal Safety survey of Plants, Field Safety round, monthly Safety review meetings, EMS review, training and periodical HSE inspections, schemes on the efficient usage of energy and the conservation of natural resources, activities for the enhancement of employee participation in HSE, emergency mock drills and the support in emergency management operations at public places. The safety performance is reviewed on monthly basis by the management safety committee involving all departments and their in charges. Various initiatives like provision of centralised fire detection, expansion of fire water network, provision of fire sprinkler systems, fire detection systems have been completed to deal with any emergency inside the plant. We have purchased a state of art fire tender for protection of our sun control division and a new fire station is set up which is manned round the clock. The centralised fire detection and alarm system connects all three fire stations and hence we have improved our response time for emergencies considerably. Various technological interventions like online incident reporting system, online safety observations systems have been put in place to increase visibility of safety efforts. The Company has been free from lost time incident for more than 1300 days as of now.

The Company has developed green belt (increased from 30% to 36% of open land) also developed in-house nursery to have sapling inhouse for new plantation.

The company has implemented extended producer responsibility (EPR) for plastic packing as per CPCB guideline.

The Company is a recipient of various safety laurels from the Regulatory Authorities at the National & State level (DG-FASALI) Govt. Of India and National Safety Council- Maharashtra Chapter as stated above during the year. Security system has been upgraded, like awareness training, evacuation drills to meet the new challenges. A central CCTV control room has been setup. New fire engines added in the fleet have enhanced the existing emergency preparedness. Our fire Engines have played a major role in maintaining safety and fighting fires in the local vicinity where the manufacturing plants are situated as an mutual aid agreements.

17) DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2023, the applicable Indian Accounting Standards have been followed and there are no material departures from the same.
- b) Accounting policies selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) Prepared the annual accounts on a 'going concern' basis;
- e) Internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively and
- f) Devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18) DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Appointment/Resignation/cessation of Director:

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on May 26, 2022 approved the appointment of Mrs. Sarita Garware Ramsay (DIN: 00136048), with effect from May 26, 2022 as an Additional Director and Joint Managing Director of the Company for a period of 3 (Three) years, subject to the approval of the members of the Company. Subsequently the members of the Company by passing a special resolution through postal ballot approved the appointment of Mrs. Sarita Garware Ramsay (DIN: 00136048) as Joint Managing Director of the Company for a period of 3 (Three) years.

During the financial year, Mr. Hemant Nikam (DIN: 07517849), Whole Time Director of the Company resigned from his directorship in the Company with effect from October 18, 2022. Mr. Nikam was the member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Vigil Mechanism Committee of the Board, consequent to his resignation he also ceased to be a member of these Committees.

Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on October 18, 2022 approved the appointment of Mr. Uday V. Joshi (DIN: 09753984) with effect from October 18, 2022 as an Additional Director and Whole-Time Director of the Company for a period of 1 (One) year, subject to the approval of the members of the Company. Subsequently the members of the Company by passing a special resolution through postal ballot approved the appointment of Mr. Uday V. Joshi (DIN: 09753984) as Whole-Time Director of the Company for a period of 1 (One) year.

B. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Ms. Sonia Garware, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

Her brief profile and other details as required under the Act and the Listing Regulations for her re-appointment as Director is provided in the Notes to the Notice of 66th Annual General Meeting of the Company.

C. Key Managerial Personnel:

The Company has complied with the requirements of having Key Managerial Personnel as per the provisions of Section 203 of the Companies Act, 2013.

Dr. S. B. Garware - Chairman & Managing Director, Ms. Monika Garware – Vice Chairperson & Jt. Managing Director, Mrs. Sarita Garware Ramsay - Joint Managing Director, Mr. Pradeep Mehta - Chief Financial Officer (CFO) and Mr. Awaneesh Srivastava - Company Secretary & Vice President (Legal), are the Key Managerial Personnel of the Company.

D. Independent Directors declaration:

Pursuant to the provisions of Section 149 of the Act, all the Independent Directors of the Company have submitted a declaration that each of them meets the criteria of

independence as per provisions of the Companies Act, 2013, rules there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and there has been no change in the circumstances which may affect their status as an Independent Directors during the year. In the opinion of the Board of Directors, all the Independent Directors fulfil the criteria of independence as provided under the Act, rules made there under and the Listing Regulations and that they are independent of the management.

None of the Directors of the Company are disqualified for being appointed as Directors as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

19) MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the FY 2022-23 and the gap between two consecutive board meetings was within the statutory limit. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Report.

20) PERFORMANCE EVALUATION OF BOARD

Pursuant to Regulation 17 of the Listing Regulations read with Schedule IV of the Act, a formal evaluation of Board's performance and that of its Committees and individual directors had been done. A structured questionnaire was prepared after taking into consideration of the various aspects of the Board functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. Said structured questionnaire performance evaluation forms were circulated to all the Directors. Based on feedback, an evaluation Report was prepared and forwarded to the Chairman and the respective Director to maintain the confidentiality of the Report.

The Independent Directors at their meeting held on February 10, 2023 evaluated performance of the Chairman, non-independent directors of the Company. The Directors expressed their satisfaction with the evaluation process.

The Board has carried out and completed the performance evaluation of all the Independent Directors. The performance evaluation of the Chairman and the Non-Independent Directors was also carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

21) UNCLAIMED DIVIDEND AND SHARES

The Company is in compliance with provisions of Section 125 of the Companies Act, 2013, along with relevant applicable rules and circulars issued there under from time to time by the Ministry of Corporate Affairs.

During the year the Company was not required to transfer any amount of dividend and shares with respect to said dividend, which have remained unpaid or unclaimed for a period of 7 (seven) years, to IEPF Authority.

22) POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the Directors' Report.

The said Policy of the Company, *inter alia*, provides that the Nomination and Remuneration Committee shall formulate the

criteria for appointment & re-appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations.

The Policy is also available on the website of the Company at www.garwarehitechfilms.com.

23) INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations and well documented procedures for various processes which are periodically reviewed for changes warranted due to business needs. The Internal Auditor continuously monitors the efficiency of the internal controls / compliance with the objective of providing to Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. This system of internal control facilitates effective compliance of Section 138 of the Act and the Listing Regulations.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee. The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system with reference to the Financial Statement. Based on the report of internal auditor, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

24) COMMITTEES OF THE BOARD

The Board of Directors of the Company had constituted various Committees and approved their terms of reference / role in compliance with the provisions of the Companies Act, 2013 and Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Vigil Mechanism Committee and Risk Management Committee. The members of the Audit Committee are financial literate and have experience in financial management. The composition of the Committees as given in the Corporate Governance Report is in accordance with applicable provisions of the Companies Act, 2013, Rules thereunder and Listing Regulations.

25) AUDITORS AND THEIR REPORTS

A. Statutory Auditors

The members of the Company have appointed M/s. Manubhai & Shah LLP (FRN: 106041W/W100136), Chartered Accountants, as the Statutory Auditors of the Company for a period of 5 years, until the conclusion of the 67th Annual General Meeting of the Company.

Further, the members of the Company have appointed M/s. Kirtane & Pandit LLP (FRN: 105215W/W100057), Chartered Accountants, as a Joint Statutory Auditors of the Company for a period of 3 years, until the conclusion of 68th Annual General Meeting of the Company.

The Auditor's Report on the Standalone and Consolidated Financial Statements of the Company for the Financial Year 2022-23 as submitted by the Statutory Auditors of the Company

did not contain any qualifications, reservation, adverse remarks or disclaimer. The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Company or to the Central Government.

B. Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and on the recommendation of the Audit Committee M/s. Deloitte Touche Tohmatsu India, LLP, Chartered Accountants were appointed as Internal Auditors of the Company.

C. Cost Auditor

As per the requirement of central government and pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out the audit of cost records.

M/s. M. R. Pandit & Co., Cost Accountants, Aurangabad was appointed as cost auditors to audit the cost accounts of the Company for financial year 2022-23.

D. Secretarial Auditor

Pursuant to Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has obtained the Secretarial Audit Report for the financial year ended March 31, 2023 from M/s. Nilesh Shah & Associates, Practising Company Secretaries, Mumbai and it is annexed as "Annexure IV" to this Report.

During the financial year 2022-23 the Secretarial Auditors had not reported any matter u/s 143(12) of the Act, therefore no details are required to be disclosed u/s 134(3) (ca) of the Act.

The secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

During the year 2022-23, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

26) RISK MANAGEMENT

The Board of Directors of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Board has laid down a Risk Management Policy and has also established a dedicated Risk Management Committee, governed by the Board of Directors, to make persistent efforts for identifying various types of risks, laying mitigation measures, monitoring, and defining future action plan. The audit committee has additional oversight in the area of financial risks and controls. Geo-political situations like the Russia Ukraine war have further forced global businesses to revisit their operations, delivery, supply chains and contractual aspects. Operating in an uncertain and ever-changing environment, our Company's robust enterprise risk management framework aids in ensuring the strategic objectives are achieved. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

27) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

28) RELATED PARTY TRANSACTIONS ('RPTS')

All the transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Audit Committee had given omnibus approval for the transactions (which are repetitive in nature) and the same were reviewed and approved by the Board. In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at <https://www.garwarehitechfilms.com/investors/policies-of-company/>

There were no material significant transactions with related parties during the financial year 2022-23 which were in conflict with the interest of the Company. The Directors would like to draw attention of the members to Note No.30 to the financial statement which sets out related party disclosure.

Pursuant to the provision of Section 134(3)(h) of the Companies Act, 2013, Form AOC-2 is not applicable to the Company.

29) CORPORATE SOCIAL RESPONSIBILITY

The expenditure on Corporate Social Responsibility (CSR) incurred by your Company during the financial year 2022-23 was ₹ 330.00 Lakh (around 2 % of the average net profits of last three financial years) on CSR activities that does not include the expenses made on the activities carried out by the Garware Community Center and Garware Bal Bhawan. The detailed report on the CSR activities is annexed as "Annexure I" and forms part of this Report.

The CSR initiatives of your Company were under the thrust areas of health & hygiene, education, old age home for disabled people and Rehabilitation of Distressed / Depressed people.

The constitution of the CSR Committee and its terms of reference are more particularly stated in the Corporate Governance Report which forms a part of this Report. CSR Policy of the Company is available on the website of the Company at www.garwarehitechfilms.com

30) ANNUAL RETURN

As per provisions of Section 92 (3) and 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the copy of the Annual Return in the Form MGT-7 is hosted on website of your Company at: <https://www.garwarehitechfilms.com/investors/>

31) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

During the year, 2 Directors & 2 Employees were in receipt of remuneration of ₹ 1.02 Crore per annum or more amounting to ₹ 1391.01 Crore out of which two directors were relative(s) of Dr. S. B. Garware Chairman & Managing Director of the Company. During the year, the Company had 852 (Previous Year 884) permanent employees. The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023 is given in a separate "Annexure II" to this Report.

32) PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year under review, there were no cases filed and there were NIL Complaint received. The Company has constituted the Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has zero tolerance towards sexual harassment at workplace and has adopted a policy to abide by letter and spirit requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has Internal Complaints Committee (ICC) to redress the complaints of sexual harassment. During the year, Company has not received any complaint of sexual harassment.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

| | |
|--|-----|
| Number of complaints filed during the financial year | Nil |
| Number of complaints disposed of during the financial year | Nil |
| Number of complaints pending as on end of the financial year | Nil |

33) CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

The Company has implemented procedures and adopted practices in conformity with the code of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company has implemented Code of Conduct for all its Executive Directors and Senior Management Personnel, Non-Executive Non-Independent Directors and Independent Directors, who have affirmed compliance thereto. The said Codes of Conduct have been posted on the website of the Company. The Management Discussion and Analysis Report and Corporate Governance Report, appearing elsewhere in this Annual Report forms part of the Board's Report. A certificate from the Practising Company Secretary of the Company certifying the compliance of conditions of Corporate Governance is also annexed hereto.

34) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing regulations, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. No complaints were received under whistle blower mechanism during the year under review.

The Policy on vigil mechanism and whistle blower policy is available on the Company's website at the <https://www.garwarehitechfilms.com/investors/policies-of-company/>.

35) DEPOSITS / LOANS FROM DIRECTORS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet. Further, your Company has not accepted any deposit or any loan from the directors during the year under review.

36) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in "Annexure III" to this Report.

37) SIGNIFICANT AND MATERIAL ORDERS

During the year under review, no significant / material orders were passed by the regulators or the Courts or the Tribunals impacting the going concern status and the Company's operations in future.

38) BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Business Responsibility and Sustainability Report is attached and is a part of this Annual Report as set out in "Annexure V" of this report.

39) INDUSTRIAL RELATIONS

The relations between the Employees and the Management remained cordial during the year under review. The Directors wish to place on record their appreciation of the contribution made by the Employees at all levels.

Harmonious Industrial Relations has always been a key strength of our organization.

Open Communication Policy has given a voice to every single employee to express up to the level of Top Management.

Respect to diversified categories of workforce, uniformity in welfare interventions and one to one connect between employees with their managers has been instrumental in providing Happy, Inclusive & Harmonious work environment to our people.

40) NODAL OFFICER

The Company has appointed Mr. Awaneesh Srivastava, Company Secretary as the Nodal Officer for the purpose of

verification of claims filed with the IEPF Authority in terms of IEPF Rules and for co-ordination with the IEPF Authority. The said details are also available on the website of the Company www.garwarehitechfilms.com

41) THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

42) THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

43) ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the wholehearted co-operation received by the Company from the various departments of the Central & State Governments, Company's Bankers and Financial & Investment Institutions during the period under review.

For and on behalf of the Board of Directors
Dr. S. B. GARWARE
Chairman & Managing Director
DIN: 00943822

Place: Mumbai
Date: May 26, 2023

THE ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

Corporate social responsibility of the Company is aligned with 'Garware' tradition of creating wealth in the community with focus on Art, Culture, Sports, health, education and safety.

The management believes in the famous saying that, 'If you want to walk fast, walk alone. But if you want to walk far, walk together'.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|----------------------|--|--|--|
| 1. | Mr. M.C Agarwal | Chairman of the Committee / Independent Director | 2 | 2 |
| 2. | Mr. Nilesh Doshi | Member/ Independent Director | 2 | 2 |
| 3. | Mr. Hemant Nikam* | Member/ Executive Director | 2 | 1 |
| 4. | Mr. Uday V. Joshi ** | Member/ Executive Director | 2 | 1 |

* Mr. H. N. Nikam ceased as member of the Committee w.e.f. October 18, 2022.

** Mr. Uday V. Joshi appointed as member of the Committee w.e.f. October 18, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

<https://www.garwarehitechfilms.com>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

- Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

- NIL

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Lakhs) | Amount required to be set-off for the financial year, if any (in Lakhs) |
|---------|----------------|--|---|
| NIL | | | |

6. Average net profit of the Company as per section 135(5): ₹ 16,495.08 Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 329.90 Lakhs round off ₹ 330.00 Lakhs.

(b) Surplus arising out of the CSR projects, programmes, or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 329.90 Lakhs round off ₹ 330.00 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Lakhs) | Amount Unspent (in ₹) | | | | |
|--|--|------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer | Name of the Fund | Amount. | Date of transfer. |
| 330.00 | - | - | - | - | - |

(a) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|---------------------|--|---------------------|-------------------------|----------|------------------|---|---|--|---|--|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation - Direct (Yes/ No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number. |
| NIL | | | | | | | | | | | | |

(b) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------------|---|--|----------------------|--------------------------|-------------------------------|--|---|---|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in ₹ Lakhs). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | |
| | | | | State | District | | | Name. | CSR registration number. |
| 1. | Promoting Health Care Measures for deprived section of society. | Health | Yes | Maharashtra | Aurangabad, Mumbai and Sangli | 16.50 | No | Garware Charitable Trust | - |
| 2. | Promoting education, including special education and employment enhancing vocation skills | Education | | | | 21.00 | No | | CSR00001976 |
| 3. | Promotion of gender equality, women empowerment and support to old age homes | Welfare | | | | 292.50 | No | | |
| Total | | | | | | 330.00 | | | |

(c) Amount spent in Administrative Overheads: NIL

(d) Amount spent on Impact Assessment, if applicable: Not Applicable

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 330.00 Lakhs

(f) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Lakhs) |
|---------|---|-------------------|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 330.00 |
| (ii) | Total amount spent for the Financial Year | 330.00 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.00 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 0.00 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 0.00 |

(g) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|---------------------------|--|---|--|---------------|------------------|--|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1. | Not Applicable | | | | | | |

(h) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|----------------|---------------------|---|------------------|---|--|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project - Completed / Ongoing |
| 1 | Not Applicable | | | | | | | |

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: – Not Applicable

(Asset-wise details)

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):- Not Applicable

Place: Mumbai
Date: May 26, 2023

Dr. S.B. Garware
Chairman and Managing Director
DIN: 00943822

Dr. M.C. Agarwal
Chairman of CSR Committee
DIN: 02595878

**Information required under Section 197 of the Companies Act, 2013 read with Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

PART A

A. Ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the Financial Year 2022-23 are as follows

| Name of Director(s) | Designation / Category | Total Remuneration ₹ in Lakhs (p.a.) | Ratio of remuneration of director to the Median remuneration |
|----------------------------|---|--------------------------------------|--|
| Dr. S. B. Garware | Chairman and Managing Director | 722.69 | 135.84 |
| Ms. Monika Garware | Vice Chairperson & Jt. Managing Director | 694.61 | 130.57 |
| Mrs. Sarita Garware Ramsay | Jt. Managing Director (Appointed w.e.f. 26/05/2022) | 462.08 | 86.86 |
| Ms. Sonia Garware | Non-Executive & Non-Independent | 0.80 | 0.15 |
| Mr. Ramesh P. Makhija | Non-Executive & Independent Director | 1.50 | 0.28 |
| Dr. M. C. Agarwal | Non-Executive & Independent Director | 2.63 | 0.49 |
| Mr. T. M. Parikh | Non-Executive & Independent Director | 1.95 | 0.37 |
| Mr. Nilesh R. Doshi | Non-Executive & Independent Director | 1.75 | 0.33 |
| Mr. H.N.Nikam | Whole-Time Director (Resigned w.e.f.18/10/2022) | 26.38 | 4.96 |
| Mr. U.V.Joshi | Whole-Time Director (Appointed w.e.f.18/10/2022) | 27.45 | 5.16 |
| Ms. Devanshi Nanavati | Non-Executive & Independent Director | 1.20 | 0.23 |
| Mr. Vivekanand H. Kamath | Non-Executive & Independent Director | 1.55 | 0.29 |

Median remuneration of the Company for all its employees is ₹ 5.32 Lakhs p.a. for the Financial Year 2022-23.

B. Details of percentage increase in the remuneration of Executive Directors, Chief Financial Officer and Company Secretary in the financial year 2022-23 are as follows

| Name | Designation / Category | Remuneration ₹ In Lakhs | | Increase (in%) |
|----------------------------|---|-------------------------|----------------|----------------|
| | | 2022-23 | 2021-22 | |
| Dr. S. B. Garware | Chairman and Managing Director | 722.69 | 880.57 | (17.93) |
| Ms. Monika Garware | Vice Chairperson & Jt. Managing Director | 694.61 | 700.68 | (0.87) |
| Mrs. Sarita Garware Ramsay | Jt. Managing Director (Appointed w.e.f. 26/05/2022) | 462.08 | 525.67 | # |
| Ms. Sonia Garware | Non-Executive & Non-Independent | 0.80 | 0.60 | 33.33 |
| Mr. Ramesh P. Makhija | Non-Executive & Independent Director | 1.50 | 0.40 | 275.00 |
| Dr. M. C. Agarwal | Non-Executive & Independent Director | 2.63 | 2.28 | 15.13 |
| Mr. T. M. Parikh | Non-Executive & Independent Director | 1.95 | 1.65 | 18.18 |
| Mr. Nilesh R. Doshi | Non-Executive & Independent Director | 1.75 | 1.50 | 16.67 |
| Ms. Devanshi Nanavati | Non-Executive & Independent Director | 1.20 | 1.00 | 20.00 |
| Mr. Vivekanand H. Kamath | Non-Executive & Independent Director | 1.55 | 1.05 | 47.62 |
| Mr. H.N.Nikam | Whole-Time Director (Resigned w.e.f.18/10/2022) | 26.38 | 10.34 | # |
| Mr. U.V.Joshi | Whole-Time Director (Appointed w.e.f.18/10/2022) | 27.45 | Not Applicable | # |
| Mr. Awaneesh Srivastava | Company Secretary | 87.88 | 73.92 | 18.89 |
| Mr. Pradeep Mehta | Chief Financial Officer | 74.20 | 75.10 | (1.20) |

since the remuneration is only for part of the year so % increase in remuneration is not comparable and hence not stated.

C. Percentage increase in the median remuneration of all employees in the Financial Year 2022-23

| Particulars | 2022-23 | 2021-22 | Increase (in%) |
|--|---------|---------|----------------|
| Median remuneration of all employees per annum | 5.32 | 4.92 | 8.13 |

D. The number of permanent employees on the rolls of the Company: 852

E. The explanation on the relationship between average increase in remuneration and Company's performance:

Garware's reward principles are influenced by individual performance as well as various factors such as competitive market practices, cost considerations and of course, the business results achieved. The final salary increases that are made depend on the Company's market competitiveness within this comparator group, while at the same time taking into account the performance of the Company as well that of the concerned individual. The Company is committed to pay for performance culture which endeavors to differentiate pay levels on an individual performance basis. The salary increases that were made during the year were in line with both the Company's performance as well as the Company's market competitiveness.

F. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: Total Remuneration to Key Managerial Personnel (KMP) for the year 2022-23.

| | |
|---|------------|
| Total Revenue (₹ in Lakhs) | 135,160.89 |
| Total Remuneration of KMP as % to Revenue | 1.55% |
| Profit Before Tax (PBT) (₹ in Lakhs) | 19,563.62 |
| Total Remuneration of KMP as % of PBT | 10.71% |

- Variations in the market capitalisation of the Company: The market capitalization of the company as at the closing date of the current financial year and previous financial year has decreased by 24.96 %.
- Earnings per Share: ₹ 63.53 per Share on 31st March, 2023 and ₹ 68.96 per Share on 31st March, 2022.
- Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The closing share price of the Company at BSE Limited on 31st March, 2023 being ₹ 523.15 per equity share of face value of ₹ 10 each has gone up by 451% since the last Right issue by the Company, which was made in the year December 1995.

G. Comparison of average percentage increase in salary of employees other than key managerial personnel and the percentage increase in the key managerial remuneration:

| Particulars | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs | Increase (Decrease) % |
|--|-----------------------|-----------------------|--------------------------|
| Salary of all employee (other than Key Managerial Personnel) | 7,921.31 | 7,986.69 | (0.82) |
| Key Managerial Personnel | | | |
| Salary of MD, Jt.MD & Whole Time Director | 1,933.21 | 2,288.72 | (15.53) (*,#) |
| Salary of CFO & CS | 162.08 | 149.02 | 8.76 |

The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

*This includes Commission also.

Since the remuneration is only for part of the year so % increase in remuneration is not comparable.

H. Key parameters for the variable component of remuneration paid to the Directors:

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

I. There are no employees of the Company who receive remuneration in excess of the highest paid Director of your Company.

J. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of your Company: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of your Company.

PART B.

The statement containing 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 part of this report. The Annual Report is being sent to all the Members of the Company excluding the aforesaid statement. Any Member interested in obtaining a copy of the same may write to the Company Secretary and same will be provided free of cost to the Member.

A. CONSERVATION OF ENERGY

Your Company always focuses on energy conservation and also strives to improve efficiency. Studies are conducted on regular basis to analyze quantitative energy consumption pattern and to find ways and means to improve efficiency.

We have executed a modernization program and carried out upgradation of the critical equipment in plant. This will ensure uninterrupted service and efficient operations.

Following successful energy conservation efforts were made during the period under review-

Waluj Complex:

- Reduction in change over time in resin preparation process.
- Provision of interlocks to Chips conveying blower for 100 Mt Silos
- Replacement of conventional light by energy efficient LED lights
- Reduction in motor power consumption at line 4 by speed optimization (C1, C2, & CX5 TDO Blower)

Chikalhana complex:

- Optimization of electrical power consumption for conveying recycled chips to line -2 feeding system.
- Optimization of Chiller System in Chikalhana Plant

The above efforts / installation resulted annual energy saving of Approx. Rs.122 Lakhs per annum.

B. TECHNOLOGY ABSORPTION- RESEARCH AND DEVELOPMENT (R & D)

Company's R&D Centre is accredited by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, and is engaged in research on new applications and development of new products, improvement of manufacturing processes and debottlenecking activities. Your Company's thrust on R&D activities has paid rich dividends.

1. Specific areas in which R & D carried out by the Company.

- a. Development of Floatable shrink film for easy recycling of PET containers.
- b. Establishment of solid white shrink film for photosensitive content protection inside the containers.
- c. Lidding film with barrier properties like Metallized film with seal and peelable for food grade application.

2. Benefit derived as result of the above R & D

Value added products developed and production costs reduced.

3. Expenditure on R & D / Product Development

(₹ in Lakhs)

| Expenditure on R & D / Product Development | Amount |
|--|--------|
| Capital (Excl. CWIP) | 0.00 |
| Recurring | 316.62 |
| Total | 316.62 |

Total R & D expenditure as a percentage to total turnover **0.24%**

4. Technology absorption, adaptation and innovation

1 Efforts made towards technology absorption, adaptation, and innovation:

- a) Establishment of floatable shrink film on Production line.
- b) In-house developed formulation for floatable shrink film.

2. Benefits derived as a result of above efforts.

Cost effective, value added products developed and established.

3. Technology imported during the last five years: Nil

(A) FOREIGN EXCHANGE EARNINGS AND OUTGO:

I. Activities relating to exports, initiatives taken to increase export markets for products and services and export plans.

- 1. The export marketing activities are being consolidated to maintain the share of exports in total production. New markets are being explored.
- 2. Constant endeavor is being made to establish the products in specific overseas regional markets and to accomplish the same, individuals with knowledge and experience of these markets are appointed to service the customers.
- 3. The Company has established outfits for sales, marketing and customer support in USA and UK.

II. Total Foreign Exchange used and earned

| | | (₹ in Crores) |
|--------------------|---|---------------|
| Used | : | 203.83 |
| Earned (FOB Basis) | : | 806.98 |

Place: Mumbai
Date: May 26, 2023

For and on behalf of the Board of Directors

Dr. S. B. GARWARE
Chairman & Managing Director
DIN: 00943822

Annexure IV

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[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 Board of Directors,
GARWARE HI-TECH FILMS LIMITED
(Formerly known as Garware Polyester Limited)
Naigaon, Post Waluj,
Aurangabad-431133.

Dear Sir / Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by “**GARWARE HI-TECH FILMS LIMITED**” (Formerly known as Garware Polyester 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, Minutes Books, Forms and Returns filed with regulatory authorities 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 financial year ended 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place, to the extent and subject to the reporting made hereinafter.

We further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records including website is the responsibility of management of the Company including of the Key Managerial Personnel's (KMP) and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us either in Physical form or in electronic form, for the financial year ended 31st March, 2023, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (to the extent applicable to the Company);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under restricted to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended till date:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (As amended till date);

- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (As amended till date);
- (c) 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;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- (vi) As we have been given to understand that considering activities, there is no specific regulator subject to whose approval company can carry on / continue business operations. However, we have taken verbal confirmation and in-principally verified systems and mechanism which is in place and followed by the Company to ensure Compliance of other applicable Laws (in addition to the above mentioned Laws (i to v) viz. Industrial Law, Labor Laws, Tax Laws as applicable to the Company) and we have also relied on the representation made by the Company and its Officers (KMP) in respect of systems and mechanism formed / followed by the Company, compliance reminder/ compliance identification software maintained at factory premises, which reminds to ensure for due dates of compliances of other applicable Acts, including Industrial and Labour Laws and Regulations and found the satisfactory operation of the same.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) as issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations/ Guidelines as covered under MR-3, since no event occurred which attract compliances of the said Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (d) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards etc. mentioned above. We have not found any other material observation/instances of non-compliance in respect of the same. The Observations for scope of improvement has been provided separately.

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 as on 31st March, 2023. We also report that adequate notice was given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance and a reasonable system exists for Board Members for seeking and

obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

'ANNEXURE A'

Based on review of Minutes, we herewith observe that majority decision is carried through and proper system is in place which facilitates/ ensure to capture and record, the dissenting member's views, if any, as part of the minutes.

Based on the representation made by the Company and its Officers (KMP) explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in place including software maintained at factory premises which reminds applicable due dates of the compliances applicable to the Company which is 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 following event occurred during the year:

- A. Postal Ballot Process for Appointment of Mrs. Sarita Garware Ramsay as Whole-Time-Director (Executive Director) designated at Joint Managing Director for a period of 3 years with effect from 26th May, 2022 to 25th May, 2025.
- B. Process of Postal Ballot for considering Appointment of Mr. Uday Vasantrao Joshi as Whole-Time-Director (Executive Director) for a term of 1 year with effect from 18th October, 2022.
- C. Resignation of Mr. Hemant Nikam, Whole-Time-Director with effect from 18th October, 2022.
- D. Receipt of communication from the Registrar of Companies (ROC), Mumbai, under the Companies Act, 2013 inviting certain information from the Company on 15th December, 2022, which was duly replied by the Company on 31st January, 2023.
- E. The Company has issued warning letter to an employee for inadvertent violation of code of conduct of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the company has intimated to the Stock Exchange for the same in compliance with the Regulation.

Save and except the same, the Company has not undertaken any major event / action having a material bearing on the Company's statutory compliance and affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Note.: This Report is to be read along with attached Letter provided as "Annexure - A".

Date:- May 26, 2023
Place:- Mumbai
UDIN: F0045546000388982

For Nilesh Shah & Associates
Company Secretaries

Nilesh Shah
Partner
FCS: 4554
C.P.: 2631
Peer Review No. 698/2020

To
The Members,
GARWARE HI-TECH FILMS LIMITED
(Formerly known as Garware Polyester Limited)
Naigaon, Post Waluj,
Aurangabad-431133

Dear Sir / Madam,

Sub.: Our Report of even date is to be read along with this letter;

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

1. Maintenance of secretarial records is the responsibility of the management of the Company including Directors and KMP. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes which were appropriate to obtain reasonable assurance about correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records made available to us) and also in the form of digital database to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified correctness and appropriateness of financial records and Books of Accounts of the Company for which we rely on the observation of Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events and suggested scope of improvement etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date:- May 26, 2023
Place:- Mumbai
UDIN: F0045546000388982

For Nilesh Shah & Associates
Company Secretaries

Nilesh Shah
Partner
FCS: 4554
C.P.: 2631
Peer Review No. 698/2020

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

| 1. | Corporate Identity Number (CIN) of the Listed Entity | L10889MH1957PLC010889 | | | | | | | |
|----------------------|---|---|--|----------------------|------------|-----|------------|-----|--------|
| 2. | Name of the Listed Entity | Garware Hi-Tech Films Limited | | | | | | | |
| 3. | Year of incorporation | 1957 | | | | | | | |
| 4. | Registered office address | Naigaon, Post, Waluj Aurangabad, Maharashtra 431133, India | | | | | | | |
| 5. | Corporate address | Garware House, 50-A, Swami Nityanand Marg, Vile Parle (East), Mumbai-400057, India | | | | | | | |
| 6. | E-mail | cs@garwarehitech.com | | | | | | | |
| 7. | Telephone | 0240-2554427 – 4430 | | | | | | | |
| 8. | Website | https://www.garwarehitechfilms.com | | | | | | | |
| 9. | Financial year for which reporting is being done | 2022-2023 | | | | | | | |
| 10. | Name of the Stock Exchange(s) where shares are listed | <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Name of the Exchange</th> <th style="text-align: left;">Stock Code</th> </tr> </thead> <tbody> <tr> <td>NSE</td> <td>GRWRHITECH</td> </tr> <tr> <td>BSE</td> <td>500655</td> </tr> </tbody> </table> | | Name of the Exchange | Stock Code | NSE | GRWRHITECH | BSE | 500655 |
| Name of the Exchange | Stock Code | | | | | | | | |
| NSE | GRWRHITECH | | | | | | | | |
| BSE | 500655 | | | | | | | | |
| 11. | Paid-up Capital | INR 23,23,23,940 | | | | | | | |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Awaneesh Srivastava Company Secretary and Vice President- Legal Contact- +91 022 66988131 | | | | | | | |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosures under this report are made on standalone basis for Garware Hi-Tech Films Limited. (GHFL) | | | | | | | |

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|--|-----------------------------|
| | Manufacturing of Poly films | Comprises Polyester film manufacturing | 100% |

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|-----------------------------|----------|---------------------------------|
| 1. | Manufacturing of Poly films | 3131 | 100% |

III. Operations

16. Number of locations where plants and/or operations/ offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 3 | 2 | 5 |
| International | 0 | 2* | 2 |

* US & UK has one office each

17. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 30 |
| International (No. of Countries) | 90+ |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

70%

c. A brief on types of customers

The Company presents an extensive array of products catering to both direct customers and industries. Among our consumer offerings are solar control films, paint protection films, architectural and decorative films, and safety films. On the industrial front, we provide shrink films, low oligomer films, liners, packaging films, thermal lamination, metallised films and more

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------------|-------------|-------------|--------------|----------|--------------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 547 | 540 | 98.8% | 7 | 1.27% |
| 2. | Other than Permanent (E) | 23 | 23 | 100% | Nil | Nil |
| 3. | Total employees (D + E) | 570 | 563 | 98.8% | 7 | 1.21% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 305 | 305 | 100% | Nil | |
| 5. | Other than Permanent (G) | 931 | 931 | 100% | | |
| 6. | Total workers (F + G) | 1236 | 1236 | 100% | | |

b. Differently abled Employees and workers:

| Sl. No | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|---|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | Nil. The Company presently does not have any disabled employee as defined under the Disabilities Act, 2016. | | | | |
| 2. | Other than Permanent (E) | | | | | |
| 3. | Total differently abled employees (D + E) | | | | | |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | Nil. The Company presently does not have any disabled worker as defined under the Disabilities Act, 2016. | | | | |
| 5. | Other than permanent (G) | | | | | |
| 6. | Total differently abled workers (F + G) | | | | | |

19. Participation/Inclusion/Representation of women*

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 11 | 4 | 36.37 |
| Key Management Personnel | 3 | 0 | 0.00 |

*As per the definition of Section 203 of Companies Act, 2013.

20. Turnover rate for permanent employees and workers

| | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | |
|----------------------------|------------|--------|-------|------------|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 14.11 | 13.33 | 13.72 | 13.01 | 26.67 | 19.84 | Data not available for FY (Financial Year) 2020-21 | | |
| Permanent Workers | 8.14 | 0 | 4.70 | 4.65 | 0 | 2.32 | | | |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

| S. No. | Name of the holding/ Subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % Of shares held by listed entity | Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|---|
| 1. | Garware Hi-Tech Films International Limited Unit 1.05,1.06, The Plaza, 535, Kings Road, London - SW10 0SZ. | Subsidiary | 100 | No |
| 2.* | Global Hi-Tech Films Inc. 101, Lake Forest Blvd. Suite 410, Gaithersburg MD, 20877, U.S.A. | Subsidiary | * | No |

*Global Hi-Tech Films Inc. is a step down subsidiary.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover– ₹ 1,31,123.58 lakhs

(iii) Net worth– ₹ 1,81,339.95 lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 | | | FY 2021-22 | | |
|---|--|---|--|---------|---|--|---------|
| | | Number of complaints filed during theyear | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during theyear | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Nil | Nil | | | | | |
| Investors (Other than shareholders) | NA | | | | | | |
| Shareholders | The Company has empowered a Board-level Stakeholders Relationship Committee ("SRC") to examine and redress complaints by shareholders. | | | | | | |
| Employees and workers | Open door policy as prescribed as per our HR policies | | | | | | |
| Customers | Concerned functional head acts as grievance redressal officer | | | | | | |
| Value Chain Partners | Concerned functional head acts as grievance redressal officer | | | | | | |
| Other (please specify) | NA | | | | | | |

24. Overview of the entity’s material responsible business conduct issues pertaining to environmental and social matters that present a risk or an opportunity to our business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications)* |
|--------|---|--|--|---|--|
| 1. | Energy Management (Climate Change, GHG Emissions and Air Pollution) | Risk | Changes in existing and emerging regulations impacting emissions and climate change is a key risk factor considering the hazardous nature of activities that we carry out. | The company has implemented following measures to mitigate the risk: i. Installation of renewable sources of energy (solar, wind) inside & outside the plant towards reducing the purchased electricity ii. Green Power Purchase agreement iii. Tree plantation (inside & outside the plant) iv. Installation of solar heaters inside the plant to use direct thermal energy in the processes | Non-compliance to mandatory regulations may expose the company to legal suits and reputational risk. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications)* |
|--------|---|--|--|---|--|
| 2. | Disposal of Post-consumer Plastic Waste | Risk | Plastic waste disposal is a key material issue under the environment related risk for the Company as plastic constitutes majority of our raw material. | The company, with the help of external agencies, recycled / scientifically disposed at authorised vendor their post-consumer waste under Extended Producer Responsibility | Lack of initiatives towards environment preservation may impact business operations. |
| 3. | Use of Raw Materials | Opportunity | Selecting eco-friendly raw materials gives the Company an opportunity to minimize environmental and social impacts of its operations. | - | Selection of ecofriendly raw material, in addition to positive impact on environment, helps in cost reduction, thereby resulting in increased revenue growth. |
| 4. | Talent Attraction and Management | Opportunity | The company, by attracting and retaining top talent, can gain access to individuals with exceptional skills, knowledge, and experience, giving them an advantage over their peers. The right talent can drive innovation, improve productivity, and contribute to overall business growth. | - | Improved employee satisfaction and retention rate |
| 5. | Occupational Health and Safety | Risk | OHS incidents can damage an organization's reputation, both internally and externally. News of workplace accidents or occupational illnesses can spread quickly and impact how the organization is perceived by employees, customers, investors, and the general public | The company has implemented following measures to mitigate the risk: <ul style="list-style-type: none"> Well-defined safety policy that is based on the principle of Plan-Do-Check-Act cycle Company ensures that the plant and facilities are reviewed from time to time for any unsafe/ non-standard acts or condition which may give rise to potential injury or harm Company has established processes like HIRA, hazard reporting, incident reporting and near miss reporting to identify work related hazards and assess risks | Workplace accidents and injuries may lead to workers' compensation claims, which can be a significant financial burden for organizations. |
| 6. | Supply chain | Risk | Any failure to procure equipment, reagents or drugs on a timely basis, or at all, from such third parties and on commercially suitable terms could affect our ability to provide our services. Certain of our medical and laboratory equipment are also procured under lease agreements. | The company follows all the formulated SOPs related to sustainable procurement and undertakes a daily monitoring of Released Purchase Requisitions (Sanctions), open Purchase Orders (Materials in Transit), Major Raw Materials Stock / Consumables / Critical Spares / Project items | If the business relationship between our Company and our major suppliers were to deteriorate or if any of those suppliers were to terminate their business relationship with our Company or renegotiate our contracts on less favorable terms, our business, results of operations and prospects may be adversely affected |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications)* |
|--------|---------------------------|--|--|--|---|
| 7. | Labor Relations | Risk | the Company would face reputational risk in case of non-compliance with the laws and regulations w.r.t. labor it employs. | The company has an audit committee in place that reviews company's compliance with all the regulatory compliances and ensure that the company does not hire child labor, forced labor or involuntary labor | Likely financial loss in case of fines and penalties and reduced retention rate of the employees/ workers |
| 8. | Regulatory Compliance | Risk | the Company operates in a very strictly regulated environment and faces reputational risk in case of non-compliance with the laws and regulations. | The company has an audit committee in place that reviews company's compliance with all the regulatory compliances | Likely financial loss in case of penalties and reduced business due to reputational loss |
| 9. | Ethics & Integrity | Opportunity | Strong ethics and integrity ensure improved credibility of organization in the industry | - | Improved employee experience and customers satisfaction |

* There is no negative financial impact during the reporting year FY 2022-23.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | <p>All the SEBI mandated policies could be found at https://www.garwarehitechfilms.com/investors/policies-of-company/</p> <ol style="list-style-type: none"> Familiarization Programme for Independent Directors- P1I https://www.garwarehitechfilms.com/dms/garware/company-policies/FAMILIARIZATION%20PROGRAMME%20FOR%20INDEPENDENT%20DIRECTORS.pdf Prevention of Sexual Harassment Policy- P5I https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf Anti- Bribery and Anti- Corruption Policy- P1I https://www.garwarehitechfilms.com/dms/garware/company-policies/Anti%20Bribery%20and%20Anti-Corruption%20Policy.pdf Corporate Social Responsibility Policy- P4, P8I https://www.garwarehitechfilms.com/dms/garware/company-policies/CSR%20Policy.pdf Whistleblower Policy- P1I https://www.garwarehitechfilms.com/dms/garware/company-policies/Whistle-Blower-Policy-Revised-02.01.2023.pdf Policy on board diversity-P1, P8I https://www.garwarehitechfilms.com/dms/garware/company-policies/Board-Diversity-Policy.pdf Policy on Related Party Transactions- P1, P4, P7I https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy%20on%20Related%20Party%20Transactions.pdf Code of conduct for Board of Directors & Senior Management Policy- P1I https://www.garwarehitechfilms.com/dms/garware/company-policies/Code-of-conduct-for-Board-of-Directors-Senior-Management-Policy.pdf | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| | <p>9. Code of Conduct for Prevention of Insider Trading- P1, P8l https://www.garwarehitechfilms.com/dms/garware/company-policies/Code%20of%20Conduct%20for%20Prevention%20of%20Insider%20Trading.pdf</p> <p>10. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information- P1l https://www.garwarehitechfilms.com/dms/garware/company-policies/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive%20Information.pdf</p> <p>11. Annual Disclosure of Holdings by Designated Personnel- P1l https://www.garwarehitechfilms.com/dms/garware/company-policies/Annual-Disclosure-of-Holdings-by-Designated-Personnels.pdf</p> <p>12. T&C Appointment of IDP- P1l https://www.garwarehitechfilms.com/dms/garware/company-policies/Terms-of-Appointment-Independent-Directors.pdf</p> <p>13. Risk Management Policy- https://www.garwarehitechfilms.com/dms/garware/company-policies/Risk-Management-Policy.pdf</p> <p>14. Policy on Preservation of Documents- P1, P2l https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy-on-Preservation-of-Documents.pdf</p> <p>15. Policy for determination of material events-P1, P4l https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy-for-determination-of-material-events.pdf</p> <p>16. Sustainability Policy- P2, P6, P9l https://www.garwarehitechfilms.com/dms/garware/company-policies/Sustainability-Policy.pdf</p> <p>17. Dividend Distribution Policy- P3, P4l https://www.garwarehitechfilms.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf</p> <p>18. Policy for Determining Material Subsidiaries- P1, P4, P7l</p> <p>19. https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy%20for%20determining%20material%20Subsidiaries.pdf</p> <p>20. Nomination and Remuneration Policy- P3, P4l https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy%20Relating%20to%20the%20Remuneration%20of%20the%20Directors,%20Key%20Managerial%20Personnel%20and%20other%20Employees%20(Nomination%20Remuneration%20Committee%20Policy).pdf</p> <p>21. Policy on succession planning for the board and senior management- P3, P4l https://www.garwarehitechfilms.com/dms/garware/company-policies/Policy-on-succession-planning-for-the-board-and-senior-management.pdf</p> <p>22. Archival Policy- P1l https://www.garwarehitechfilms.com/dms/garware/company-policies/Archival%20Policy.pdf</p> <p>Additionally, the company maintains a few other policies available on the Intranet and the same is accessible to all employees.</p> | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | | | | | | | | |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | <p>Yes, a few of our policies relevant to value chain partners extends to them. These are as follow:</p> <ul style="list-style-type: none"> • Code of conduct • Anti- Bribery and Anti- Corruption Policy; and • Training policy | | | | | | | | |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <p>The company has obtained following certifications ensuring quality management:</p> <ol style="list-style-type: none"> 1. BRC rated AA- assures packaging suppliers are compliant to the Global Food Safety Initiative (GFSI) and the "AA" certification is the highest possible rating for a BRC planned audit 2. ISO 9001:2015- specifies requirements for a quality management system | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 5. Specific commitments, goals, and targets set by the entity with defined timelines, if any. | In our ESG Journey, we look forward to set short, medium and long term targets for sustainability KPIs related to climate change, energy, water, waste management, air emission reduction, GHG reduction and biodiversity protection. In line with the same, we target to reduce 50% of the absolute emission with respect to FY 2022-23 by the year 2029-30. | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met. | | | | | | | | | |
| Governance, leadership and oversight | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | <p>At Garware Hi-Tech Films Limited, sustainability is a core to our vision of making our planet healthier. We are constantly working towards ensuring a sustainable and brighter future by implementing our innovation-oriented approach. The Company is committed towards delivering long term economic value to our stakeholder and contributing to our communities' environmental and social well-being.</p> <p>We are focused on continuous innovation, introducing innovative products like low oligomer content films, sun control window films, post-consumer recycled PET (PCR) driven products that are environment friendly and helping us to reduce our carbon footprint. By sustainably lowering energy consumption, using renewable resources, maximizing post-consumer recycled usage, reducing production waste, using 100 percent recyclable production waste, and reducing all non-recyclable waste generation, not only have we been able to improve our profitability, but also made positive steps towards becoming an environmentally friendly Company. Simultaneously, we intend to streamline our societal commitments by undertaking various CSR initiatives related to education, environmental sustainability, and health care for the betterment of the society.</p> <p>In the future, the Company will continue to be committed towards delivering high quality product by creating innovative solutions leveraging futuristic technology to remain at the forefront of the polyester film manufacturing industry and to accomplish our vision of becoming a global leader in specialty performance films.</p> | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Uday Vasant Rao Joshi (DIN No: 09753984) Designation: Whole Time Director | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes, the Board has appointed Mr. Uday Vasant Rao Joshi (DIN No: 09753984) for decision making on sustainability related issues. | | | | | | | | |

| 10. Details of Review of NGRBCs by the Company: | | | | | | | | | | | | | | | | | | |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Subject for Review | Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Performance against above mentioned policies and follow up action is reviewed by the Board of Directors, Nomination and Remuneration Committee, Risk Management Committee and Audit Committee, as applicable. The periodicity of these reviews either quarterly, half-yearly or whenever an update is required due to change in applicable laws. | | | | | | | | | | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes, the company monitors and complies with all the applicable statutory requirements. | | | | | | | | | | | | | | | | | |

| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| | In addition to periodic internal evaluation at Board and Committee level assurance, comfort is sought by the Company on its policies/procedures/codes through periodic audits by external agencies. For the purpose of this report through an extensive exercise, assessment of operationalization and effectiveness of policies mentioned in this section, is done by Dhir & Dhir Associates, an eminent Law firm. M/s. Deloitte Touche Tohmatsu India LLP is the Internal Auditor of the Company. | | | | | | | | |

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the principles material to its business (Yes/No) | NA | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total Number of training and awareness programmes held | Topics/ principles covered under the training and its impact | % age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|---|
| Board of Directors | 1 | Code of conduct, Transparency, Accountability, and Integrity | 100% |
| Key Managerial Personnel | 1 | Code of conduct, Transparency, Accountability, and Integrity | 100% |
| Employees other than BoD and KMPs | 1 | Code of conduct, Transparency, Accountability, and Integrity | 100% |
| Workers | 1 | Code of conduct, Transparency, Accountability, and Integrity | 100% |

2. Details of fines / penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

| Monetary | | | | | |
|-----------------|-----------------|---|-----------------|-------------------|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (in INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | Nil | | | | |
| Settlement | | | | | |
| Compounding Fee | | | | | |
| Non-Monetary | | | | | |
| Imprisonment | Nil | | | | |
| Punishment | | | | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Not Applicable since the answer to Question 2 is Nil. | |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
Yes, the company understands that an anti-bribery and anti-corruption policy is essential for upholding ethical standards, ensuring legal compliance, protecting reputation, managing risks, gaining a competitive edge, fostering employee engagement, and navigating the challenges of international business. It is a critical component of responsible and sustainable business practices. In line with this, we have formulated and implemented an anti-bribery and anti-corruption policy and the same is applicable to all individuals working for the company at any location and at all levels and grades.

Link: <https://www.garwarehitechfilms.com/dms/garware/company-policies/Anti%20Bribery%20and%20Anti-Corruption%20Policy.pdf>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2022-23 | FY 2021-22 |
|-----------|------------|------------|
| Directors | Nil | |
| KMPs | | |
| Employees | | |
| Workers | | |

6. Details of complaints with regard to conflict of interest:

| | FY 2022-23 | | FY 2021-22 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of the Directors | Nil | | | |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topic/ principles covered under the training | % age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|--|---|
| Nil. We are currently not conducting any awareness programme for our value chain partners but we are committed to assess the need of it in the coming years and take it up accordingly. | | |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has a “Code of Conduct for Board of Directors and the Senior Management” for the management of potential and identified Conflict of Interest which may arise during the business. Furthermore, the Company receives an annual declaration (changes from time to time) from its Board members and KMPs on the entities they are interested in and ensures requisite approvals as required under the statute and the Company’s policies are in place before transacting with such entities/ individuals.

The Policy is available at: <https://www.garwarehitechfilms.com/investors/policies-of-company/>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2022-23 | FY 2021-22 | Details of improvements in the environmental and social impacts |
|-------|-------------------------|-------------------|--|
| R&D | 0.24% (INR 316.62 Lakh) | (INR 371.74 Lakh) | <p>Floatable shrink film can help to recycle the PET bottle crush without label contamination and easy separation during washing process as a part of recycling process of r-PET. This helps to make recycled r-PET resin contamination free (label contamination) to re-use in the film, fiber manufacture. Improving the recycling process of r-PET resin contributes to avoiding the waste generation and contamination of soil and environment. The PET bottle recycling process eliminates a label separation stage during recycling as explained above.</p> <p>The use of solid white shrink film offers the advantage of eliminating one step of printing white ink on the shrink label. This opaque nature makes it ideal for shrink labels used on containers containing photosensitive ingredients, such as milk products and cosmetics. By enhancing the shelf life of the contents inside these containers, the solid white shrink film contributes to the overall product quality and consumer satisfaction.</p> <p>Peelable and sealable lidding films provide effective protection for food ingredients within various food containers, including APET/CPET trays, PS cups, and PP cups, commonly used in milk product packaging like yoghurt and curd. These films offer approximately 2 times more coverage than traditional aluminum foil lids, optimizing resource utilization. Moreover, these lidding films provide barrier properties, further enhancing the shelf life of the food ingredients, preserving their freshness and quality.</p> <p>Compared to aluminum foil lids, which may be fragile and require lamination to other substrate layers for improved strength and fold endurance, peelable and sealable lidding films offer a more efficient and reliable solution. Their durability and performance ensure the safe and effective sealing of food containers, reducing the risk of contamination and extending the overall shelf life of the food products.</p> |
| Capex | 0.00 | (INR 0.25 Lakh) | Nil |

2.
 - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the company has implemented a vertical integration strategy for procurement, acquiring all of its packaging material (wood) from local sources and ensuring that 100% of its paper material is sourced sustainably. By procuring packaging material locally, the company benefits from reduced transportation costs, a lower environmental impact, and a positive contribution to local economies through supporting nearby businesses and generating employment opportunities. Moreover, their commitment to sustainable sourcing for paper material involves partnering with suppliers who practice responsible forestry, ensuring the protection of natural resources, biodiversity, and communities involved in the production process.
 - c. If yes, what percentage of inputs were sourced sustainably?

The company has strategically adopted vertical integration in its procurement processes, thereby obtaining all of its packaging material (wood) from local suppliers. Moreover, the company maintains a steadfast commitment to sustainability by ensuring that 100% of its paper material is sourced from sustainable and environmentally responsible sources.
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company, as a responsible and environmentally conscious company, takes its Extended Producer Responsibility (EPR) seriously. To address the issue of plastic waste, they have partnered with a reputable third-party recycling firm. By doing so, the Company ensures that the plastic waste generated from their products is efficiently recycled, contributing to the reduction of plastic pollution. Additionally, for the disposal of other types of waste, the Company collaborates with government authorized vendors.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the company's activities. The waste collection plan is in line with the EPR plan is submitted to the Maharashtra State Pollution Control Board and Central Pollution Control Board . We have appointed an external agency to collect and scientifically dispose of the waste and in turn provide us with the recycling certificates.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product/ Service | % of total Turnover Contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency(Yes/No) | Results communicated in public domain (Yes/No) If yes, provide the web-link. |
|---|--------------------------|---------------------------------|--|--|--|
| The company does not conduct Life Cycle Perspective/ Assessments (LCA) for any of its products currently. Efforts are underway to take this up from the upcoming years. | | | | | |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product/ Service | Description of the risk/ concern | Action Taken |
|--------------------------|----------------------------------|--------------|
| Nil. | | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|---|--|------------|
| | FY 2022-23 | FY 2021-22 |
| This data is not quantifiable for the reporting year however, efforts are underway to provide data in the upcoming years. | | |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2022-23 | | | FY 2021-22 | | |
|--------------------------------|------------|----------|-----------------|------------|----------|-----------------|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | 162.97 | 15613.12 | 1564.00 | 319.26 | 16668.45 | 1781.90 |
| E-waste | 0 | 0 | 1.82 | 0 | 0 | 2.63 |
| Hazardous Waste | 0 | 304.35 | 50.59 | 0 | 218.14 | 66.91 |
| Other waste | 0 | 1069.18 | 0 | 0 | 645.89 | 0 |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials (as percentage of products sold) for each product category. |
|---|--|
| This data is not quantifiable for the reporting year however, efforts are underway to provide data in the upcoming years. | |

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees: 100%

| % of employees covered by | | | | | | | | | | | |
|---------------------------------------|------------|------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|---------------------|------------|
| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 540 | 540 | 100 | 540 | 100 | NA | | 540 | 100 | 540 | 100 |
| Female | 7 | 7 | 100 | 7 | 100 | 7 | 100 | NA | | 7 | 100 |
| Total | 547 | 547 | 100 | 547 | 100 | 7 | 100 | 540 | 100 | 547 | 100 |
| Other than Permanent Employees | | | | | | | | | | | |
| Male | 23 | 23 | 100 | 23 | 100 | | | | | | |
| Female | NA | | | | | NA | | | | | |
| Total | 0 | 23 | 100 | 23 | 100 | | | | | | |

b. Details of measures for the well-being of workers: 100%

| % of employees covered by | | | | | | | | | | | |
|------------------------------------|------------|------------------|------------|--------------------|------------|-------------------|---------|--------------------|------------|---------------------|------------|
| Category | Total (A) | Health Insurance | | Accident Insurance | | Maternity benefit | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent worker | | | | | | | | | | | |
| Male | 305 | 305 | 100 | 305 | 100 | | | 305 | 100 | 305 | 100 |
| Female | NA | | | | | NA | | NA | | | |
| Total | 305 | 305 | 100 | 305 | 100 | | | 305 | 100 | 305 | 100 |
| Other than Permanent worker | | | | | | | | | | | |
| Male | 931 | 931 | 100 | 931 | 100 | | | 931 | 100 | 931 | 100 |
| Female | NA | | | | | NA | | NA | | | |
| Total | 931 | 931 | 100 | 931 | 100 | | | 931 | 100 | 931 | 100 |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2022-23 | | | FY 2021-22 | | |
|----------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Y | 100 | 100 | Y |
| Gratuity | 100 | 100 | Y | 100 | 100 | Y |
| ESI | 100 | 100 | Y | 100 | 100 | Y |

3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We believe in inclusivity and providing an environment where our employees and workers feel safe and nurtured. In line with this, we are committed to fulfilling the requirements of a differently abled employee/worker whenever they become part of our workforce.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
The Company provides equal employment opportunities to all individuals, regardless of their race, gender, religion, national origin, age, or disability and continuously work towards creating a fair and inclusive workplace where all employees feel valued, respected, and have an equal opportunity to succeed. Although it is not documented in a policy currently, we are committed to provide the same in the coming years.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent workers | |
|--------------|-------------------------|--------------------|-------------------------|--------------------|
| | Return to work rate (%) | Retention rate (%) | Return to work rate (%) | Retention rate (%) |
| Male | 88.00 | 95.45 | 80.00 | 100.00 |
| Female | 80.00 | 80.00 | 95.00 | 63.16 |
| Total | 84.00 | 87.73 | 87.50 | 81.58 |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/ No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | Yes, a well-functioning grievance redressal system ensures that employees/workers have a fair and effective mechanism to address their concerns, conflicts, and grievances. It provides a platform for employees to voice their grievances, which is crucial for maintaining a positive work environment and fostering employee satisfaction and well-being. The company's HR operation head is available to attend the grievances raised by any category of employee/worker, If the complainant wish to escalate his/her grievance, they have a free access to reach any level up to Managing Director to their concern |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|----------------------------------|--|---|-----------|--|---|-----------|
| | Total employees/workers in respective category (A) | No. of employees/workers in respective category, who are part of association(s) or Union. (B) | % (B / A) | Total employees/workers in respective category (C) | No. of employees/workers in respective category, who are part of association(s) or Union. (D) | % (D / C) |
| Total Permanent Employees | Nil | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| Total Permanent Worker | | | | | | |
| Male | | | | | | |
| Female | | | | | | |

8. Details of training given to employees and workers:

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|------------------|-------------|-------------------------------|--------------|----------------------|--------------|-------------|-------------------------------|--------------|----------------------|--------------|
| | Total (A) | On Health and Safety measures | | On Skill upgradation | | Total (D) | On Health and Safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 563 | 496 | 88.00 | 300 | 53.20 | 661 | 450 | 68.00 | 300 | 45.30 |
| Female | 7 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 |
| Total | 570 | 496 | 87.00 | 300 | 52.70 | 666 | 450 | 67.60 | 300 | 45.00 |
| Workers | | | | | | | | | | |
| Male | 1236 | 1150 | 93.00 | 700 | 56.70 | 1186 | 650 | 54.90 | 400 | 33.80 |
| Female | NA | | | | | | | | | |
| Total | 1236 | 1150 | 93.00 | 700 | 56.70 | 1186 | 650 | 54.90 | 400 | 33.80 |

9. Details of performance and career development reviews of employees and worker: 100%

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------|------------|---------|---------|------------|---------|---------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 563 | 563 | 100 | 661 | 661 | 100 |
| Female | 7 | 7 | 100 | 5 | 5 | 100 |
| Total | 570 | 570 | 100 | 666 | 666 | 100 |
| Workers | | | | | | |
| Male | 1236 | 1236 | 100 | 1186 | 1186 | 100 |
| Female | NA | | | | | |
| Total | 1236 | 1236 | 100 | 1186 | 1186 | 100 |

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the health and safety management system in Garware Hi-Tech Films Limited consists of the PDCA cycle (Plan-do-check-act). We have a strong Environment, Health and Safety (EHS) policy and required support from the management for the implementation in terms of the resources and commitment from the management side. There are strong review mechanism set up in the form of management safety committee meeting which is held every month to review the health and safety performance of the complete plant. Due to the continued effort and the PDCA cycle, the plant had maintained a record of zero reportable injuries for more than 1300 days till date (end of reporting period) and we aim to continue this with the same vigor and commitment.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a strong process to identify and mitigate hazards. Each plant has plant level safety committee and safety coordinators who are supported by dedicated health and safety specialist. They carry out monthly task force rounds and risk assessments, of the respective areas and come up with improvements required. We have developed an online hard reporting system where the hazards are recorded and followed up till the actions are completed on them. We also have a strong work permit system which ensures that a job is taken up only with a proper risk assessment and mitigation.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the company has an Online Safety Observations reporting system. The workers are encouraged to report near miss incidents by reporting unsafe conditions & unsafe actions and the same goes to concerned supervisor / manager for implementation. Compliance status of these issues are monitored weekly.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the employees and workers have access to non-occupational medical and healthcare services.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2022-23 | FY 2021-22 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil | |
| | Workers | | |
| Total recordable work-related injuries | Employees | | |
| | Workers | | |
| No. of fatalities | Employees | | |
| | Workers | | |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | | |
| | Workers | | |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

We believe that ensuring a safe and healthy work environment is essential for ethical, practical, and legal reasons. It enhances employee well-being, productivity, and engagement, while also safeguarding the organization from potential liabilities. Prioritizing workplace safety is a win-win situation that benefits both employees and the organization as a whole. In line with this, the company has a process whereby each incident is recorded, investigated and followed up till completion of measures. Each abnormality is recorded and mitigated. This is a continuous job and a state of contentedness must not be reached.

13. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil | | | | | |
| Health & Safety | | | | | | |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

The company has implemented best practice in the form of engineering and administrative controls, procedures and training at all its sites to improve occupational health and safety. The company conducts root cause analysis of all safety related incidents and the information gathered is used to further corrective and preventive actions.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, group personal accident insurance is provided for both employees/workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We have adequate measures in place to ensure that statutory dues have been deducted and deposited by our contractors and we take deposit to secure the business relationships with our distributors.

3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been, are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of affected employees/ workers | | No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|------------|--|------------|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | Nil | | | |
| Workers | | | | |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the company appreciates the hard work and loyalty of their employees and tries to retain them as advisors if found competent. We have retained almost 28 of our employees as advisors as on closure of reporting period.

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | Nil |
| Working Conditions | |

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable since the element above is Nil.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analyzing the impact of each stakeholder groups on our business and vice versa. Based on the exercise carried out, we prioritized our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organization strategy.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website, Other) | Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|------------------------------------|--|--|---|---|
| Customers | Yes, if they qualify based on specified criteria such as income, gender etc. | Customer Satisfaction Surveys | Continuously | Data Security & Innovation |
| Employees | No | Email, intranet, social media, noticeboards, employee engagement initiatives, Annual performance appraisal discussions | Continuously or Need Based | Development and wellness programmes, including families |
| Shareholder/ Investors | No | Press releases, Investor/ Analyst Conference call, AGM, Annual Reports, and Financial Statements | Quarterly, Half Yearly, Annual | Company Financials |
| Communities | Yes | Newspaper, Website, Pamphlets, Advertisements | Continuous | Relief and Rehabilitation |
| Regulators and Statutory bodies | No | Meetings, Mandatory Filings with regulators (SEBI, MCA, etc.) | Continuous or need basis | Compliances, Fair and ethical business practices and Transparency in disclosures |
| Media | No | Website | Continuous | Press releases and public disclosures |
| Industry Associations | No | Meetings | Continuous | Communications |
| Dealers | No | Meetings | Quarterly or need based | Dealer meets, Dealer surveys, Welfare schemes, Training and education, Dealer feedbacks |
| Bankers and Financial institutions | No | Meetings, website, Advertisements | Quarterly | Engagement activities |
| Vendors | No | Regular meetings, Supplier assessments | Continuous | Ensure timely payments |

Leadership Indicators

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company currently does not consult with its stakeholders to identify and manage environmental and social topics. However, the company is committed to incorporating this mechanism from the coming years.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalized segments of society. All CSR programs are aligned to the CSR Policy of the Company. Critical focus areas of the Company's CSR mandate include education, gender equality and women empowerment, addressing hunger, poverty, nutrition and health.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essentials Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|------------------------|--|--|---------|------------|--|---------|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | The company has provided POSH training for 100 of its officers in 2023. However, no training was provided in the reporting year. | | | | | |
| Other than permanent | | | | | | |
| Total Employees | | | | | | |
| Workers | | | | | | |
| Permanent | 0 | | | | | |
| Other than permanent | | | | | | |
| Total Workers | | | | | | |

2. Details of minimum wages paid to employees and workers, in the following format: 100%

| Category | FY 2022-23 | | | | FY 2021-22 | | | | | |
|----------------------|------------|-----------------------|---------|------------------------|------------|-----------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 547 | 0 | | 547 | 100 | 544 | 0 | | 544 | 100 |
| Male | 540 | | | 540 | 100 | 5 | | | 5 | 100 |
| Female | 7 | | | 7 | 100 | 549 | | | 549 | 100 |
| Other than Permanent | 23 | 0 | | 23 | 100 | 17 | 0 | | 17 | 100 |
| Male | 23 | | | 23 | 100 | 17 | | | 17 | 100 |
| Female | 0 | | | 0 | 0 | 0 | | | 0 | 0 |
| Workers | | | | | | | | | | |
| Permanent | 305 | 0 | | 305 | 100 | 336 | 0 | | 336 | 100 |
| Male | 305 | | | 305 | 100 | 336 | | | 336 | 100 |
| Female | 0 | | | 0 | 0 | 0 | | | 0 | 0 |
| Other than Permanent | 931 | 0 | | 931 | 100 | 850 | 0 | | 850 | 100 |
| Male | 931 | | | 931 | 100 | 850 | | | 850 | 100 |
| Female | 0 | | | 0 | 0 | 0 | | | 0 | 0 |

3. Details of remuneration/ salary/ wages, in the following format:

| | Male | | Female | |
|---|--------|---|--------|---|
| | Number | Median remuneration / Salary / Wages of respective category (in lakh) | Number | Median remuneration / Salary / Wages of respective category (in lakh) |
| Board of Directors (BoD)* | 7 | 1.95 | 4 | 231.64 |
| Key Managerial Personnel* | 3 | 81.04 | 0 | 0 |
| Employees other than BoD and KMP** | 536 | 6.99 | 5 | 11.70 |
| Workers** | 305 | 4.71 | 0 | 0 |

*CMD and WTD are common for Sr. No. 1 and 2

** Employees and workers at 31/3/23 is considered for calculation.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company's HR (Human Resource) operational head is the focal point responsible.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Aggrieved employee/worker has free access to approach the concerned HR head in case of any grievances. If not satisfied, he/she can approach the plant head or unit head of that location. If the complainant wish to escalate his/her grievance, they also have a free access to reach any level up to Managing Director for their concern.

6. Number of Complaints on the following made by employees and workers:

| | FY 2022-23 | | | FY 2021-22 | | |
|--|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual harassment | Nil | | | | | |
| Discrimination at workplace | | | | | | |
| Child Labour | | | | | | |
| Forced Labour/ Involuntary Labour | | | | | | |
| Wages | | | | | | |
| Other Human Rights related issues | | | | | | |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to prohibiting discrimination, retaliation or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation. Internal complaints committee has been founded as per statutory provisions to address and resolve the issues raised out of sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements form part of our business agreements and contracts since we comply with the M.R.T.U and P.U.L.P Act. These requirements *inter-alia* include non-employment of child or forced labor and no unfair labor practices.

9. Assessments for the year:

| | % of your plants and Offices that were assessed (by entity or statutory authorities or third parties) |
|------------------------------------|--|
| Child Labour | Regular assessments are conducted by Directorate of Industrial Safety and Health (DISH) Assessment for all the aspects mentioned herein except for wages for 100% of our plants and Offices. |
| Forced/ involuntary labour | |
| Sexual Harassment | |
| Discrimination at workplace | |
| Wages | |

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

No adverse remarks have been raised in the assessment at Question 9.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

The company is committed to make changes in the processes as and when required and has an open door policy towards all employees and stake holders. However, no such compelling case for process modification has arisen during the reporting period.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The company currently does not undertake any Human rights due diligence, However, it is open to assessing the relevance of it and implementing it in the upcoming years.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company provides infrastructure support to differently abled visitors i.e., most of the offices are established on the ground floor, elevators, and ramp for wheelchair are provided wherever is applicable. In some cases, we also provide with battery operated vehicles for commuting purposes.

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|--|---|
| Sexual Harassment | Upholding of Human Rights is critical to the Company's business. Strict internal vigilance is maintained to ensure prevention of discrimination and conduct our operations in a fair and transparent manner, aligned with all national and international standards of Human Rights. The company is committed to providing details on assessment of our value chain partners and the same will be made available from subsequent financial years |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/ Involuntary Labour | |
| Wages | |
| Others – Please Specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

The company is committed to providing details on assessment of our value chain partners and the same will be made available from subsequent financial years.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Mega Joules) and energy intensity:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|---------------------|---------------------|
| Total electricity consumption (A) | 268092.99 | 268301.50 |
| Total fuel consumption (B) | 523866870.50 | 527509374.70 |
| Energy consumption through other sources (C) | Nil | Nil |
| Total energy consumption (A+B+C) | 524134963.40 | 527777676.20 |
| Energy intensity per rupee of turnover (<i>Total energy consumption/ turnover in rupees</i>) | 0.04 | 0.06 |
| Energy intensity (<i>optional</i>) – the relevant metric may be selected by the entity | -- | - |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Considering the Company's Business Operations, evaluation is not being conducted from any external agency.

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not Applicable. The company does not come under the PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-------------------|-------------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 450728.00 | 453330.00 |
| (ii) Groundwater | 6695.80 | Nil |
| (iii) Third party water | Nil | Nil |
| (iv) Seawater/ desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| Total volume of water withdrawal (In kilolitres) (i + ii + iii + iv + v) | 457423.80 | 453330.00 |
| Total volume of water consumption (In kilolitres) | 457423.80 | 453330.00 |
| Water intensity per rupee of turnover (<i>Water consumed / turnover</i>) | 0.000037 | 0.000051 |
| Water intensity (<i>optional</i>) – the relevant metric may be selected by the entity | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the company has achieved zero liquid discharge (ZLD) at all its sites and the effluent is treated at the rate of 120 m3 per day and the recycled water is further used in the cooling towers.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2022-23 | FY 2021-22 |
|-------------------------------------|---------------------|------------|------------|
| NOx | | | |
| SOx | | | |
| Particulate matter (PM) | | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |

The entity currently does not quantify its air emissions data. However, the efforts are underway to provide this data from the upcoming years.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|--|--|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | <i>Metric tonnes of CO2 equivalent</i> | 56594.00 | 27549.00 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | <i>Metric tonnes of CO2 equivalent</i> | 60.32 | 60.46 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | <i>Metric tonnes of CO2 equivalent/ Rs</i> | 0.0000045 | 0.0000031 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | - | - | - |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the company is independently evaluated through an external agency, Consultivo.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes. The initiatives under energy conservation projects are mentioned as following:

- To reduce power consumption, 6 motors in line will be replaced with high efficiency motor, operating since Sept 2022 conserving 26250 of electrical energy units (Projected annual saving).
- Reduction in LSH Fuel consumption by 6.0 ton/ annum increasing Heater Efficiency, conserving 1241280 of electrical energy units and 6 FO (KL/annum).
- Installation of EC Blowers with VFD for two AHU K Lines, cost of installation for one AHU costs INR 9 lakh saving 75000 electrical energy units (Projected annual saving).
- Replacement of conventional lights with LED.
- Trim conveying blower reduce from 3 blowers to 2 blowers thus saving of 17 kw/Hr. achieved.
- Replacement of hot oil high head pump to low head pumps.
- HSH Production changeover with normal heel, leading in saving downtime of 8Hrs/Change over.

8. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-----------------|------------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 1564.00 | 1781.90 |
| E-waste (B) | 1.82 | 2.63 |
| Bio-medical waste (C) | Nil | |
| Construction and demolition waste (D) | Nil | |
| Battery waste (E) | 2.41 | Nil |
| Radioactive waste (F) | Nil | |
| Other Hazardous waste (G) | 50.59 | 66.91 |
| 1) Chemical sludge from waste water treatment | | |
| 2) Spent solvent (G) | 293.49 | 68.32 |
| 3) Empty drums / barrels contaminated with Hazardous Chemicals (G) | 134.69 | 141.19 |
| 4) Used Oil (G) | 5.76 | 8.63 |
| Other Non-hazardous waste generated (H) | 406.60 | 26.67 |
| 1) Metal (All types) | | |
| 2) Waste Wood (Paper, Plywood, Jungle, Boxes, Core etc.) (H) | 662.57 | 619.21 |
| Total (A+B + C + D + E + F + G + H) | 3121.95 | 2715.48 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 18554.89 | 19317.01 |
| (ii) Re-used | 162.96 | 319.25 |
| (iii) Other recovery operations | Nil | Nil |
| Total | 18717.85 | 19636.268 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 41.34 | 0 |
| (ii) Landfilling | 9.24 | 66.91 |
| (iii) Other disposal operations | 0 | 0 |
| Total | 50.58 | 66.91 |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not been independently assessed by any external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has robust waste management practices for the efficient handling and storage of both the hazardous and non-hazardous waste generated from the operations. All the types of waste generated are handled through authorized recyclers/ agencies for the responsible waste management. The plastic waste generated in-house is recycled and consumed in product itself, however, non-usable plastic waste is sold to authorized third party for recycling. Plastic waste generated outside boundary i.e., in society (post-consumption) is collected and disposed of in scientific manner as per Extended Producer Responsibility (EPR) guidelines through our agency. Hazardous waste such as spent solvent, spent oil, empty container, etc., are disposed through authorized recyclers for recovery. Chemical sludge is disposed to common hazardous waste disposal site as approved by Maharashtra Pollution Control Board (MPCB) for secured landfilling.

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices | Types of operations | Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|--|--------------------------------|---------------------|---|
| The Company has no operations/offices in/around ecologically sensitive areas. Hence, required environmental approval/ clearances are not applicable for the Company. | | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/ No) | Results communicated in public domain (Yes/ No) | Relevant Web link |
|--|----------------------|------|--|---|-------------------|
| Nil. No environmental impact assessments projects were undertaken by the entity in the reporting year. | | | | | |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| Serial Number | Specify the law/ regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/ penalties/ action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--|---|---------------------------------------|---|---------------------------------|
| Yes, the Company is compliant with all applicable environmental law/ regulations/ guidelines in India. GHFL maintains all emissions/waste generated at various units within permissible limits. These are continuously monitored, reviewed internally, and reported to the CPCB / SPCB as per the requirement. | | | | |

Leadership Indicators

1. Provide break-up of the total energy consumed (Mega Joules) from renewable and non-renewable sources:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|--------------|--------------|
| From renewable sources | | |
| Total electricity consumption (A) | Nil | Nil |
| Total fuel consumption (B) | 146061750.44 | 145209918.70 |
| Energy consumption through other sources (C) | Nil | Nil |
| Total energy consumed from renewable sources (A+B+C) | 146061750.44 | 145209918.70 |
| From non-renewable sources | | |
| Total electricity consumption (D) | 268092.99 | 268301.50 |
| Total fuel consumption (E) | 377805120 | 382299456 |
| Energy consumption through other sources (F) | Nil | Nil |
| Total energy consumed from non-renewable sources (D+E+F) | 378073212.99 | 382567757.5 |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the company has not been independently assessed by any external agency.

2. Provide the following details related to water discharged:

| Parameter | FY 2022-23 | FY 2021-22 |
|--|---|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | Nil. The company has implemented a zero liquid discharge mechanism. | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) To Groundwater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) To Seawater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third parties | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| Total water discharged (in kilolitres) | Nil | |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/ plant located in areas of water stress, provide the following information:

- (i) Name of the area: Tal Gangapur, District Aurangabad - Semi Critical as per CGWA assessment
- (ii) Nature of operations: Manufacturing
- (iii) Water withdrawal, consumption, and discharge in the following format:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|------------|------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 450728 | 453330 |
| (ii) Groundwater | 6695.80 | Nil |
| (iii) Third party water | Nil | Nil |
| (iv) Seawater/ desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| Total volume of water withdrawal (In kilolitres) | 457423.80 | 453330 |
| Total volume of water consumption (In kilolitres) | 457423.80 | 453330 |
| Water intensity per rupee of turnover (KL/Rs) | 3.61 | 5.17 |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

| Parameter | FY 2022-23 | FY 2021-22 |
|--|-------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) Into Surface water | Nil | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) Into Groundwater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) Into Seawater | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third parties | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | | |
| - No treatment | | |
| - With treatment – please specify level of treatment | 5586 | Nil |
| Total water discharged (in kilolitres) | 5586 | Nil |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|------|------------|------------|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | | |
| Total Scope 3 emissions per rupee of turnover | | | |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | | |
| The entity was not assessed for the Scope 3 emissions in the reporting year. However, efforts are underway to provide this data from the upcoming year. | | | |

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable. The Company has no operations/offices in/around ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|--|---|--|
| 1 | Use of sun control window films for auto and architectural applications | https://www.garwarehitechfilms.com/sustainability/ | Reduction of 3 to 5 percent of fuel usage and an equal amount of carbon emission reduction |
| 2 | Introduction of post-consumer recycled PET (PCR) | https://www.garwarehitechfilms.com/sustainability/ | Reduction of carbon footprint |
| 3 | Low-oligomer content films used in the hermetically sealed compressors | https://www.garwarehitechfilms.com/sustainability/ | Lower energy consumption as enhance the overall performance of the compressor and safeguard it against premature product failure Floatable shrink film can help to recycle the PET bottle crush without label contamination and easy separation during washing process as a part of recycling process of r-PET. This helps to make recycled r-PET resin contamination free (label contamination) to re-use in the film, fiber manufacture. Improving the recycling process of r-PET resin contributes to avoiding the waste generation and contamination of soil and environment. The PET bottle recycling process eliminates a label separation stage during recycling as explained above. |
| 4 | Screw press technology which eliminates the use of sludge drying beds in the ETP | https://www.garwarehitechfilms.com/sustainability/ | Reduce groundwater contamination and air pollution due to its vaporization |
| 5 | Wastewater recycling through evaporator | https://www.garwarehitechfilms.com/sustainability/ | Reduction in wastewater treatment cost. Reuse of water. |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

As per the mention of Preparation of on- site emergency plan, addressed under Factories Act, 1948, the company's Emergency Management plans aim for the following:

1. Mobilize the system for emergency handling
 2. Contain the incident.
 3. Minimise casualties & prevent further injuries.
 4. Minimise the extent of damage to environment, property, resources & business.
 5. Optimum use of resources.
 6. Clear communication & line of command.
 7. Making each member of emergency team & amp; other employees aware of his precise role in an emergency.
 8. Reduce the "Thinking time" required after the occurrence of an incident
 9. Speed up the restoration of normalcy.
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There has not been any significant adverse impact to the environment, arising from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
None of our value chain partners were assessed for environmental impacts in the reporting year.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations. Six
- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sr. No | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|--|---|
| 1 | Chamber of Marathwada Industries and Agriculture (CMIA) Aurangabad | State |
| 2 | Maharashtra Chamber of commerce Industry and Agriculture - Mumbai | State |
| 3 | Confederation of Indian Industry (CII) | National |
| 4 | Federation of Indian Export Organization (FIEO) | National |
| 5 | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 6 | The Plastics Export Promotion Council | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective active taken |
|--|-------------------|-------------------------|
| Nil. There were no issues identified related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities hence, this point is not applicable to us. | | |

Leadership Indicators

1. Details of public policy positions advocated by the entity:

| Sr. No. | Public policy advocated. | Method resorted for such advocacy | Whether information available in public domain? (Yes/No) | Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify) | Web Link, If available |
|---|--------------------------|-----------------------------------|--|---|------------------------|
| Nil. We did not engage in any public policy advocacy in the reporting period. | | | | | |

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and Brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web Link |
|--|----------------------|----------------------|---|--|-------------------|
| Nil. The company has not undertaken any projects requiring SIA in the reporting year. The requirement of the same shall be assessed in the upcoming year and taken up accordingly. | | | | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S. No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | 5 of PAFs covered by R&R | Amounts paid to PAFs in the FY (in INR) |
|-------|--|-------|----------|---|--------------------------|---|
| Nil | | | | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

The company is firmly committed to promoting an atmosphere of open communication and active engagement with our local community. Through our established open door policy for community grievances, we provide an accessible platform for community members to voice any concerns, feedback, or grievances they may have pertaining to our operations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | FY 2022-23 | FY 2021-22 |
|---|---|--|
| Directly sourced from MSMEs/ small producers | Nil. Because of the nature of process of activities involved, material is not available with MSME for sourcing. | |
| Sourced directly from within the district and neighbouring districts | Sourced from within district- 0.92% Sourced from neighbouring district- 7.77% | Sourced from within district- 0.92% Sourced from neighbouring district- 8.16% |

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| This question does not apply to us as no projects requiring Social Impact Assessment was undertaken during the reporting period. | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No | State | Aspirational District | Amount spent (In INR) |
|---|-------|-----------------------|-----------------------|
| Nil. No CSR projects were undertaken by the company in designated aspirational districts. | | | |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)

Yes, there are no specific initiatives made for encouraging suppliers comprising marginalized/ vulnerable group onboarding as of now. However, the need for the same shall be assessed and taken up accordingly.

(b) From which marginalized/ vulnerable groups do you procure?

Not applicable since we currently do not procure from marginalized/ vulnerable groups.

(c) What percentage of total procurement (by value) does it constitute?

Not applicable since we currently do not procure from marginalized/ vulnerable groups.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| Sr. No | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/ No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|--|---------------------------|---------------------------|------------------------------------|
| Not applicable since no benefits have been derived from the intellectual properties based on traditional knowledge. | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the case | Corrective Action taken |
|---|-------------------|-------------------------|
| Not applicable to us since there has not been any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. | | |

6. Details of beneficiaries of CSR Projects:

| Sr. No | CSR Project | No. of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|---|---|--|
| 1 | Health Care project | Not ascertainable | Covers all beneficiaries within distance 20 km from the Manufacturing plant. This could include beneficiaries from vulnerable/marginalized groups however, the same is not quantifiable. |
| 2 | Promoting education, including special education and employment enhancing vocation skills | Not ascertainable | Covers all beneficiaries within area of the Corporate office. This could include beneficiaries from vulnerable/marginalized groups however, the same is not quantifiable. |

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
In case a complaint is raised with respect to quality of product by our B2B consumers, a sample of material sold is called back and the concerned team resolves the complaints and records necessary feedback. Our sales force regularly engages with our clientele to ensure effective and speedy resolution of the complaints.
- Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

| | As a percentage to total turnover |
|--|-----------------------------------|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 55% |
| Recycling and/ or safe disposal | 100% |

- Number of consumer complaints in respect of the following:

| | FY 2022-23 | | Remarks | FY 2021-22 | | Remarks |
|---------------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the Year | Pending resolution at end of year | | Received during the Year | Pending resolution at end of year | |
| Data Privacy | Nil | | | | | |
| Advertising | | | | | | |
| Cyber-security | | | | | | |
| Delivery of essential services | | | | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |

- Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|--------------------------|--|--------------------|
| Voluntary recalls | Nil. None of our products were recalled on account of safety issues in the reporting year. | |
| Forced recalls | | |

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
Yes, cybersecurity policy is of utmost importance in today's digital landscape. It refers to a set of guidelines, procedures, and practices designed to protect computer systems, networks, and data from unauthorized access, cyber threats, and attacks. In line with this, we have formulated an IT Security Policy in place.
This policy is hosted on company's intranet and available to the employees.
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products / services.
Not applicable since no such issues were raised.

Leadership Indicators

- Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).
Information of our products and services can be accessed on our website and social media handles as follows:
Website: <https://www.garwarehitechfilms.com/>
LinkedIn: https://www.linkedin.com/company/garware-hitech-films-limited/?original_referer=https%3A%2F%2Fwww.garwarehitechfilms.com%2F
Twitter: <https://twitter.com/garwarehitech>
YouTube: <https://www.youtube.com/channel/UCQ4NRwSDqav6nKDMOXBZ2FA>
Instagram: <https://www.instagram.com/garwarehitechfilms/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

The Company employs various methods to educate its customers on the safe and responsible use of its products:

Product Information, user manual, and guidelines: Providing detailed information about each product, including usage instructions, recommended applications, and potential risks.

Online Resources: Offering educational content on the official website, including articles, videos, and tutorials that explain the correct usage and care of products.

Customer Support and feedback: Offering customer support services to address queries and concerns related to product usage and safety.

Training Programs: Conducting training sessions or workshops for customers, installers, and partners to ensure they have a comprehensive understanding of product applications and safety measures.

Warning Labels: Clearly labeling products with warning symbols, usage instructions, and precautions to alert users to potential hazards.

Certifications and Standards: Ensuring that products meet industry standards and certifications, which can also include safety guidelines and recommendations.

Collaboration with Industry Associations: Partnering with relevant industry associations to share best practices and safety guidelines.

Environmental Impact: Educating customers about the environmental impact of products and encouraging responsible disposal or recycling methods.

Social Media and Marketing Campaigns: Utilizing social media platforms and marketing campaigns to raise awareness about safe and responsible product use.

Partnerships with Installers: Collaborating with authorized installers to ensure that they are well-versed in product application methods and safety practices.

By employing a combination of these approaches, the Company strives to ensure that its customers are well-informed about the safe and responsible use of its products.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

We inform consumers of any risk of disruption/ discontinuation of essential services via email and telephonic calls.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Product data sheet is provided along with our products specifying all the necessary disclosures.

The Company does not conduct any consumer surveys since it's operates predominantly in a B2B segment.

5. Provide the following information relating to data breaches:

a) Number of instances of data breaches along-with impact

Nil. There were no data breach instances during the reporting period.

b) Percentage of data breaches involving personally identifiable information of customers

Nil. There were no data breaches involving personally identifiable information of customers during the reporting period.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

1. COMPANY OVERVIEW

Garware Hi-Tech Films Limited, (“the Company / GHFL”), is a leading manufacturer and exporter of value-added speciality films in India. Also, it is the sole manufacturer of Solar Control window films in India and perhaps the only company in the world with backward integration for manufacturing its raw materials and components for the manufacture of Solar Control window films. GHFL has established itself as a trendsetter in the Solar Control Film industry, backed by over three decades of technological development. The Company’s well-established global brands, ‘SunControl Window Films’ and ‘Global Window Films’ are known for their quality and innovation.

GHFL offers a wide range of products with diverse end applications, including Solar Control Films, Paint Protection Films, Thermal Lamination Films, Low-Oligomer Films, high shrink films, BOPET / Polyester Films more.

The Company has streamlined its production of Paint Protection Film at its facility in Waluj Aurangabad, ensuring internationally approved product quality. The establishment of a Batch Process Polyester Chips plant enables the Company to maintain a steady supply of specially designed chips for its value-added films manufacturing facilities. The Company has navigated the impact of the Russia-Ukraine war on the global supply chain.

The industry faces challenges related to the volatile prices of basic raw materials such as PTA and MEG, which are impacted by crude prices and demand-supply dynamics. The price of speciality chemicals has also witnessed an upward trend. However, the Company has long-term agreements on import parity pricing for its main raw materials and it helped to mitigate risks associated with price fluctuation. Additionally, the company has expanded its product portfolio by introducing two new variants in shrink films - namely, ‘Pearl Float’ and ‘Solid White’ films, introduced a new range of PPF films and unveiled a selection of environmentally friendly films for diverse applications. The Company has also developed films for better seal and peel strength application for proper lidding of any type of container (Universal). With integrated manufacturing facilities, a dedicated R&D centre, and a portfolio of value-added speciality products, GHFL is well-positioned to cater to various applications. The Company recently commissioned a 300 LSF p.a. PPF line and an 1800 LSF p.a. lamination line, reflecting market demand for its products and strengthening its production capabilities.

Leveraging a well-developed marketing network, the Company has established a wide customer base across 90+ countries, including regions such as the USA, Europe, Russia, Far East, China, the Middle East, Africa, South America, Australia, and New Zealand and has appointed marketing executives in each region. The Company has established subsidiary companies in the USA and UK to expand its business and enhance its services to overseas customers for both consumer and industrial products. It’s important to note that there have been no changes in the nature of the Company’s business during the year under review.

2. MACROECONOMIC OVERVIEW AND OUTLOOK

The International Monetary Fund’s latest forecast suggested a modestly improved soft landing for the global economy, with a revised prediction for 2023 indicating a growth rate of 2.8 percent,

up from the previous estimate of 2.7 percent, and ultimately stabilizing at 3 percent. While inflation has decreased due to central banks raising interest rates and a decline in food and energy prices, persistent underlying price pressures remain, especially in economies with tight labor markets.

India’s economic outlook brings positive news as the IMF forecasts a growth rate of 5.9 percent for the fiscal year April 2023 - March 2024 and 6.3 percent for the next fiscal year. These projections position India as one of the fastest-growing economies globally and indicate a favorable trajectory for the economy, reflecting its resilience and potential for sustained development. Indian manufacturing sector’s share of the GDP is about 17% with a workforce exceeding 27.3 million, and this is expected to increase to 25% of the GDP by 2025. National Manufacturing Policy and the Production Linked Incentive (PLI) scheme, initiated by the Government of India, is aimed at fostering the manufacturing sector in alignment with global standards.

The global polyester film market is poised to grow during the forecast period spanning from 2022 to 2028. Further, despite the global challenges, the recovery in the automotive sector presents significant growth opportunities for speciality film manufacturers. Various reports suggest that by 2023, the global automotive industry is expected to reach a value of USD 2.5 trillion*, driven by increased demand in the transportation, commercial, and tourism sectors and fueled by the electric vehicle segment. This growth in demand for vehicles serves as a key driver for the speciality film industry. In India, the automotive industry is projected to grow by a CAGR of 11.3%* for the next decade, further fueling the growth prospects for speciality filmmakers in the region.

3. INDUSTRY STRUCTURE AND OUTLOOK

The poly-film industry caters to various sectors including packaging, automobile films, architectural applications, yarn, speciality industrial applications, thick films for insulation, shrink label applications and others. With a focus on speciality applications, the Company has developed products that align with the capabilities of each manufacturing line, reducing reliance on low-margin commodity and packaging segments, while catering to high-margin value-added applications such as window films, paint protection films, shrink labels, electric insulation, sequin, and digital printing. The Company’s solar control films and paint protection films have gained significant acceptance in the international market, reflecting their world-class quality and performance.

The global speciality films market is poised for significant growth in the coming years, with a projected market size* of US\$55.4 billion by 2028, growing at a CAGR of 5.2%. The industry faces challenges due to fluctuating crude oil prices, which impact fuel and raw material costs, and the risks associated with the global economic slowdown and geopolitical tensions, such as the ongoing Russia-Ukraine conflict. The geopolitical tensions create uncertainties and potential disruptions in supply chains and international trade, affecting market dynamics.

Companies in the speciality film sector are reshaping their strategies to focus on sustainability and value-added products. GHFL, as a key player in the industry, has demonstrated resilience and adaptability. GHFL’s consumer-centric approach, with offerings like automotive solar control films, paint protection films, safety films, and architectural films, has enabled it to capture market opportunities and drive stronger revenue growth.

*Source: IMARC, Tecnova Global, Grand View Research

4. OPPORTUNITIES AND CHALLENGES

Demand for PET film in the packaging segment slowed in the second half of the year, both domestically and internationally. The packaging industry remains highly competitive and margins are under tremendous pressure due to its commoditised nature and the oversupply resulting from the bundling of several new production lines. However, the growth in PET film is expected to continue, driven by the need for hygienic packaging and the expected increase in consumption of packaged food.

However, GHFL which has more than three-fourths of its revenue coming from speciality films withstood the margin pressure and outperformed the industry significantly. In response to the challenges posed by excess capacities and price competition in both the Indian and international markets, the Company is actively pursuing cost reduction measures, while the strategic focus is centred around increasing the share of speciality value-added products, PCR and eco-friendly products, and reducing the volume of commodity films.

The Company's strength lies in its integrated manufacturing facilities, established track record, experienced management team, diversified customer base across the globe, wide range of products, dedicated R&D, speciality products, and well-recognized brands which position the Company for future growth.

Additionally, GHFL has diversified its customer-centric product portfolio by entering into the automobile paint protection film segment, a complementary business to the automobile window film industry. Owing to low market penetration, the Company envisages significant growth opportunities for PPF in domestic and emerging markets, wherein the segment has emerged as a thriving industry driven by increasing consumer awareness, technological advancements, and expanding applications.

Other than PPF, GHFL has fortified its position in other diversified product portfolios which include solar control films, shrink films, insulation films, release liners, thermal lamination films, and packaging films for industrial applications. The Company's focus on speciality films and value-added products positions it well in a competitive marketplace, while its commitment to sustainability aligns with the growing demand for eco-friendly solutions.

Despite the challenges posed by geopolitical tensions and volatile market conditions, GHFL remains focused on delivering high-quality products, leveraging its expertise, expanding its presence in key markets and maintaining its position as a leading player in the global speciality films industry.

5. EXPORTS MARKET

Solar Control Film:

With a dedicated history of over 30 years in technological development, the Company has emerged as one of the premier manufacturers of Solar Control window films and a trendsetter and leader in this segment. By serving customers across North America, South America, Russia, Europe, China, the Far East, the Middle East, and Africa, apart from India, the Company has gained a strong foothold in international markets. Its brand 'Global Window Films' is registered in the USA and has garnered popularity, particularly in mature markets of the USA and Europe. Currently, the Company exports its products to more than 90 countries worldwide. To further expand its global presence, the Company has appointed sales personnel in key markets such as the USA, UK, Russia, Brazil, UAE, and Australia. In addition to its success in international markets, the Company holds a dominant position in the domestic market in India, enjoying strong brand recognition with its flagship "Garware

Sun Control" brand. This diverse product portfolio provides ample marketing opportunities for distributors worldwide.

The global solar control film market is experiencing steady growth driven by increasing awareness of the benefits offered by solar control films. These films contribute to energy cost reduction, and carbon footprint reduction, and protect against harmful ultraviolet (UV) rays and infrared emissivity.

Paint Protection Film:

The Company commissioned a state-of-the-art, dedicated PPF facility at Waluj, Aurangabad in January 2021, which has been well-received in the market with growing demand. As of now, GHFL is the only manufacturer of PPF in India with more than 70% of the product exported to the global market. The key growth drivers are the underpenetrated domestic market accounting for less than 1% when compared to 8-10% in developed markets like USA and China. Since the commissioning of the 300 lakh square feet (LSF) per annum capacity PPF facility, it has consistently maintained robust utilization levels.

Shrink Film:

GHFL has a dedicated line for shrink films, in addition to fungible capacities to produce more. The business has witnessed robust growth owing to the Company's efforts to grow the product in the domestic market, further driven by customers' preference shifting from PVC-based films to more recyclable PET-based shrink films. Currently, GHFL occupies 60% of the target market catering to several large converters in India. The Company sees immense potential backed by GHFL's comprehensive control over the end-to-end production cycle to deliver highly customized, premium quality and environment-friendly shrink films as required by the market.

Thermal Film:

The Company offers a wide range of high-quality products in the thermal lamination segment. The Company has expanded its product portfolio to include speciality films such as Feather feel films leading to higher export volumes for these speciality products.

Plain Film:

The Company has consistently maintained its position as one of top exporters of polyester films in India and has been continuously honoured with the top exporter award from Plexconcil for more than three decades. By delivering high-quality and variety of product offerings and its ability to satisfy customers worldwide, the Company is confident in maintaining its prominent position in exports. To expand its market reach, the Company is actively exploring opportunities in new markets and aims to grow its customer base in regions such as the USA, Europe, China, South America, Africa, the Middle East, Australia, and New Zealand as these markets hold strategic importance for the Company's BOPET products.

6. DOMESTIC MARKET

The retail sector is witnessing growth, driven by increasing consumer preference for packaged items, liberalization policies, and the expanding middle class. This trend is expected to boost the consumption of BOPET Films in the domestic market and the Company is well-positioned to capitalize on this growth. There is a growing demand for window films in the premium vehicle segment and the real estate sector including offices, commercial buildings, and malls for their energy efficiency and UV protection. The Company, with its premium range of window film products, is poised to leverage this trend for continued growth.

Furthermore, intending to expand customer touchpoints and enhance sales within the domestic PPF market, the Company has introduced an innovative concept known as Garware Application Studios (GAS), which are specialized detailing and car care studio focuses on the expert installation of PPF on both new and used vehicles. With dedicated efforts to create the market, GHFL has also trained more than 500 PPF applicators so far and continues to build the tinting and installers community in India.

7. REVIEW OF OPERATION

The standalone financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and the applicable Indian accounting standards.

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 | % Change |
|--|------------|------------|----------|
| Net Sales | 131,123.58 | 126,396.53 | 3.74% |
| Other Income | 4,037.31 | 3,954.72 | 2.09% |
| Profit before Interest, Depreciation | 24,263.92 | 26,781.41 | -9.40% |
| Interest & Financial Charges | 1,531.16 | 1,715.24 | -10.73% |
| Depreciation | 3,169.14 | 2,806.92 | 12.90% |
| Profit before Tax | 19,563.62 | 22,259.25 | -12.11% |
| Provision for Tax | 4,804.14 | 6,238.72 | -22.99% |
| Profit after Tax | 14,759.48 | 16,020.53 | -7.87% |
| Other Comprehensive Income (OCI) Net of Tax | 114.02 | 348.28 | -67.26% |
| Total Comprehensive Income for The Year Net of Tax | 14,873.50 | 16,368.81 | -9.14% |
| Earnings Per Share (Basic/Diluted) | 63.53 | 68.96 | -7.87% |
| Market Capitalization | 121,540.27 | 161,976.25 | -24.96% |

Details of significant changes in key financial ratios:

| Sr. No. | Particulars | 2022-23 | 2021-22 | Change |
|---------|-------------------------------|------------|------------|---------|
| 1 | Debtors Turnover No of Days | 30 | 32 | 6.03% |
| 2 | Inventory Turnover No of Days | 44 | 36 | -22.34% |
| 3 | Interest Coverage Ratio | 15.85 | 15.61 | 1.49% |
| 4 | Current Ratio | 2.61 | 2.29 | 14.11% |
| 5 | Debt Equity Ratio | 0.05 | 0.08 | 39.77% |
| 6 | Operating Profit Margin (%) | 18.50% | 21.19% | -12.67% |
| 7 | Net Profit Margin (%) | 11.26% | 12.67% | -11.19% |
| 8 | Net Worth | 181,339.95 | 168,789.69 | 7.44% |

6. Internal Control Systems and their Adequacy

The Company has sound systems of internal control and checks, which are supplemented by a regular internal audit commensurate with the size of its business and nature of its operations. The Audit Committee of the Board meets at regular intervals and actively reviews the internal control systems, which are reflected in the internal audit reports. Suitable corrective actions are initiated wherever necessary.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has sound systems of internal control and checks, which are supplemented by a regular internal audit commensurate with the size of its business and the nature of its operations. The Audit Committee of the Board meets at regular intervals and actively reviews the internal control systems, which are reflected in the internal audit reports. Suitable corrective actions are initiated wherever necessary.

9. MATERIAL DEVELOPMENTS IN HR / INDUSTRIAL RELATIONS

The Company has a highly qualified and experienced team of professionals who have greatly contributed to its overall performance. Their expertise and dedication have been instrumental in driving the Company's success. The Company values the skills and contributions of its employees and strives to provide a supportive and conducive work environment that promotes collaboration and innovation.

The Company is pleased to report that labour relations across all its company locations have remained harmonious and cooperative. As a result, the Company has not experienced any incidents of industrial unrest or disruptions during the review period. GHFL believes that maintaining strong labour relations is essential for the long-term success of the organization and will continue to prioritize the well-being and satisfaction of its employees.

10. ENTERPRISE RISK MANAGEMENT

Risk is an inherent component of business, and in the current dynamic and competitive landscape, it is crucial to proactively address and mitigate potential risks. The Company recognizes the importance of risk management and has conducted a comprehensive exercise to identify key risks that could impact its performance. These risks encompass various aspects such as changing regulations, intensifying competition, business uncertainties, technological obsolescence, investment risks, financial challenges, environmental concerns, and talent retention. By identifying and understanding these critical risks, the Company can implement effective risk mitigation strategies to safeguard its operations and ensure sustainable growth.

Some of the critical risks identified by the Company are as follows:

Operational Risk: The Company recognizes the potential impact of operational risks, particularly supply chain risk, geopolitical challenges, Supplier and customer concentration risk, availability of necessary resources, and regulatory requirements impacting the Company's operations and markets, along with generic risks like unexpected equipment breakages or obsolescence, and protection of the Company's intellectual property rights. To mitigate these risks, the Company closely monitors equipment performance, conducts timely upgrades, and implements preventive maintenance measures. Significant investments have been made in equipment modernization to ensure operational efficiency and minimize disruptions.

Competition Risk: The Company is sensitive to industry capacity, output levels, economic conditions, and changes in consumer demand and preferences, and from the new range of products due to global R&D activities. The addition of capacities by competitors has intensified competition. To address this risk, the Company focuses on product differentiation, expanding its market presence, and adapting to evolving consumer needs. Continuous market analysis and proactive strategies help the Company maintain its competitive edge.

Commodity Risk: The Company's major raw materials, PTA and MEG, are derived from crude oil. Fluctuations in crude oil prices directly impact raw material costs. The Company regularly assesses these changes and passes on any increase to the extent feasible and required. Effective cost management and proactive procurement strategies help mitigate the impact of raw material price fluctuations.

Market Risk: To manage market risk, including geographical concentration risk, the Company diversifies its presence in various markets and aims for deeper penetration in existing markets. The Company focuses on launching new products and staying abreast of market trends. By adapting to changing market dynamics, the Company minimizes the impact of market risks and capitalizes on growth opportunities.

Logistics Risk: Logistics risks encompass transportation challenges and the availability of shipping containers. The Company, like other global companies, faced difficulties during the COVID-19 pandemic due to limited availability of shipping resources and increased costs. With effective planning and advanced logistics management, the Company has been able to navigate these challenges and optimize costs. It anticipates the situation to normalize by the end of 2023.

Currency Fluctuation: Given the Company's significant export revenues, it is exposed to currency fluctuations. To mitigate currency risks, the Company has appointed consultants who advise on global economic events and their impact on currencies. The Company hedges its net exposure through forward contracts, reducing its vulnerability to currency fluctuations and ensuring stability in financial performance.

RISK MANAGEMENT AND MITIGATION

The Company has implemented a robust Enterprise Risk Management System to proactively identify, assess, and mitigate

risks to achieve business objectives. Internal control systems and response strategies are in place to handle risks and protect the interests of shareholders and stakeholders. The Board of Directors holds overall responsibility for the Company's risk management framework, supported by the dedicated Risk Management Committee. According to Regulation 21 of Listing Regulations, 2015, the Risk Management Committee was constituted to overall manage the Company's risk management process.

The primary objective of the Committee is to control and prevent unacceptable losses by identifying, measuring, and monitoring the Company's risk exposure. An Enterprise Risk Management Policy has been formulated to guide risk management efforts, outlining objectives, approaches, and organizational structure for risk identification, management, and reporting. The Policy assigns clear roles and responsibilities to key stakeholders and personnel, ensuring a systematic process for risk identification and management.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis regarding the Company's objectives, projections, estimates, expectations, and predictions may constitute "forward-looking statements" as defined by applicable laws and regulations. These statements and forecasts involve inherent risks and uncertainties as they are based on future events and circumstances. Various factors may cause actual events or trends to significantly differ from the expectations expressed or implied in these forward-looking statements and predictions. Key developments that could affect the company's performance include rising material costs, advancements in technology, substantial shifts in the political and economic landscape, changes in tax regulations, and fluctuations in labour relations.

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2023.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is a pre-requisite for attaining sustainable growth in this competitive world. The Company's Management acknowledges that Corporate Governance is a set of laws, regulations and good practices that enables an organization to perform efficiently and effectively. The philosophy of the Company towards good corporate governance is to enhance the long-term economic value of the Company, its shareholders and other stakeholders at large by adopting better corporate practices in fair and transparent manner.

The Company has a strong legacy of fair, transparent and ethical governance practices and has also adopted a Code of Conduct for its Members on the Board including the Senior Management of the Company. Sincerity, good citizenship and commitment to compliance are the key characteristics that drive relationships of the Board and Senior Management with other Stakeholders.

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavor to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

Your Company believes in healthy balance of interest of all Stakeholders and in pursuance of this objective, the policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholder value. In recent times, governance has been further strengthened within the organization by introduction of incremental changes to various policies and processes.

The Company's focus is on sustainable development, its customer centric approach to create value for the customers by ensuring product quality and innovative service offerings coupled with its outreach to the communities it impacts through CSR activities and programmes has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and other stakeholders.

Ethics/ Governance Policies:

The Company strives to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct for Board of Directors and Senior Management policy
- Code of Conduct for Prevention of Insider Trading
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- The terms and conditions of appointment of the Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013.
- Whistle-blower Policy
- Board Diversity Policy

- Prevention of Sexual Harassment of Women at Workplace Policy
- Corporate Social Responsibility Policy
- Policy Relating to the Remuneration of the Directors, Key Managerial Personnel and other Employees (Nomination Remuneration Committee Policy)
- Familiarization Program of Independent Director
- Anti Bribery and Anti-Corruption Policy
- Dividend Distribution Policy
- Policy for determining Material Subsidiaries
- Sustainability Policy
- Policy on Related Party Transactions
- Policy on determination and disclosure of Materiality of Events
- Policy for Preservation of Documents
- Risk Management Policy
- Policy on succession planning for the board and senior management
- Archival Policy

A report on compliance with the principles of Corporate Governance as prescribed in the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is given below:

GOVERNANCE STRUCTURE

The Corporate Governance Structure of the Company is as follows:

1. **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the Management adheres to ethics, transparency and disclosures.
2. **Committees of the Board:** The Board has constituted the following Committees viz. (1) Audit Committee (2) Nomination and Remuneration Committee (3) Stakeholders Relationship Committee (4) Corporate Social Responsibility (CSR) Committee (5) Risk Management Committee and (6) Vigil Mechanism Committee. Each of the said Committee has been mandated to operate with a given framework.

The Report on Corporate Governance is divided into seven parts: -

- I. Board of Directors – Composition & Meetings
- II. Committees of the Board
- III. Remuneration of Directors
- IV. Information on General Body Meetings
- V. Means of Communication
- VI. General Shareholder Information
- VII. Disclosures

I. BOARD OF DIRECTORS:

a) COMPOSITION OF THE BOARD OF DIRECTORS:

The Company has a broad-based Board of Directors comprises of optimum combination of executive and non-executive Directors which is constituted in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act') and in accordance with the best practices for Corporate Governance. The Board functions either as a full Board or through various Committees constituted to oversee specific areas. Policy formulation, setting up of goals and evaluation of performance and control functions vest with the Board.

The Board of Directors, as on March 31, 2023, comprises of 11 Directors out of which 3 were Promoter and Executive Directors, 1 was Promoter and Non-Executive Director, 1 was Professional Executive Director and 6 were Independent Non-Executive Directors. The Company has four women Directors out of which 1 is Independent Director. All Directors possess relevant qualifications and experience in general corporate management, finance, legal and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

Composition and category of the Board:

| Category | Name of the Director | No. of Shares held as on 31st March 2023 | Relationship with other Directors | No. of Board meetings attended during FY 2022-23 | No. of Directorship(s) as on March 31, 2023* | Committee position as on 31st March 2023# | | Attendance at AGM held on September 27, 2022 |
|--|------------------------------|--|--|--|--|---|--------|--|
| | | | | | | Chairman | Member | |
| Promoter and Executive Directors | Dr. S. B. Garware | 11,63,001 | Father of Ms. Monika Garware, Mrs. Sarita Garware Ramsay and Ms. Sonia Garware | 5 out of 5 | 1 | - | - | No |
| | Ms. Monika Garware | 2,67,504 | Daughter of Dr. S. B. Garware and sister of Mrs. Sarita Garware Ramsay and Ms. Sonia Garware | 5 out of 5 | 1 | - | - | Yes |
| | Mrs. Sarita Garware Ramsay # | 2,67,810 | Daughter of Dr. S. B. Garware and sister of Ms. Monika Garware and Ms. Sonia Garware | 5 out of 5 | 1 | - | - | No |
| Promoter and Non-Executive Director | Ms. Sonia Garware | 2,68,595 | Daughter of Dr. S. B. Garware and sister of Ms. Monika Garware and Mrs. Sarita Garware | 4 out of 5 | 1 | - | - | No |
| Executive Director | Mr. Hemant Nikam@ | 05 | None | 2 out of 5 | 1 | | 1 | Yes |
| | Mr. U. V. Joshi \$ | - | None | 2 out of 5 | 1 | - | 1 | NA |
| Independent Non-Executive Directors | Dr. M. C. Agarwal | - | None | 5 out of 5 | 1 | 1 | 2 | Yes |
| | Mr. Ramesh P. Makhija | - | None | 4 out of 5 | 1 | - | 1 | No |
| | Mr. T. M. Parikh | - | None | 5 out of 5 | 2 | 1 | 2 | Yes |
| | Mr. Nilesh R. Doshi | - | None | 5 out of 5 | 2 | - | 2 | No |
| | Mr. Vivekanand H. Kamath | - | None | 4 out of 5 | 1 | - | 1 | No |
| Independent Non-Executive and Woman Director | Ms. Devanshi H. Nanavati | - | None | 5 out of 5 | 1 | - | - | Yes |

*Aforesaid directorships include directorship held in the Company but does not includes directorship held in foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 ("the Act") and private limited companies.

#For reckoning the limit of membership/ chairmanship of the committees, only Audit Committee and Stakeholders' Relationship Committee were considered. However, for this purpose, Chairmanship/ Membership held in the Company have also been included.

Appointed as an Additional Director in the category of Whole Time Director designated as Joint Managing Director of the Company as on May 26, 2022 and regularized from July 12, 2022.

@ Mr. Hemant Nikam was resigned from the Post of Whole Time Director of the Company w.e.f. October 18, 2022.

\$ Appointed as an Additional Director in the category of Whole Time Director as on October 18, 2022 and regularized from December 27, 2022.

Names of listed entities (other than Garware Hi-Tech Films Limited) where the person is a director and category of directorship:

| Sr. No. | Name of the Director | Name of the Company | Category of directorship |
|---------|----------------------------|--|-------------------------------------|
| 1. | Dr. S. B. Garware | NIL | NIL |
| 2. | Ms. Monika Garware | NIL | NIL |
| 3. | Mrs. Sarita Garware Ramsay | NIL | NIL |
| 4. | Ms. Sonia Garware | NIL | NIL |
| 5. | Mr. Uday Vasant Rao Joshi | NIL | NIL |
| 6. | Dr. M. C. Agarwal | NIL | NIL |
| 7. | Mr. Ramesh P. Makhija | NIL | NIL |
| 8. | Mr. T. M. Parikh | Choksi Imaging Limited | Non-Executive, Independent Director |
| 9. | Mr. Nilesh R. Doshi | V. B. Desai Financial Services Limited | Non-Executive, Independent Director |
| 10. | Mr. Vivekanand H. Kamath | NIL | NIL |
| 11. | Ms. Devanshi H. Nanavati | NIL | NIL |

List of core skills, expertise, competencies required by the Board and those actually available with the Individual Directors

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

| Sr. No. | List of core skills/ expertise/ competence | Availability of the core skills/ expertise/ competence, with the directors, as on 31st March, 2023 | | | | | | | | | | |
|---------|--|--|--------------------|----------------------------|-------------------|-----------------|-------------------|-----------------------|------------------|---------------------|--------------------------|--------------------------|
| | | Dr. S. B. Garware | Ms. Monika Garware | Mrs. Sarita Garware Ramsay | Ms. Sonia Garware | Mr. U. V. Joshi | Dr. M. C. Agarwal | Mr. Ramesh P. Makhija | Mr. T. M. Parikh | Mr. Nilesh R. Doshi | Mr. Vivekanand H. Kamath | Ms. Devanshi H. Nanavati |
| 1. | General: Accounts, Sales and Marketing, Operations, Taxations, Banking, Legal and Administration. | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| 2. | Global Business: Keeping Business Connections Globally, Understanding Business Dynamics and other market related factors. | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| 3. | Strategy and Planning: Long term and Short-term strategy, planning and support to the Management of the Company. | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| 4. | Governance: Maintaining Board and Management accountability, driving Business ethics and values in the best interests of stakeholders. | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

INDEPENDENT DIRECTOR & DATABANK REGISTRATION:

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The Board is of the opinion that the Independent Directors fulfil the conditions specified in the Act and the Listing Regulations and that they are independent of the management.

The terms and conditions stating the appointment of Independent Directors as provided in Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 has been issued and disclosed on the website of the Company i.e. www.garwarehitechfilms.com

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

No Independent Director had resigned during the Financial Year 2022-23.

(b) MEETINGS OF BOARD OF DIRECTORS:

The Company Secretary prepares the agenda and explanatory notes, in consultation with the Chairman and Managing Director, Joint Managing Director, Whole-time Director and other Departmental Heads and circulates the same 7 days in advance to all the Directors, to ensure that all applicable laws and regulations, including the Companies Act, 2013 read with Rules issued thereunder, LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), are being complied with. The Company places before the Board all the relevant and necessary data/information at its Meetings related to production, sales, exports, review of business, any legal proceedings by/against the Company, Share Transfers, Quarterly Financial Results, Minutes of: (a) Board Meetings, (b) Audit Committee Meetings, (c) Stakeholders Relationship Committee Meetings (d) Nomination and Remuneration Committee Meetings, (e) Corporate Social Responsibility Committee Meetings, (f) Vigil Mechanism Committee Meetings, (h) Risk Management Committee Meetings and such other relevant information is regularly made available to the Board for discussion and consideration.

The Board of Directors meets at least once in every quarter to review the Quarterly Results of the Company. During the year under review commencing w.e.f. April 1, 2022, Five Board Meetings were held. The gap between any two Board Meetings did not exceed 120 days. The details of Board Meetings held during Financial Year 2022-23 are given below:

| Sr. No. | Date | Board Strength | No. of Directors Present |
|---------|------------|----------------|--------------------------|
| 1. | 26/05/2022 | 11 | 11 |
| 2. | 04/08/2022 | 11 | 10 |
| 3. | 18/10/2022 | 11 | 09 |
| 4. | 11/11/2022 | 11 | 10 |
| 5. | 10/02/2023 | 11 | 11 |

Post Meeting Mechanism

The important decisions taken at the Board and Committee Meetings are communicated to the concerned departments/divisions.

The draft Minutes of the Board and its Committees are sent to the respective Directors & Members within 15 days from the date of Board Meeting & Committee Meeting for their comments thereon and then the Minutes are entered in the Minutes Book within 30 days from the date of the Meeting.

Board Support

The Company Secretary attends the Board and Committee Meetings and advises on compliances with the applicable laws and governance.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective fields/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for the appointment as the Independent Director on the Board.

The Committee, *inter-alia*, considers qualification, positive attribute, area of expertise, number of Directorship(s) and Membership(s)

held in various Committees of other Companies by such persons in accordance with Company's Policy for Selection of Directors and determining Director's Independence. The Board considers the Committee's recommendation, and then takes an appropriate decision.

Familiarisation Programme For Directors

As required under the Listing Regulations and the Act, the Company has an orientation programme upon induction of new Director(s), as well as other initiatives to update Directors on a continuous basis. At the time of appointment of the Director, a formal letter of appointment is given to the Director, which *inter-alia* explains the role, function, duties and responsibilities expected from Director. The Director is also explained in detail on the compliance part required from him under the Companies Act, 2013, Listing Regulations and other relevant provisions.

The Chairman and Managing Director also have one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company. The details of familiarization program are available on the Company's website at <https://www.garwarehitechfilms.com/investors/policies-of-company/>.

Insider Trading Code

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted the Code of Conduct for Prevention of Insider Trading, (amended from time to time). All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the UPSI of the Company are governed by this Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

INDEPENDENT DIRECTORS' MEETING

During the year a separate meeting of Independent Directors of the Company without the presence of the Executive Directors & Management Representatives was held on February 06, 2023, as required under Schedule IV to the Act and Regulation 25 (3) of the Listing Regulations, *inter-alia*, to discuss;

- Evaluation of the performance of all the Executive and Non-Executive and Independent Director of the Company and the Board as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors of the Company.
- Assessment of quality, quantity, and flow of information between the Company management and the Board of Directors.
- Dr. M. C. Agarwal, Mr. T. M. Parikh, Mr. Nilesh R. Doshi, Mr. Vivekanand H. Kamath, Mr. R. P. Makhija and Ms. Devanshi H. Nanavati Independent Directors were present at the meeting.

All the Independent Directors of the Company attended the Meeting of Independent Directors held on February 06, 2023. The Independent Directors expressed their satisfaction with the desired level on the governance of the Board.

DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF THE TERM;

| Sr No. | Name of the Independent Director | Detailed Reasons for the resignation |
|--------|----------------------------------|--------------------------------------|
| 1 | | Not Applicable |

II. COMMITTEES OF THE BOARD

The Board has constituted Committees of the Directors to oversee the activities falling within the purview of their terms of reference.

The following are the various Committees of the Board:

- (A) Audit Committee
- (B) Nomination and Remuneration Committee
- (C) Stakeholders Relationship Committee
- (D) Risk Management Committee
- (E) Corporate Social Responsible Committee
- (F) Vigil Mechanism Committee

(A) AUDIT COMMITTEE:

(i) Composition:

The Board of the Company has constituted an Audit Committee comprising of the following Directors.

| Name of Director | Designation | Category |
|---------------------|-------------|--|
| Mr. T. M. Parikh | Chairman | Independent and Non-Executive Director |
| Mr. R. P. Makhija | Member | Independent and Non-Executive Director |
| Dr. M. C. Agarwal | Member | Independent and Non-Executive Director |
| Mr. Nilesh R. Doshi | Member | Independent and Non-Executive Director |

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the CFO, Statutory Auditor(s) and Internal Auditor to attend the meetings of the Committee.

The Audit Committee, during the Financial Year 2022-23, has approved the Related Party Transactions along with granting omnibus approval in line with the Company's Policy of Related Party Transactions and the applicable provisions of the Companies Act, 2013 and Listing Regulations.

(ii) Terms of Reference:

The powers and terms of reference of the Audit committee are as mentioned in Regulation 18 of the Listing Regulation and Section 177 of the Companies Act, 2013.

The brief descriptions of terms of reference are:

- 1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;

- 2) recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- 3) approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the Director's Responsibility Statement; to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit Report;
- 5) reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
- 7) reviewing and monitoring the Auditor's independence & performance, and effectiveness of audit process;
- 8) approval or any subsequent modification of transactions of the Company with related parties;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) evaluation of internal financial controls and risk management systems;
- 12) reviewing, with the management, performance of statutory and internal Auditors, adequacy of the internal control systems;
- 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) discussion with internal Auditors of any significant findings and follow up there on;

- 15) reviewing the findings of any internal investigations by the internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) to review the functioning of the Whistle-Blower mechanism;
- 19) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- 21) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- 22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- 23) Review of the following information;
 1. Management Discussion and Analysis of financial condition and results of operations;
 2. Management letters / letters of Internal Control weaknesses issued by the Statutory Auditors;
 3. Internal Audit Reports relating to Internal Control weaknesses;
 4. the appointment, removal and terms of remuneration of the Internal Auditor;
 5. Statement of deviations:
 - a) quarterly statement of deviation(s) including report of monitoring agency,
If applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus in terms of Regulation 32(7), if applicable.

The attendance of Members at the Committee Meetings is as under:

| Name of Members | Audit Committee Meetings Attended |
|---------------------|-----------------------------------|
| Mr. T. M. Parikh | 4 |
| Mr. R. P. Makhija | 3 |
| Dr. M. C. Agarwal | 4 |
| Mr. Nilesh R. Doshi | 4 |

(B) NOMINATION AND REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee (NRC) is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

(i) Composition:

| Name of Director | Designation | Category |
|-------------------|-------------|-------------------------------|
| Dr. M. C. Agarwal | Chairman | Independent and Non-Executive |
| Mr. T. M. Parikh | Member | Independent and Non-Executive |
| Mr. R. P. Makhija | Member | Independent and Non-Executive |

(ii) Terms of Reference:

The terms of reference of the NRC stated below are wide enough to cover the matters specified in Listing Regulations

- Recommend to the Board, the set up and composition of the Board and its Committees including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees”. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The Committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board, the Appointment or Reappointment of Directors.
- Devise a policy on board diversity.
- Recommend to the Board, the appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this committee).
- identify Independent Directors to be inducted into the Board from time to time and take steps to refresh the composition of the Board from time to time.
- Carry out evaluation of every Director’s performance and support the Board and Independent Directors in evaluation of the performance of the board, its committees and individual directors.
- This shall include “formulation of criteria for evaluation of independent directors and the board”.

(iii) Meetings and attendance during the year:

During the financial year 2022-23, the Audit Committee met 4 (Four) times as per the details given below. The gap between any two meetings does not exceed beyond the statutory limit.

| Sr. No. | Date | Strength | No. of Members Present |
|---------|------------|----------|------------------------|
| 1. | 26/05/2022 | 4 | 4 |
| 2. | 04/08/2022 | 4 | 3 |
| 3. | 11/11/2022 | 4 | 4 |
| 4. | 10/02/2023 | 4 | 4 |

- Recommend to the Board the remuneration policy for Directors, executive team or Key Managerial Personnel (KMP).
- To review the overall compensation policy and remuneration payable to Managing Director, Joint Managing Directors, Whole time Directors and Key Managerial Personnel.
- To make recommendations to the Board of Directors on the increments in the remuneration of the Directors and Key Managerial Personnel.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

(iii) Meeting and Attendance during the year:

During the year the Nomination and Remuneration Committee met 4 (Four) times and details of attendance are as under:

| Sr. No. | Date | Strength | No. of Members Present |
|---------|------------|----------|------------------------|
| 1. | 26/05/2022 | 3 | 3 |
| 2. | 04/08/2022 | 3 | 2 |
| 3. | 18/10/2022 | 3 | 3 |
| 4 | 06/02/2023 | 3 | 3 |

The details of attendance of members at the committee meetings were as under:

| Name of Members | No. of meetings attended |
|-------------------|--------------------------|
| Dr. M. C. Agarwal | 4 |
| Mr. T. M. Parikh | 4 |
| Mr. R. P. Makhija | 3 |

(iv) The Company does not have any employee stock option scheme.

(v) PERFORMANCE EVALUATION

Regulation 17 of Listing Regulations read with Schedule IV and other applicable provisions of the Act, mandates a formal evaluation to be done by the Board of its own performance and that of its committees and individual Directors. Independent Directors shall also evaluate the performance of non-independent Directors and the Chairman of the Board.

The evaluation of all the directors, including independent directors was carried out by the entire Board, except for the director being evaluated. Performance evaluation of the Board, Chairman and the non-independent directors was carried out by the independent directors in their meeting held on February 06, 2023.

The directors were satisfied with the outcome of the evaluations of the Board, its Committees and the individual directors and on the basis of said evaluation reports, the Independent Directors will continue to act as Independent Directors of the Company for their remaining period.

Criteria for performance evaluation of Directors. The Board of Directors has approved the criteria for performance evaluation of Non-Executive Directors (including Independent Directors) as recommended by the Nomination & Remuneration Committee. The said criteria inter alia includes following:

- Attendance at the Board / Committee meetings.
- Active participation in the meetings.
- Managing Relationship.
- Knowledge and Skills.
- Personal Attributes.
- Prompts Board discussion on strategic issues.
- Understands and evaluates the risk environment of the organization.
- Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.
- Maintain confidentiality wherever required.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

(i) Composition:

| Name of Director | Designation | Category |
|----------------------------|-------------|--|
| Dr. M. C. Agarwal | Chairman | Independent and Non-Executive Director |
| Mr. Vivekanand H. Kamath | Member | Independent and Non-Executive Director |
| Mr. Uday Vasantrya Joshi * | Member | Executive Director |
| Mr. H. N. Nikam ** | Member | Executive Director |

* Mr. U. V. Joshi appointed as member of the Stakeholders Relationship Committee w.e.f. October 18, 2022

** Mr. H. N. Nikam ceased as member of the Stakeholders Relationship Committee w.e.f. October 18, 2022.

(ii) Compliance Officer

| | |
|--|---|
| Name and Designation of the Compliance Officer | Mr. Awaneesh Srivastava – Company Secretary & Compliance Officer |
| Address | Garware House,50-A, Swami Nityanand Marg, Vile Parle (East), Mumbai - 400 057 |
| Telephone Number | 022-6698 8000 |
| E-mail | cs@garwarehitech.com |

(iii) Terms of Reference:

Brief descriptions of terms of reference are:

- To resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review of measures taken for effective exercise of voting rights by shareholders.
- To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

(iv) Details of Shareholders' Complaints

During the year under review, the Company has resolved investor grievances expeditiously. As per information received from Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited, the Company had received 29 complaints from the Shareholders, which were resolved within the time frame as mentioned under the SEBI (LODR) Regulations, 2015. The details are as under:

| Nature of Complaint | No. of Complaints | No. of Complaints Resolved as on 31.03.2023 | No. of Complaints Pending as on 31.03.2023 |
|---|-------------------|---|--|
| Number of shareholders complaints Received during the Financial Year 2022-23 | 29 | 29 | Nil |
| Number of complaints resolved of shareholders during the Financial Year 2022-23 | 29 | 29 | Nil |
| Number of Pending Complaints During the Financial year 2022-23 | Nil | Nil | Nil |

(v) Meetings and attendance during the year:

During the year, the Committee met 23 (twenty-three) times. As on March 31, 2023, there were no requests pending for transfer of shares. The details of share transfers are reported to the Board of Directors along with the Minutes of the aforesaid Committee Meetings.

The attendance of Members at the aforesaid Committee Meetings was as under:

| Name of Members | Meetings Attended |
|------------------------------|-------------------|
| Dr. M. C. Agarwal | 23 |
| Mr. Vivekanand H. Kamath | 22 |
| Mr. H. N. Nikam* | 4 |
| Mr. Uday Vasanttrao Joshi ** | 5 |

*Mr. H. N. Nikam ceased as member of the Stakeholders Relationship Committee w.e.f. October 18, 2022.

**Mr. Uday Vasanttrao Joshi appointed as member of the Stakeholders Relationship Committee w.e.f. October 18, 2022.

(vi) Investor's Grievances:

Link Intime India Private Limited, Registrar and Share Transfer Agent redresses the investor's grievances under the supervision of the Secretarial Department of the Company.

(D) RISK MANAGEMENT COMMITTEE

Brief description of terms of reference:

- a) A framework for identification of internal and external risks specifically faced by the Company, in particular including

financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan.
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

In term of Regulation 21 of the Listing Regulations, your Company have constituted the Risk Management Committee to oversee the management of risk in your Company.

(i) Composition:

| Name of Members | Designation | Category |
|-------------------|-------------|---|
| Mr. T. M. Parikh | Chairman | Independent and Non- Executive Director |
| Dr. M. C. Agarwal | Member | Independent and Non- Executive Director |
| Mr. R. P. Makhija | Member | Independent and Non- Executive Director |
| Mr. Pradeep Mehta | Member | Chief Financial Officer |
| Mr. Sunil Wadikar | Member | President – Corporate Affairs & Finance |

Risk Management Committee reviews the process of risk management in your Company.

Audit Committee is also made responsible for overseeing, monitoring and implementation of policies related to Vigil Mechanism and Business Risk Management.

(ii) Meeting and Attendance during the year:

During the year the Risk Management Committee met 2 (two) times and details of attendance are as under:

| Sr. No. | Date | Strength | No. of Members Present |
|---------|------------|----------|------------------------|
| 1. | 15/07/2022 | 5 | 4 |
| 2. | 22/12/2022 | 5 | 5 |

The details of attendance of members at the committee meetings were as under:

| Name of Members | No. of meetings attended |
|-------------------|--------------------------|
| Mr. T. M. Parikh | 2 |
| Dr. M. C. Agarwal | 2 |
| Mr. R. P. Makhija | 1 |
| Mr. Pradeep Mehta | 2 |
| Mr. Sunil Wadikar | 2 |

The details of attendance of members at the committee meetings were as under:

| Name of Members | No. of meetings attended |
|-----------------------------|--------------------------|
| Dr. M. C. Agarwal | 2 |
| Mr. Nilesh Doshi | 1 |
| Mr. H. N. Nikam* | 1 |
| Mr. Uday Vasantrya Joshi ** | 2 |

* Mr. H. N. Nikam ceased as member of the Corporate Social Responsibility Committee w.e.f. October 18, 2022

** Mr. Uday Vasantrya Joshi appointed as member of the Corporate Social Responsibility Committee w.e.f. October 18, 2022.

(E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition:

| Name of Director | Designation | Category |
|----------------------------|-------------|--|
| Dr. M. C. Agarwal | Chairman | Independent and Non-Executive Director |
| Mr. Nilesh Doshi | Member | Independent and Non-Executive Director |
| Mr. H. N. Nikam* | Member | Executive Director |
| Mr. Uday Vasantrya Joshi** | Member | Executive Director |

* Mr. H. N. Nikam ceased as member of the Corporate Social Responsibility Committee w.e.f. October 18, 2022

** Mr. Uday Vasantrya Joshi appointed as member of the Corporate Social Responsibility Committee w.e.f. October 18, 2022.

Mr. Awaneesh Srivastava, Company Secretary of the Company act as a Secretary to the Committee.

The Company formulated CSR Policy, which is uploaded on the website of the Company www.garwarehitechfilms.com.

(ii) Brief description of terms of reference:

The Committee *inter-alia* authorized to formulate and recommend to the Board a CSR Policy, the amount of expenditure to be incurred on the permissible activities as prescribed under Schedule VII of the Companies Act, 2013. The Committee shall be responsible for monitoring the CSR Policy.

(iii) Meeting and Attendance during the year:

During the year the Corporate Social Responsibility Committee met 2 (Two) times and details of attendance are as under:

| Sr. No. | Date | Strength | No. of Members Present |
|---------|------------|----------|------------------------|
| 1. | 26/05/2022 | 3 | 3 |
| 2. | 11/11/2022 | 3 | 3 |

(F) VIGIL MECHANISM COMMITTEE

The Company has constituted the Vigil Mechanism Committee for its Directors and Employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism. In all cases, Directors and Employees have direct access to the Committee and in exceptional circumstances, Chairman of the Audit Committee. Further no personnel have been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy is available on Company's website at www.garwarehitechfilms.com

III. REMUNERATION OF DIRECTORS (Policy For Selection And Appointment Of Directors And Their Remuneration)

(A) Remuneration to Non- Executive Directors

The Non-Executive Directors are entitled for sitting fees and reimbursement of expenses for participation in the Board/ Committee meetings as per the NRC policy of the Company. The total amount of sitting fees paid during the Financial Year 2022-23 was ₹ 11,37,500/-. The Non-Executive Directors does not have any material pecuniary relationship or transactions with the Company apart from receiving the remuneration.

(B) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman and Managing Director, Joint Managing Directors and Whole – Time Director is routed through the recommendation of the Nomination and Remuneration Committee and accordingly the Resolutions with respect to their appointments were passed by the Board of Directors and Shareholders of the Company. The remuneration package of Chairman and Managing Director, Joint Managing Directors and Whole-time Director comprises of salary, perquisites, allowances and contributions to provident fund and other retirement benefits as approved by the Shareholders at the General Meeting.

The Remuneration of the Board Members is also based on the Company's size, its economic and financial position, industrial trends and compensation paid by peer Companies. The Compensation reflects each Board Member's responsibility and performance. The remuneration to Chairman and Managing Director, Joint Managing Directors, and Whole Time Director are paid as per the Agreements entered into between them and the Company.

(C) DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2023.

(i) Remuneration paid to Non-Executive Directors:

Details of sitting fees paid to Non- Executive Directors during Financial Year 2022-23 are given below:

(Amount in ₹)

| Names | Board Meeting | Audit Committee Meeting | Stakeholders Relationship Committee Meeting | Nomination & Remuneration Committee Meeting | Corporate Social Responsibility Committee Meeting | Independent Directors Meeting | Risk Management Committee Meeting | Vigil Mechanism Committee Meeting |
|------------------------------|-----------------|-------------------------|---|---|---|-------------------------------|-----------------------------------|-----------------------------------|
| Ms. Sonia Garware | 80,000 | - | - | - | - | - | - | - |
| Dr. M. C. Agarwal | 100,000 | 40,000 | 57,500 | 20,000 | 10,000 | 20,000 | 10,000 | 5,000 |
| Mr. Ramesh P. Makhija | 80,000 | 30,000 | - | 15,000 | - | 20,000 | 5,000 | - |
| Mr. T. M. Parikh | 100,000 | 40,000 | - | 20,000 | - | 20,000 | 10,000 | 5,000 |
| Mr. Nilesh R. Doshi | 100,000 | 40,000 | - | - | 10,000 | 20,000 | - | 5,000 |
| Mr. Vivekanand Heroor Kamath | 80,000 | - | 55,000 | - | - | 20,000 | - | - |
| Ms. Devanshi H Nanavati | 100,000 | - | - | - | - | 20,000 | - | - |
| TOTAL | 6,40,000 | 1,50,000 | 1,12,500 | 55,000 | 20,000 | 1,20,000 | 25,000 | 15,000 |

(ii) Remuneration paid to Executive Directors:

The aggregate remuneration paid to Executive Directors during the financial year 2022-23 is as under:

(₹ In Lakh)

| Names | Salary | Perquisites & Allowances | Retirement Benefits | Performance linked Bonus/ Commission | Stock Option | Total |
|-----------------------------|--------|--------------------------|---------------------|--------------------------------------|--------------|--------|
| Dr. S. B. Garware | 672.41 | 0.40 | - | 49.88 | - | 722.69 |
| Ms. Monika Garware | 546.61 | 0.40 | 105.49 | 42.11 | - | 694.61 |
| Mrs. Sarita Garware Ramsay# | 363.53 | 0.36 | 70.18 | 28.01 | - | 462.08 |
| Mr. H. N. Nikam\$ | 22.89 | 0.23 | 3.26 | - | - | 26.38 |
| Mr. Uday V. Joshi* | 24.05 | 0.10 | 3.30 | - | - | 27.45 |

Mrs. Sarita Garware Ramsay has appointed as Joint Managing Director of the Company w.e.f. May 26, 2022

\$ Mr. H. N. Nikam Resigned as Whole-Time Director of the Company w.e.f. October 18, 2022.

* Mr. Uday V. Joshi appointed as Whole-Time Director of the Company w.e.f. October 18, 2022

Executive Directors are covered under the Company's gratuity and leave encashment schemes along with other employees / directors of the Company. These liabilities are determined for all employees/directors by an independent actuarial valuation.

No severance pay is payable on termination of contract.

The Company does not have a scheme to grant stock options.

IV. INFORMATION ON GENERAL BODY MEETINGS

a) Details of the last 3 (three) Annual General Meetings (AGM) held by the Company are as under:

| AGM | Date | Venue | Time |
|----------|------------|--|------------|
| 63rd AGM | 23/12/2020 | At Registered Office: Naigaon, Post Waluj, Aurangabad-431133 | 11.30 a.m. |
| 64th AGM | 28/09/2021 | | 11.30 a.m. |
| 65th AGM | 27/09/2022 | | 11.30 a.m. |

b) The following Special Resolutions were passed in previous three Annual General Meetings:

| Date of Meeting | Number of Special Resolutions passed | Details of Special Resolutions Passed |
|--------------------|--------------------------------------|--|
| September 27, 2022 | Nil | Not Applicable |
| September 28, 2021 | 4 | <ol style="list-style-type: none"> Appointment of Ms. Devanshi H. Nanavati (DIN: 08770422) as an Independent Director (for a second term of 5 (Five) years commencing from June 25, 2021 up to June 24, 2026. Re-appointment of Ms. Monika Garware (DIN: 00143400), as a Joint Managing Director of the Company. Re-appointment of Mrs. Sarita Garware Ramsay (DIN: 00136048), as a Joint Managing Director of the Company. To alter the Articles of Association of the Company. |
| December 23, 2020 | 3 | <ol style="list-style-type: none"> Modify the terms of remuneration of Ms. Monika Garware - Vice Chairperson and Joint Managing Director of the Company with effect from April 01, 2020. Modify the terms of remuneration of Mrs. Sarita Garware Ramsay - Joint Managing Director of the Company with effect from April 01, 2020. Dr. M. C. Agarwal who was appointed as Independent Director of the Company shall continue to act as an Independent Director of the Company on his attaining the age of 75 (Seventy-Five) years upto the completion of his term on March 31, 2024. |

c) Postal Ballot:

During the year under review, Two Postal Ballots were conducted by the Company for seeking the approval of the Members.

Mr. Nilesh G. Shah, Partner, M/s. Nilesh Shah and Associates, Practicing Company Secretaries (FCS 4554), was appointed as the Scrutinizer to conduct the Postal Ballot and Remote E-voting in a fair and transparent manner and the Company had engaged the services of National Securities Depository Limited (NSDL) as the agency for the purpose of providing e-voting facility

The details of the Postal Ballot are as follows:

- Appointment of Mrs. Sarita Garware Ramsay (DIN 00136048) as a Whole Time Director designated as Joint Managing Director of the Company.
 - Date of Postal Ballot Notice : May 26, 2022
 - Voting period : June 13, 2022 to July 12, 2022
 - Date of Declaration of Results : July 13, 2022
 - Resolution required: : Special (Ordinary/ Special)

Result of the postal ballot exercise was as follows:

| Res. No. | Special Resolution | Postal Ballot | | E-Voting | | Result |
|----------|--|---------------|---------|-------------|----------|--------------------------------|
| | | For | Against | For | Against | |
| 1 | Appointment of Mrs. Sarita Garware Ramsay (DIN 00136048) as a Whole Time Director designated as Joint Managing Director of the Company | 6,930 | 50 | 1,46,26,369 | 8,13,336 | Passed with requisite majority |

- Appointment of Mr. Uday Vasantrao Joshi (DIN: 09753984), as a Whole-Time Director of the Company.
 - Date of Postal Ballot Notice : November 11, 2022
 - Voting period : November 28, 2022 to December 27, 2022
 - Date of Declaration of Results : December 28, 2022
 - Resolution required: : Special (Ordinary/ Special)

Result of the postal ballot exercise was as follows:

| Res. No. | Special Resolution | Postal Ballot | | E-Voting | | Result |
|----------|--|---------------|---------|-------------|---------|--------------------------------|
| | | For | Against | For | Against | |
| 1 | Appointment of Mr. Uday Vasantrao Joshi (DIN: 09753984), as a Whole-Time Director of the Company | 294 | 0 | 1,46,68,470 | 14,211 | Passed with requisite majority |

Whether any special resolution is proposed to be conducted through postal ballot:

Members' approval, which were required through postal ballot during the financial year 2022-23 was conducted in accordance with the applicable law.

d) Procedure for postal ballot:

Pursuant to Section 108, 110 and other applicable provisions of the Companies Act, 2013, the Company has conducted the two postal ballots from First was from June 13, 2022 to July 12, 2022 and Second was from November 28, 2022 to December 27, 2022. The procedure of aforesaid two Postal Ballots are mentioned below;

The notices of postal ballot along with Postal Ballot Form and Explanatory Statement has been dispatched to all the Members/Beneficial Owners whose names appear in the Company's Register

of Members/ records of depositories on the cut-off date. The Company also published a notice of completion of dispatch of postal ballot notice in the newspapers in accordance with the requirements of Companies Act, 2013. The members were provided with the facility to cast their votes either through dispatch of physical Postal Ballot Forms by post or through electronically voting facility provided by National Securities Depository Limited (NSDL).

Mr. Nilesh G. Shah, Partner, M/s. Nilesh Shah and Associates, Practicing Company Secretaries (FCS 4554), was appointed as the Scrutinizer to conduct the Postal Ballot and Remote E-voting in a fair and transparent manner and the Company had engaged the services of National Securities Depository Limited (NSDL) as the agency for the purpose of providing e-voting facility.

V. MEANS OF COMMUNICATION

- Unaudited quarterly, half yearly and year to date financial results are announced within forty-five days of the end of each quarter. The annual audited financial results are announced within sixty days of the end of the financial year as per the requirements of the Listing Regulations. The aforesaid financial results are submitted to BSE Limited (BSE) & National Stock Exchange of India Limited (NSE) where the shares of the Company are listed, immediately after the same were approved by the Board. The quarterly and annual results are generally published in leading English and Marathi daily newspapers within forty-eight hours of conclusion of Board Meeting. The audited financial statements form a part of the Annual Report which is sent to all the members well in advance prior to the Annual General Meeting.
- The Company also informs BSE & NSE on all price sensitive information / matters or such other matters, which in the opinion of the Board are material and of relevance to the members.
- In compliance with Listing Regulations and other rules and regulations issued by SEBI, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchange viz. BSE Limited & National Stock Exchange of India Limited are filed electronically on BSE & NSE online portal.
- Periodic information relating to Shareholding Pattern and Quarterly Financial Results are also made available on the Company's website at www.garwarehitechfilms.com.
- Company files with BSE & NSE all the presentations made to institutional investors or to the analysts as per the requirement of Listing Regulations and also made it available on Company's website at www.garwarehitechfilms.com.

VI. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting Date, time and venue:** Wednesday, September 27, 2023 at 11.30 a.m. at Registered Office of the Company – Naigaon, Post Waluj, Aurangabad – 431 133.
- Financial Year:** April 1, 2022 to March 31, 2023
- Dividend payment date:** on or after September 28, 2023

(iv) Financial Calendar (tentative)

| Financial Year | 1st April, 2023 to 31st March, 2024 |
|--|--|
| Unaudited Financial Results for the Quarter ending: 1. June 30, 2023; 2. September 30, 2023; 3. December 31, 2023 and 4. March 31, 2024. | Within 45/60 days from the end of reporting quarter. |
| Annual General Meeting for year ending - 31st March 2024. | Before the end of September 2024. |
| Date of Book Closure for the current financial year | Thursday, September 21, 2023 to, Wednesday, September 27, 2023 (Both days inclusive) |
| Email address for Investor Complaints | cs@garwarehitech.com |

(v) Listing of Equity Shares on Stock Exchanges and Stock Codes

| Name and address of the Stock Exchange | Stock Code |
|---|--------------|
| BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai Samachar Marg, Mumbai, Maharashtra - 400001 | 500655 |
| National Stock exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 | GRWRHITECH |
| ISIN | INE291A01017 |

The Company has paid Annual Listing fees to the Stock Exchanges for the financial year 2022-23.

(vi) Stock Market Data and their Performance v/s S&P BSE Sensex

The high/low of the market price of the shares of the Company and the performance thereof with the BSE Sensex are given in the charts below:

| Month | BSE | | NSE | |
|----------------|----------|---------|----------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2022 | 785.95 | 702.25 | 787.00 | 697.65 |
| May 2022 | 720.00 | 585.00 | 725.60 | 583.25 |
| June 2022 | 707.00 | 634.05 | 710.00 | 631.00 |
| July 2022 | 931.90 | 650.30 | 929.00 | 651.00 |
| August 2022 | 895.00 | 777.70 | 896.60 | 776.95 |
| September 2022 | 848.00 | 660.10 | 847.00 | 652.50 |
| October 2022 | 790.00 | 664.40 | 789.75 | 661.00 |
| November 2022 | 817.00 | 643.00 | 769.30 | 615.75 |
| December 2022 | 725.20 | 628.20 | 729.00 | 630.00 |
| January 2023 | 689.90 | 594.00 | 692.00 | 594.00 |
| February 2023 | 701.00 | 590.00 | 706.70 | 601.00 |
| March 2023 | 637.00 | 492.05 | 619.80 | 491.35 |

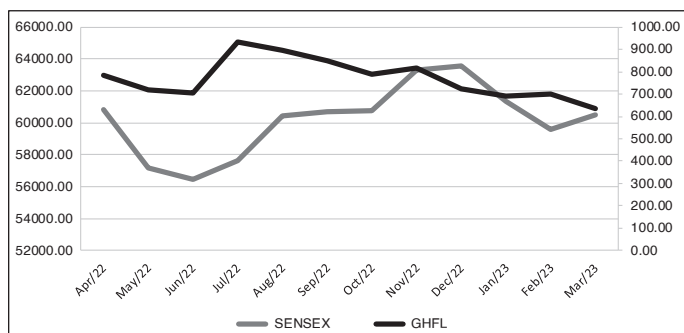
STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX.

| Month | BSE Sensex | | | | BSE-GHFL (Price INR) | | | |
|--------|------------|----------|----------|----------|----------------------|--------|--------|--------|
| | Open | High | Low | Close | Open | High | Low | Close |
| Apr-22 | 58530.73 | 60845.10 | 56009.07 | 57060.87 | 702.25 | 785.95 | 702.25 | 715.00 |
| May-22 | 56429.45 | 57184.21 | 52632.48 | 55566.41 | 715.00 | 720.00 | 585.00 | 663.75 |
| Jun-22 | 55588.27 | 56432.65 | 50921.22 | 53018.94 | 671.75 | 707.00 | 634.05 | 671.30 |
| Jul-22 | 52863.34 | 57619.27 | 52094.25 | 57570.25 | 670.95 | 931.90 | 650.30 | 889.50 |
| Aug-22 | 57823.10 | 60411.20 | 57367.47 | 59537.07 | 895.00 | 895.00 | 777.70 | 829.50 |
| Sep-22 | 58710.53 | 60676.12 | 56147.23 | 57426.92 | 819.90 | 848.00 | 660.10 | 758.05 |
| Oct-22 | 57403.92 | 60786.70 | 56683.40 | 60746.59 | 744.60 | 790.00 | 664.40 | 682.55 |
| Nov-22 | 61065.58 | 63303.01 | 60425.47 | 63099.65 | 670.10 | 817.00 | 643.00 | 695.65 |
| Dec-22 | 63357.99 | 63583.07 | 59754.10 | 60840.74 | 696.00 | 725.20 | 628.20 | 656.75 |
| Jan-23 | 60871.24 | 61343.96 | 58699.20 | 59549.90 | 674.00 | 689.90 | 594.00 | 620.40 |
| Feb-23 | 60001.17 | 61682.25 | 58795.97 | 58962.12 | 622.95 | 701.00 | 590.00 | 613.45 |
| Mar-23 | 59136.48 | 60498.48 | 57084.91 | 58991.52 | 611.70 | 637.00 | 492.05 | 523.15 |

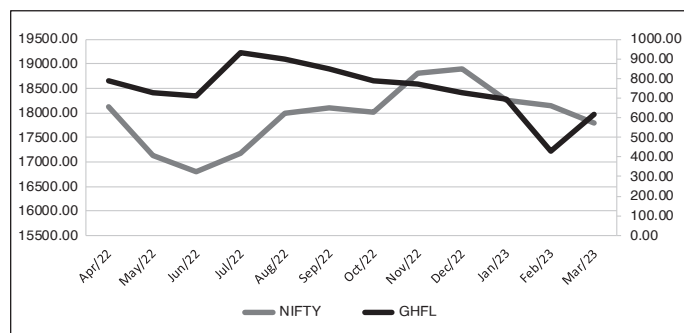
STOCK PERFORMANCE IN COMPARISON TO NSE NIFTY.

| Month | NSE Nifty | | | | NSE-GHFL (Price INR) | | | |
|--------|-----------|-----------|-----------|-----------|----------------------|--------|--------|--------|
| | Open | High | Low | Close | Open | High | Low | Close |
| Apr-22 | 17,436.90 | 18,114.65 | 16,824.70 | 17,102.55 | 710.00 | 787.00 | 697.65 | 713.95 |
| May-22 | 16,924.45 | 17,132.85 | 15,735.75 | 16,584.55 | 713.95 | 725.60 | 583.25 | 664.85 |
| Jun-22 | 16,594.40 | 16,793.85 | 15,183.40 | 15,780.25 | 674.75 | 710.00 | 631.00 | 672.25 |
| Jul-22 | 15,703.70 | 17,172.80 | 15,511.05 | 17,158.25 | 660.20 | 929.00 | 651.00 | 889.90 |
| Aug-22 | 17,243.20 | 17,992.20 | 17,154.80 | 17,759.30 | 896.60 | 896.60 | 776.95 | 819.40 |
| Sep-22 | 17,485.70 | 18,096.15 | 16,747.70 | 17,094.35 | 818.25 | 847.00 | 652.50 | 759.80 |
| Oct-22 | 17,102.10 | 18,022.80 | 16,855.55 | 18,012.20 | 756.00 | 789.75 | 661.00 | 683.15 |
| Nov-22 | 18,130.70 | 18,816.05 | 17,959.20 | 18,758.35 | 675.45 | 769.30 | 615.75 | 694.45 |
| Dec-22 | 18,871.95 | 18,887.60 | 17,774.25 | 18,105.30 | 707.90 | 729.00 | 630.00 | 658.00 |
| Jan-23 | 18,131.70 | 18,251.95 | 17,405.55 | 17,662.15 | 665.00 | 692.00 | 594.00 | 616.00 |
| Feb-23 | 17,811.60 | 18,134.75 | 17,255.20 | 17,303.95 | 636.95 | 706.70 | 601.00 | 614.15 |
| Mar-23 | 17,360.10 | 17,799.95 | 16,828.35 | 17,359.75 | 619.80 | 619.80 | 491.35 | 526.25 |

BSE-GHFL Share Price VS BSE Sensex



NSE-GHFL Share Price VS NSE Nifty



(vii) Registrars and Share Transfer Agents

Link Intime India Private Limited,
C-101,247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083.
Tel. No.: 022 - 49186000 Fax No.: 022 – 49186000
E-mail: rnt.helpdesk@linkintime.co.in

(viii) Share Transfer System.

Transmission, dematerialisation of shares, dividend payment and all other investor related matters are attended to and processed by the Company's RTA.

In terms of requirements of Regulation 40 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the request for transfer of securities shall not be processed unless the securities are held in the dematerialized form with Depositories. While the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has mandated the listed entities to issue securities for the following service requests only in dematerialised form:

- i. Issue of duplicate securities certificate;
- ii. Claim from Unclaimed Suspense Account;
- iii. Renewal/Exchange of securities certificate;
- iv. Endorsement;
- v. Sub-division/Splitting of securities certificate;
- vi. Consolidation of securities certificates/folios;
- vii. Transmission; and viii. Transposition.

Updation of PAN, KYC and Nomination details

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to *inter alia* furnish PAN, KYC and Nomination details.

Physical folios wherein the PAN, KYC and Nomination details are not available on or after 1st October, 2023, shall be frozen by the RTA and will be eligible for lodging any service request or receiving payment including dividend only after registering the required details. The said physical folios shall be referred by the Company or RTA to the administering authority under the Benami Transactions (Prohibitions) Act,1988 and/or Prevention of Money Laundering Act,2002, if they continue to remain frozen as on 31st December, 2025

(ix) Category wise shareholding as on 31st March, 2023

| Sr. No. | Category | No. of shares held | % of shareholding |
|---------|---|--------------------|-------------------|
| 1. | Promoters (Dr. S. B. Garware, family and Associates) | 1,41,05,972 | 60.72 |
| 2. | Mutual Funds | 4,79,085 | 2.06 |
| 3. | Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions/ Non-Govt. Institutions) | 3,197 | 0.01 |
| 4. | Private Corporate Bodies | 7,12,463 | 3.07 |
| 5. | Foreign Institutional Investors & NRI | 1,92,552 | 0.83 |
| 6. | IEPF Account | 3,43,550 | 1.48 |
| 7. | Indian Public and Others | 73,95,575 | 31.83 |
| | Grand Total | 2,32,32,394 | 100.00 |

(x) Distribution of Shareholdings as on March 31, 2023:

| No. of Shares held | No. of Shareholders | % of Shareholders | No. of Shares | % of Shareholding |
|--------------------|---------------------|-------------------|-----------------|-------------------|
| 1 to 5000 | 32667 | 99.51 | 4069659 | 17.52 |
| 5001 to 10000 | 64 | 0.19 | 454990 | 1.96 |
| 10001 to 20000 | 45 | 0.14 | 637471 | 2.74 |
| 20001 to 30000 | 17 | 0.05 | 401493 | 1.73 |
| 30001 to 40000 | 5 | 0.02 | 180137 | 0.77 |
| 40001 to 50000 | 3 | 0.01 | 144208 | 0.62 |
| 50001 to 100000 | 7 | 0.02 | 482552 | 2.08 |
| 100001 and above | 21 | 0.06 | 16861884 | 72.58 |
| Total | 32829 | 100.00 | 23232394 | 100.00 |

(xi) Dematerialization of Shares and Liquidity

Company's shares are available for dematerialization on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), for which purpose the Company has entered into Agreements with the respective Institutions.

Nearly 97.25% of the equity shares of the Company have been dematerialized by investors and bulk of transfers take place in the Demat form.

(xii) There are no outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments issued by the Company.

(xiii) Commodity price risk or foreign exchange risk and hedging activities:

During the year 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company entered into forward contracts for hedging foreign exchange exposures against exports net of imports. There is no direct hedgeable commodity risk that the Company has on any of its raw materials or finished products. Thus, the Risk Management Policy covers only net forex exposure on account of its imports and exports.

The details of foreign currency exposure are disclosed in the Note No. 32 (c) to the Financial Statement.

(xiv) Plants Location: Waluj, Chikalthana and Nashik.

(xv) Address for Correspondence:

Garware Hi-Tech Films Limited
Garware House,
50-A, Swami Nityanand Marg,
Vile Parle (East), Mumbai – 400 057.
Tel No: 022-6698 8000 – 15
Fax No: 022-2824 8155 / 66
E-mail : cs@garwarehitech.com

(xvi) Credit ratings of Bank Borrowings:

| Sr. No. | Facilities | Rating |
|---------|----------------------------|---|
| 1. | Long Term Bank facilities | CARE A +; Stable (Single A Plus; Outlook: Stable) |
| 2. | Short Term Bank facilities | CARE A1+ (A One Plus) |

VII. DISCLOSURES

(A) Compliances with Governance Framework

- (i) The Company is in compliance with all mandatory requirements of Listing Regulations.
- (ii) All the transactions entered into with the Related Parties as defined under the Companies Act, 2013 and the Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and at an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year. Related party transactions have been disclosed under the Note No. 30 of IND AS notes forming part of the financial statements for the year ended March 31, 2023 is in accordance with "Indian Accounting Standard 24". A statement in summary form of transactions with related parties in the ordinary course of business and at an arm's length basis is periodically placed before the Audit Committee for the review and recommendation to the Board for their approval. The Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company www.garwarehitechfilms.com
- (iii) None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the normal course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis or fair value.
- (iv) In the preparation of the financial statements, the Company has followed the Indian Accounting Standards referred to in Section 133 of

the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to Financial Statements.

- (v) The Company recognizes the "Risk Management" as an integrated, forward-looking process oriented approach for managing "Enterprise Wide Risks". The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of properly defined frame work.
- (vi) Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time- to-time.

(B) Code of Conduct

The Board has formulated a Code of Conduct for the Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed their compliance with the code for the Financial Year ended 31st March, 2023. A Declaration to this effect signed by the Chairman of the Company is given elsewhere in the Annual Report.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and Designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

All the Board of Directors and the Designated employees have confirmed compliance with the code.

The Company has adopted new "Code of Fair Disclosure Conduct" and 'Code for prevention of Insider Trading' for regulating, monitoring and reporting of trading by Insider as stated under SEBI (Prohibition of Insider Trading) Regulation 2015. Pursuant to provision of Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 ("Insider Regulations"), a code of Practices and Procedures for fair disclosure of unpublished price sensitive information of the Company (The Code) has been formulated.

(C) Details of non-compliance etc.

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

(D) Whistle blower policy- Vigil mechanism

The Company's Whistle Blower Policy is in line with the provisions of the sub section 9 and 10 of Section 177 of the Act and as per Regulation 22 of the Listing Regulations.

This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimisation of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We confirm that during the financial year 2022-23, no employee of the Company was denied access to the Audit Committee. The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud/misconduct on: Email: tmp@garwarehitech.com, Telephone No: 0240-2567400.

(E) Compliance Report on discretionary requirements under Regulation 27(1) of the Listing Regulations:

- (i) **The Board:** Our chairman is an Executive Director and maintains the Chairman's office at the Company's expenses for the performance of his duties.
- (ii) **Shareholders' rights:** We did not send half-yearly results to the household of each shareholder(s) in FY 2022-23. Our quarterly and half-yearly results are displaying on our website of the Company at www.garwarehitechfilms.com and were published in widely circulated newspapers
- (iii) **Audit qualifications:** The auditors have not qualified the financial statements of the Company.
- (iv) **Reporting of internal audit:** The internal auditors regularly updates the audit committee on internal audit findings at the committee's meetings and conference calls.

(F) Subsidiary Companies

Your Company has two unlisted subsidiary Companies in terms of Regulation 16 of the Listing Regulations. The Audit Committee reviews the financial statements of the unlisted subsidiaries. The policy for determining the material subsidiary is <https://www.garwarehitechfilms.com/investors/policies-of-company/>.

(G) Details of utilization of funds raised through preferential allotment or qualified institutions placement.

The Company did not raise any funds through preferential allotment or qualified institutions placement during the Financial Year 2022-23.

(H) Certificate on Non-Disqualification of Directors

Certificate from M/s. Nilesh Shah & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any other statutory authority, is annexed to this Report.

(I) There were no instances where the recommendations made by any of the Statutory Committees were not accepted by the Board.

(J) Payment to Statutory Auditors:

Total fees paid to Manubhai & Shah, Statutory Auditor and Kirtane and Pandit LLP, Joint Auditor of the Company is ₹ 37.57 Lakhs and ₹ 15.33 Lakhs respectively for all services on a consolidated basis.

(K) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

| Sr. No. | Particulars | Details |
|---------|--|---|
| 1. | Name of Material Subsidiaries of the listed entity | Global Hi-Tech Films, Inc. USA |
| 2. | Date and place of Incorporation material subsidiaries | Incorporated on December 22, 1997, in the State of Florida and State of Maryland, USA |
| 3. | Name and Date of Appointment of the Statutory Auditors | KNAV P.A. Certified Public Accountants. Date of Appointment: September 4, 2020. |

(L) Disclosure in relation to Sexual Harassment of Women at workplace

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has a Policy and framework for employees to report sexual harassment cases at work place and our process ensures complete anonymity and confidentiality of information. The Policy is available on the website of the Company www.garwarehitechfilms.com

| | |
|---|-----|
| No. of complaints filed during the financial year 2022-23 | NIL |
| No. of complaints disposed of during the financial year 2022-23 | NIL |
| No. of complaints pending during the Financial Year 2022-23 | NIL |

(M) Disclosure by the Company and its Subsidiaries of 'Loans and Advances in the nature of Loans to Firms/Companies in which Directors are interested by name and amount': NIL

(N) The Corporate Governance Report prepared, contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Listing Regulations ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

(O) RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Bombay Stock Exchange Limited & National Stock Exchange of India Limited, where the Company's shares are listed. The audit confirms that total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Top 10 Shareholders as on March 31, 2023 other than Promoter/ Promoter Group.

| Sr. No. | Name of the Shareholder | No. of Shares held | % of Holding |
|---------|--|--------------------|--------------|
| 1. | Ashish Kacholia | 968322 | 4.17 |
| 2. | Minal Bharat Patel | 534878 | 2.30 |
| 3. | Quant Mutual Fund - Quant Small Cap Fund | 396109 | 1.71 |
| 4. | Investor Education and Protection Fund Authority Ministry of Corporate Affairs | 343550 | 1.48 |
| 5. | Garware Technical Fibres Limited | 146350 | 0.63 |
| 6. | Sejal Rikeen Dalal | 125571 | 0.54 |
| 7. | Nisarg Ajaykumar Vakharia | 124132 | 0.53 |
| 8. | Hardik Bharat Patel | 118000 | 0.51 |
| 9. | Viral Amal Parikh | 98550 | 0.42 |
| 10. | Quant Mutual Fund - Quant Value Fund | 78000 | 0.34 |

(P) Transfer of Dividend and Shares to the Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer

and Refund) Rules, 2016 (“IEPF Rules”), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”). Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the Demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16, 2017.

The details of unclaimed dividends and shares transferred to IEPF are as follows:

| Financial year | Amount of Unclaimed dividend transferred (₹ in Lakh) | Number of shares transferred |
|----------------------------|--|------------------------------|
| 2008-09 | 4.69 | 1,90,580 |
| | (Transferred on 30.01.2017) | (Transferred on 05.01.2018) |
| 2009-10 | 7.46 | 14,459 |
| | (Transferred on 01.12.2017) | (Transferred on 20.04.2018) |
| 2010-11 (Interim Dividend) | 7.71 | 13,821 |
| | (Transferred on 20.01.2018) | (Transferred on 14.06.2018) |
| 2010-11 (Final Dividend) | 45.44 | 78,464 |
| | (Transferred on 01.03.2019) | (Transferred on 29.03.2019) |
| 2011-12 (Final Dividend) | 7.81 | 47,879 |
| | (Transferred on 24.10.2019) | (Transferred on 19.11.2019) |

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The following tables give information relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company’s Registrar and Share Transfer Agent:

| Financial Year | Date of Declaration | Last date for claiming unpaid dividend |
|----------------|---------------------|--|
| 2016-17 | 27.09.2017 | 01.11.2024 |
| 2017-18 | 28.09.2018 | 02.11.2025 |
| 2018-19 | 25.09.2019 | 30.10.2026 |
| 2019-20 | 12.03.2020 | 16.04.2027 |
| 2020-21 | 28.09.2021 | 02.11.2028 |
| 2021-22 | 27.09.2022 | 01.11.2029 |

(Q) CMD/CFO CERTIFICATION

The Chairman & Managing Director and Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board as required under Regulation 17 of the Listing Regulations. The Chief Financial Officer also gives quarterly certification on financial results while placing the financial results before the Board in terms of LODR Regulations.

(R) CERTIFICATE ON CORPORATE GOVERNANCE

A compliance certificate from Abbas Lakdawalla & Associates LLP, Practicing Company Secretaries, pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance has been annexed to this Report

(S) DETAILS OF SHARES IN SUSPENSE ACCOUNT:

i) Garware Hi-Tech Films Limited Suspense Escrow Account outstanding shares as on March 31, 2023

During the year under review, 11 shares pertaining to 1 shareholder was transferred to the Company’s Suspense Escrow Demat Account.

ii) Shares in Unclaimed Suspense Account:

| Sr. No. | Particulars | Status |
|---------|---|--------|
| 1. | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; | NIL |
| 2. | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year; | NIL |
| 3. | Number of shareholders to whom shares were transferred from suspense account during the year; | NIL |
| 4. | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; | NIL |

(T) SECRETARIAL AUDIT:

- **M/s. Nilesh Shah & Associates**, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the year 2022-23. Their Audit Report confirms that the Company has complied with its Memorandum and Articles of Association, the applicable provisions of the Act and the Rules made there under, Listing Regulations, applicable SEBI (LODR) Regulations, 2015 and other laws applicable to the Company. The Secretarial Audit Report forms part of the Board’s Report.
- Pursuant to Regulation 40(9) of the (LODR) Regulations, 2015, Certificates have been issued on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby Confirm that:

The Company has obtained from all the Members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year ended 31st March, 2023.

Place : Mumbai
Date : May 26, 2023

Dr. S. B. Garware
Chairman & Managing Director
DIN: 00943822

CERTIFICATE BY CMD & CFO AS PER REGULATION 17(8) OF THE SEBI (LODR) REGULATION, 2015

The Board of Directors,

Garware Hi-Tech Films Limited
(Formerly known as Garware Polyester Limited)
Garware House, 50-A, Swami Nityanand Marg,
Vile Parle (East)
Mumbai – 400 057.

We certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee
 - i. that there were no significant changes in internal controls over financial reporting during the financial year;
 - ii. that there were no significant changes in accounting policies made during the year; and
 - iii. that there were no instances of significant fraud of which we have become aware.

Dr. S. B. Garware
Chairman and Managing Director
DIN: 00943822

Pradeep Mehta
Chief Financial Officer

Place : Mumbai
Date : May 26, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS:

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
Garware Hi-Tech Films Limited
(Formerly known as Garware Polyester Ltd)
Naigaon, Post Waluj,
Aurangabad-431133

We have examined the relevant registers, records, forms, Email confirmation, returns and disclosures received from the Directors of Garware Hi-Tech Films Limited (Formerly known as Garware Polyester Ltd) having CIN L10889MH1957PLC010889 and having registered office at Naigaon, Post, Waluj Aurangabad – 431 133 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and carried by us and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authorities:

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---------|--------------------------------|----------|--------------------------------|
| 1. | Shashikant Bhalchandra Garware | 00943822 | 06/06/1957 |
| 2. | Monika Garware | 00143400 | 31/03/1989 |
| 3. | Sarita Garware Ramsay | 00136048 | 26/05/2022 |
| 4. | Sonia Garware | 00135995 | 31/01/2007 |
| 5. | Tushar Madhuvandas Parikh | 00049287 | 27/12/2013 |
| 6. | Ramesh Pahlajrai Makhija | 00209869 | 12/11/2009 |
| 7. | Nilesh Ramanlal Doshi | 00249715 | 12/11/2014 |
| 8. | Mahesh Chandra Agarwal | 02595878 | 29/04/2009 |
| 9. | Vivekanand Heroor Kamath | 07260441 | 08/08/2018 |
| 10. | Devanshi Hemant Nanavati | 08770422 | 25/06/2020 |
| 11. | Uday Vasanttrao Joshi | 09753984 | 18/10/2022 |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: May 26, 2023
Place:- Mumbai
UDIN: F004554E000389171

For Nilesh Shah & Associates
Company Secretaries

Nilesh Shah
Partner
FCS: 4554
C.P.: 2631
Peer Review No. 698/2020

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
GARWARE HI-TECH FILMS LIMITED
(Formerly known as Garware Polyester Limited)

1. This Certificate on Corporate Governance has been issued in accordance with the terms of our Engagement Letter.
2. We have examined the compliance of conditions of Corporate Governance by GARWARE HI-TECH FILMS LIMITED ("the Company") for the year ended 31st March 2023, as specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations").
3. **Management's 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 Corporate Governance stipulated in the Listing Regulations.
4. **Auditor's Responsibility:**
Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. **Opinion:**
 - a. In our opinion, and to the best of our information and according to the explanations given to me and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.
 - b. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. **Restrictions on use:**
This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any other duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

For Abbas Lakdawalla & Associates LLP
Practicing Company Secretaries
Unique Code: L2021MH010000

CS VYOMA DESAI
DESIGNATED PARTNER
FCS 11166 CP 23010
DPIN: 09130520
UDIN: F011166E000338121

PLACE: MUMBAI
DATE : May 19, 2023

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Garware Hi-Tech Films Limited
(formerly known as **Garware Polyester Limited**)

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Garware Hi-Tech Films Limited (formerly known as Garware Polyester Limited)** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below to be the Key Audit Matters to be communicated in the Report:

| Sr. No. | Key Audit Matters | Auditor's Response (Audit Procedures followed) |
|---------|---|--|
| 1. | <p>Evaluation of Tax matters</p> <p>The Company has some Direct & Indirect tax matters which involve judgment to determine possible outcome of these tax assessments.</p> <p>Refer Note 10 (a) & 28(a) to the Standalone Financial Statements.</p> | <p>Principal Audit Procedures</p> <ul style="list-style-type: none"> We have carried out detailed review of all pending tax assessments. Obtained details of completed tax assessments and demands from the management for the year ended 31st March 2023. |

| Sr. No. | Key Audit Matters | Auditor's Response (Audit Procedures followed) |
|---------|-------------------|--|
| | | <ul style="list-style-type: none"> We involved our internal experts to verify the management's underlying assumptions in estimating the tax provisions and the possible outcomes of disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these tax matters & legal position. |

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility and Sustainability report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of the reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on matters specified in paragraphs 3 and 4 of the order.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the 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 the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2023 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 operating 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 the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28(a) to the standalone financial statements;
 - (ii) The Company has made provision, as required under the applicable law or Indian accounting standard, 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.
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (iv) (a) and (b) above, contain any material misstatement.
 - (v) The dividend declared or paid by the Company during the year is in compliance with Section 123 of the Act, as applicable.
 - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.

| | |
|------------------------------------|-------------------------------------|
| For Manubhai & Shah LLP | For Kirtane & Pandit LLP |
| Chartered Accountants | Chartered Accountants |
| FRN: 106041W / W100136 | FRN: 105215W / W100057 |

| | |
|-----------------------------|---------------------------|
| Laxminarayan Yekkali | Aditya A. Kanetkar |
| Partner | Partner |
| Membership No: 114753 | Membership No: 149037 |

| | |
|---------------------------------|---------------------------------|
| Place: Mumbai | Place: Mumbai |
| Date: 26 th May 2023 | Date: 26 th May 2023 |
| UDIN: 23114753BGWPLQ8379 | UDIN: 23149037BGUGJF7949 |

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets;
- ii. The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Company has a program of verification to cover all items of property, plant and equipment and right of use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. Pursuant to the programme, a portion of the property, plant and equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds comprising all the immovable properties of land and building which are freehold are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as Property, Plant & Equipment in the standalone financial statements are in the name of the Company, except where the Company is the lessee in the agreement.
- (d) The Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at the date of our report for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Management has conducted physical verification of the inventories at reasonable intervals. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verifications.
- (b) The Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks on the basis of security of the current assets. Quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the Company.
- (iii) The Company has not given any guarantee or security in respect of loans taken by any party. The investments made in units of mutual funds and unsecured loans granted to employees during the year, in respect of which:
 - (a) The Company has provided unsecured loans to employees during the year which is as follows:
- (d) In respect of loans granted by the Company, there are no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the parties covered under section 185 of the Act. The Company has not given any loans and guarantees but has made investments in respect of which provisions of section 186 of the Act have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified. Hence reporting under clause 3(v) 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 of India for the maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Excise Duty, Custom Duty, Goods and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities and there are no arrears of outstanding statutory dues for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Excise Duty, Custom Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues as at 31st March 2023 which have not been deposited on accounts of any disputes are as follows:

| Name of the Statute | Nature of Dues | Amount (₹ in Lakhs) | Financial Year for which amount relates | Forum where the dispute is pending |
|------------------------------------|-------------------|---------------------|---|--|
| Income Tax Act, 1961 | Income Tax | 80.79 | 2020-21 | Commissioner of Income Tax (Appeals) |
| Central Excise Act, 1944 | Excise Duty | 31.40 | 2001-02 | Central Excise and Service Tax Appellate Tribunal |
| Central Excise Act, 1944 | Excise Duty | 4.92 | 2006-07 | High Court |
| Central Excise Act, 1944 | Excise Duty | 4.25 | 2015-16 | Dy Commissioner (Audit), Central Excise, Customs & Service Tax |
| Maharashtra Village Panchayats Act | Grampanchayat Tax | 81.88 | Various | Grampanchayat Jogheshwari (Aurangabad). |

(₹ In Lakhs)

| Particulars | Aggregate amount during the year | Balance outstanding at March 31, 2023 |
|--------------------|----------------------------------|---------------------------------------|
| Loans to Employees | 26.68 | 8.58 |

- (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments are regular as per the stipulation.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to the bank, financial institution or government. The Company does not have any debenture holders as at the balance sheet date.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans obtained during the year by the Company have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, and the procedures performed by us, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Hence the reporting requirements of paragraph 3(ix)(e) of the Order are not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, and hence the reporting requirements of paragraph 3(ix)(f) of the Order are not applicable.
- (x) (a) In our opinion, and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) No material fraud on or by the Company has been noticed or reported during the year nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting as per 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 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 standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company, in determining nature, timing and extent of our audit procedure.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, reporting as per paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of paragraph 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non- Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934, hence reporting requirement of paragraph 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence reporting requirement of paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Company does not have any CIC, hence reporting requirement of paragraph 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharge by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Further the Company has not undertaken any ongoing project as a part of CSR Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable for the year.

For Manubhai & Shah LLP
Chartered Accountants
FRN: 106041W / W100136

For Kirtane & Pandit LLP
Chartered Accountants
FRN: 105215W / W100057

Laxminarayan Yekkali
Partner
Membership No: 114753

Aditya A. Kanetkar
Partner
Membership No: 149037

Place: Mumbai
Date: 26th May 2023
UDIN: 23114753BGWPLQ8379

Place: Mumbai
Date: 26th May 2023
UDIN: 23149037BGUGJF7949

ANNEXURE – B TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Garware Hi-Tech Films Limited (formerly known as Garware Polyester Limited)** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the 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 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.

Auditor’s 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 issued by ICAI (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2023, 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.

For Manubhai & Shah LLP
Chartered Accountants
FRN: 106041W / W100136

Laxminarayan Yekkali
Partner
Membership No: 114753

Place: Mumbai
Date: 26th May 2023
UDIN: 23114753BGWPLQ8379

For Kirtane & Pandit LLP
Chartered Accountants
FRN: 105215W / W100057

Aditya A. Kanetkar
Partner
Membership No: 149037

Place: Mumbai
Date: 26th May 2023
UDIN: 23149037BGUGJF7949

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2023

| Particulars | Notes | As at | As at |
|--|---------|-------------------|-------------------|
| | | March 31, 2023 | March 31, 2022 |
| | | ₹ In Lakhs | ₹ In Lakhs |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 2 | 146,435.07 | 133,872.77 |
| Capital Work-In-Progress | 2 (a) | 1,031.61 | 9,584.96 |
| Intangible Assets | 2 | 122.72 | 168.23 |
| Intangible Assets Under Development | 2 (a) | 8.75 | 7.30 |
| Financial Assets | | | |
| Investments | 3 (a) | 7,773.91 | 7,576.08 |
| Other Financial Assets | 4 | 297.83 | 232.07 |
| Other Non - Current Assets | 10 (a) | 608.78 | 2,237.08 |
| TOTAL NON-CURRENT ASSETS | | 156,278.67 | 153,678.49 |
| CURRENT ASSETS | | | |
| Inventories | 9 | 15,678.94 | 15,014.50 |
| Financial Assets | | | |
| Investments | 3 (b) | 31,629.87 | 19,964.23 |
| Trade Receivables | 5 | 8,242.03 | 13,243.71 |
| Cash and Cash Equivalents | 6 (a) | 1,993.81 | 3,408.64 |
| Bank Balances Other than above | 6 (b) | 1,046.65 | 890.72 |
| Loans | 7 | 33.61 | 12.79 |
| Other Financial Asset | 8 | 153.38 | 170.11 |
| Current Tax Assets (Net) | 11 (b) | - | 45.04 |
| Other Current Assets | 10 (b) | 2,696.81 | 3,981.18 |
| TOTAL CURRENT ASSETS | | 61,475.10 | 56,730.92 |
| TOTAL ASSETS | | 217,753.77 | 210,409.41 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 12 (a) | 2,323.24 | 2,323.24 |
| Other Equity | 12 (b) | 179,016.71 | 166,466.45 |
| TOTAL EQUITY | | 181,339.95 | 168,789.69 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Financial Liabilities | | | |
| Borrowings | 13 (a) | 7,535.70 | 11,701.74 |
| Lease Liabilities | 13 (b) | 887.90 | 1,316.97 |
| Deferred Tax Liabilities (Net) | 11 (a) | 4,035.74 | 3,452.90 |
| Provisions | 16 | 441.67 | 388.76 |
| TOTAL NON-CURRENT LIABILITIES | | 12,901.01 | 16,860.37 |
| CURRENT LIABILITIES | | | |
| Financial Liabilities | | | |
| Borrowings | 13 (c) | 6,542.95 | 6,542.95 |
| Lease Liabilities | 13 (b) | 633.19 | 625.17 |
| Trade and Other Payables | 14 | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 1,038.88 | 1,221.41 |
| Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | | 9,396.55 | 9,656.63 |
| Other Financial Liabilities | 15 | 1,583.01 | 2,258.59 |
| Other Current Liabilities | 18 | 3,649.53 | 3,488.71 |
| Provisions | 17 | 644.57 | 965.89 |
| Current Tax Liabilities (Net) | 11 (b) | 24.13 | - |
| TOTAL CURRENT LIABILITIES | | 23,512.81 | 24,759.35 |
| TOTAL LIABILITIES | | 36,413.82 | 41,619.72 |
| TOTAL EQUITY AND LIABILITIES | | 217,753.77 | 210,409.41 |
| Notes forming part of the Financial Statements | 1 to 37 | | |

As per our report of even date

For **Manubhai & Shah LLP**
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753

Mumbai, 26th May, 2023

As per our report of even date

For **Kirtane & Pandit LLP**
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
Partner
M.No.: 149037

Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

Dr. S. B. GARWARE
Chairman & Managing Director
DIN : 00943822

AWANEESH SRIVASTAVA
Company Secretary
ICSI M. No. FCS8513

T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

| Particulars | Notes | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--|------------|-----------------------|-----------------------|
| INCOME | | | |
| Revenue from Operations | 19 | 131,123.58 | 126,396.53 |
| Other Income | 20 | 4,037.31 | 3,954.72 |
| Total Income | | 135,160.89 | 130,351.25 |
| EXPENSES | | | |
| Cost of Materials Consumed | 21 | 60,275.87 | 56,924.02 |
| Change in Inventories of Finished Goods and Work-in-Progress | 22 | (169.08) | (3,770.49) |
| Employee Benefits Expense | 23 | 10,016.60 | 10,424.43 |
| Finance Costs | 24 | 1,531.16 | 1,715.24 |
| Depreciation and Amortisation Expense | 25 | 3,169.14 | 2,806.92 |
| Other Expenses | 26 | 40,773.58 | 39,991.88 |
| Total Expenses | | 115,597.27 | 108,092.00 |
| Profit Before Tax | | 19,563.62 | 22,259.25 |
| Tax Expenses | | | |
| Current Tax | 11 (b) | 4,214.10 | 3,826.78 |
| Short / (Excess) Tax of Earlier Year | | (3.97) | (43.89) |
| Deferred Tax | 11 (a & b) | 594.01 | 2,455.83 |
| Total Tax Expense | | 4,804.14 | 6,238.72 |
| Profit for the Year | | 14,759.48 | 16,020.53 |
| Other Comprehensive Income (OCI) | | | |
| Items that will not be Reclassified to Statement of Profit and Loss | | | |
| Gain on Fair Valuation of Equity Instruments | | 197.82 | 689.52 |
| Remeasurement of Post-Employment Defined Benefit Obligations | 29 | (94.96) | (301.85) |
| Income Tax Relating to these Items | 11 (b) | 11.16 | (39.39) |
| Other Comprehensive Income for the Year, Net of Tax | | 114.02 | 348.28 |
| Total Comprehensive Income for the Year (Net) | | 14,873.50 | 16,368.81 |
| Earnings Per Share | | | |
| Basic and Diluted | 27 | 63.53 | 68.96 |
| Notes Forming Part of the Financial Statement | 1 to 37 | | |

As per our report of even date

For Manubhai & Shah LLP
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753
Mumbai, 26th May, 2023

As per our report of even date

For Kirtane & Pandit LLP
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
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Mumbai, 26th May, 2023

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Company Secretary
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T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

STATEMENT OF CHANGES IN EQUITY

EQUITY SHARE CAPITAL

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Balance at the beginning of the year | 2,323.24 | 2,323.24 |
| Changes in Equity Share Capital Due to Prior Period Errors | - | - |
| Restated Balance at the Beginning of the Year | 2,323.24 | 2,323.24 |
| Changes in Equity Share Capital During the Year | - | - |
| Balance at the end of the year | 2,323.24 | 2,323.24 |

OTHER EQUITY

| | Capital Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | FVTOCI - Equity Instruments | Total (₹ In Lakhs) |
|---|----------------------------------|-----------------------|--------------------|--------------------|----------------------|-----------------------------------|-----------------------|
| As At March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 70,285.88 | 6,843.14 | 166,466.45 |
| Profit for the Year | - | - | - | - | 14,759.48 | - | 14,759.48 |
| Other Comprehensive Income : | | | | | | | |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | (71.06) | - | (71.06) |
| b) Changes in Fair Value of Equity Instruments Through OCI (Net of Tax) | - | - | - | - | - | 185.08 | 185.08 |
| Reductions During the Year: | | | | | | | |
| Dividend Paid FY 21-22 | - | - | - | - | (2,323.24) | - | (2,323.24) |
| As At March 31, 2023 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 82,651.06 | 7,028.22 | 179,016.71 |

| | Capital Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | FVTOCI - Equity Instruments | Total (₹ In Lakhs) |
|---|----------------------------------|-----------------------|--------------------|--------------------|----------------------|-----------------------------------|-----------------------|
| As At March 31, 2021 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 56,849.51 | 6,233.94 | 152,420.88 |
| Profit for the Year | - | - | - | - | 16,020.53 | - | 16,020.53 |
| Other Comprehensive Income : | | | | | | | |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | (260.92) | - | (260.92) |
| b) Changes In Fair Value of Equity Instruments Through OCI (Net of Tax) | - | - | - | - | - | 609.20 | 609.20 |
| Reductions During the Year: | | | | | | | |
| Dividend Paid FY 20-21 | - | - | - | - | (2,323.24) | - | (2,323.24) |
| As At March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 70,285.88 | 6,843.14 | 166,466.45 |

As per our report of even date

For **Manubhai & Shah LLP**
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753
Mumbai, 26th May, 2023

As per our report of even date

For **Kirtane & Pandit LLP**
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
Partner
M.No.: 149037
Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

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Chairman & Managing Director
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Company Secretary
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PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

| Particulars | Year ended March 31, 2023 ₹ In Lakhs | Year ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| A. Cash Flow from Operating Activities | | |
| Profit Before Tax | 19,563.62 | 22,259.25 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 3,169.14 | 2,806.92 |
| Finance Cost | 1,531.16 | 1,715.24 |
| Provision for Doubtful Deposits | - | 18.36 |
| Interest Income | (143.72) | (46.05) |
| Unrealised Exchange (Gain) / Loss | 176.44 | (104.20) |
| (Profit) / Loss on Sale / Disposal / Write-off of Property, Plant and Equipment | (362.03) | (1,485.00) |
| Profit on Sale of Investment | (262.79) | (350.57) |
| Dividend Income | (18.38) | (6.56) |
| Sundry Credit Balances & Provisions no Longer Required, Written Back | (69.14) | (27.08) |
| Net Gain on Financial Assets | (874.98) | (484.00) |
| | <u>3,145.70</u> | <u>2,037.06</u> |
| Operating Profit / (Loss) before Working Capital Changes | 22,709.32 | 24,296.31 |
| Changes in Assets and Liabilities: | | |
| (Increase) / Decrease in Operating Assets: | | |
| Inventories | (664.44) | (5,600.27) |
| Trade Receivables | 4,847.26 | (4,401.99) |
| Loans | (20.82) | 39.07 |
| Other Financial Assets | (128.73) | (76.89) |
| Other Assets | 2,923.75 | (471.89) |
| Increase / (Decrease) in Operating Liabilities: | | |
| Trade Payables | (425.28) | 2,273.82 |
| Other Financial Liabilities | (675.58) | 317.61 |
| Other Liabilities | 191.38 | 1,315.58 |
| Provisions | (363.37) | (242.20) |
| | <u>5,684.17</u> | <u>(6,847.16)</u> |
| Cash Generated from Operations | 28,393.49 | 17,449.15 |
| Direct Taxes Paid | (4,140.96) | (3,602.15) |
| Net Cash Flow from Operating Activities (A) | 24,252.53 | 13,847.00 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Property, Plant and Equipment & Intangible Assets | (7,009.17) | (12,613.75) |
| Proceeds from Sale of Property, Plant and Equipment | 410.55 | 1,750.60 |
| Interest Income | 143.72 | 46.05 |
| Dividend on Investment | 18.38 | 6.56 |
| Net (Investment) / Redemption of Mutual Funds | (10,518.75) | (3,315.57) |
| Net Cash Flow Used in Investing Activities (B) | (16,955.27) | (14,126.11) |

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

| Particulars | Year ended | Year ended |
|---|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| C. Cash Flow from Financing Activities | | |
| Finance Cost | (1,531.16) | (1,715.24) |
| Proceeds from Long Term Borrowings | 2,376.91 | 8,578.68 |
| (Repayments) of Long Term Borrowings | (6,542.95) | (3,526.87) |
| Proceeds from Finance Lease | 68.95 | 570.99 |
| (Repayment) of Lease Liability | (664.17) | (729.77) |
| Dividend Paid / Deposited | (2,323.24) | (2,323.24) |
| Movement in Margin Money Deposit | (53.92) | (135.38) |
| Movement in Unclaimed Dividend Account | (42.51) | (29.34) |
| Net Cash Flow from / (Used in) Financing Activities (C) | (8,712.09) | 689.83 |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | (1,414.83) | 410.72 |
| Cash and Cash Equivalents (Opening Balance) | 3,408.64 | 2,997.92 |
| Cash and Cash Equivalents (Closing Balance) | 1,993.81 | 3,408.64 |

Cash and Cash Equivalents at the End of the Year Include:

| | As at | As at |
|---|-----------------|-----------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| (a) Cash on Hand | 9.96 | 17.28 |
| (b) Balances with Banks in Current and Deposit Accounts | 1,983.85 | 3,391.36 |
| Cash and Cash Equivalents (Refer Note 6 (a)) | 1,993.81 | 3,408.64 |
| Cash and Cash Equivalents at the End of the Year | 1,993.81 | 3,408.64 |

| Particulars | As at March 31, 2022 ₹ In Lakhs | Cash Flow | Non Cash Change | | | As at March 31, 2023 ₹ In Lakhs |
|--------------------------|------------------------------------|------------|--------------------|-----------------------------------|--------------------------------|------------------------------------|
| | | | Fair Value Changes | Foreign Exchange Movement / Other | Recognition of Lease Liability | |
| Borrowings - Non Current | 13,018.71 | (4,790.33) | 21.05 | - | 174.17 | 8,423.60 |
| Borrowings - Current | 7,168.12 | 8.02 | - | - | - | 7,176.14 |

As per our report of even date

For **Manubhai & Shah LLP**
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753
Mumbai, 26th May, 2023

As per our report of even date

For **Kirtane & Pandit LLP**
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
Partner
M.No.: 149037
Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

Dr. S. B. GARWARE
Chairman & Managing Director
DIN : 00943822

AWANEESH SRIVASTAVA
Company Secretary
ICSI M. No. FCS8513

T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

COMPANY INFORMATION:

Garware Hi-Tech Films Limited ('the Company') is a listed entity incorporated in India. The equity shares of the Company are listed on the BSE (Bombay Stock Exchange) and NSE (National Stock Exchange) in India. The registered office of the company is located at Naigaon, Post Waluj, Aurangabad 431133 and the Corporate office is located at 50-A Swami Nityanand Marg, Vile Parle (East), Mumbai 400057.

The Company is engaged in the business of manufacturing of specialty performance polyester Films like Sun Control window films used in Automobiles, Buildings, etc, Paint Protection Films used in Automobiles and a variety of other specialty polyester films such as PET Shrink films used for Label applications, Low Oligomer PET films used for insulation of hermetically sealed compressors motors, Electric motor insulation and cable insulation, sequin application films, TV and LCD screen application, Packaging applications etc.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

A: Significant Accounting Policies:

(a) Basis of Preparation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

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

These financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period and Defined Benefits Plans – Plan Assets as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

(ii) Classification of Assets and Liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of Property, Plant and Equipment, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the Property, Plant and Equipment can be measured reliably. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation, Estimated Useful Lives and Residual Value

Depreciation on Property, Plant and Equipment is provided on the straight-line method arrived on the basis of the useful life provided as per the Schedule II of the Companies Act, 2013.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013.

| Particulars | Useful Life as technically assessed |
|--|-------------------------------------|
| Building (Including Roads) | 10 - 20 years |
| Plant & Machinery (Including Electrical Installations) | 03 - 20 years |

The Property, Plant and Equipment capitalised under leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The asset's residual values, depreciation method and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / other expenses respectively.

Capital Work – in – Progress

Capital work-in-progress assets in the course of installation for production or/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management’s intended use, the cost of construction/ installation is transferred to the appropriate category of Property, Plant and Equipment. The costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(c) Intangible Assets

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the profit or Loss. Intangible assets are amortised on the straight line method as follows:

| Asset | Useful Life as technically assessed |
|----------|-------------------------------------|
| Software | 5 Years |

Intangible Asset Under Development:

Intangible asset under development pertaining to upgradation of IT software are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management’s intended use, the cost is transferred to the appropriate category of Intangible assets. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(d) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset’s net selling price and its 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.

After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

(e) Non Current Assets Held for Sale

Non-Current Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

(f) Revenue from Contracts with Customers

A. Revenue from Sale of Goods or services

Revenue from sale of goods or services (including scrap sales) are recognised when the control of goods or services are transferred to the customer at a transaction price that reflects the consideration entitled in exchange for those goods or services allocated to that contracted performance obligations. The Company also provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified. The discounts are accrued based on customary business practices. The control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided that the transfer of title to the customer occurs and any significant risks of ownership or future obligations with respect to the goods shipped are not retained by the Company. Sales are recognised net of return/rebates excluding applicable goods and services tax.

The Company collects short-term advances from its customers. Using Ind AS 115 practical expedient, the company recognises contract liabilities for the consideration received with respect to unsatisfied performance obligations and reports these amounts as advances received from customer under other head Current liabilities. The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

B. Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Export Benefits

Export entitlements under the Duty Draw Back Scheme / Other Schemes are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Others

Dividend income is recognised when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion using effective interest method.

(g) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

Government grants relating to purchase of property, plant and equipment are netted off from acquisition amount of property, plant and equipment and the grant is recognised in profit or loss over the life of a depreciable asset as a reduced charge of depreciation expense.

(h) Inventories

- (1) Raw Materials and Packing Materials are valued at the lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties & taxes, which are subsequently recoverable from the taxing authorities.
- (2) Stores and Spares are valued at cost computed on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities.
- (3) Semi-finished goods including those held for captive consumption is valued at factory cost including allocated depreciation.
- (4) Finished goods are valued at the lower of cost and net realizable value. Cost includes direct material labour, other direct cost and a proportion of manufacturing overheads.
- (5) Purchases of finished goods are valued at the lower of cost and net realizable value.

(i) 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.

A. Financial Assets

(1) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes..

(2) Measurement

All financial assets are recognized initially at fair value and where financial assets are not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. These includes Trade receivables, Cash and cash equivalent, other bank balances, Fixed Deposits with bank and Loan.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for the payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as follows:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity Instruments

The Company subsequently measures equity investment at fair value. The Company's Management elects to present fair value gains and losses on equity investments in other comprehensive income or profit and loss account on an instrument by instrument basis.

(3) Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 32 (A) for details of credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(4) Derecognition of Financial Assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

B. Financial Liability

(1) Initial Recognition and Measurement:

The Company recognizes financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

(2) Measurement:

All financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

Under the effective interest rate method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest rate method of the difference between the

initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest rate method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

(3) 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 between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

(j) Derivative Financial Instruments

Derivative financial instruments such as forward contracts to hedge foreign currency risk are initially recognised at fair value and subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit & Loss in the period when they arise.

(k) Foreign Currency Translation

(1) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency.

(2) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit and loss and are presented in the Statement of Profit or Loss on a net basis. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange gains and losses on foreign currency borrowings is accounted by addition or deduction to the cost of asset so far it relates to capital asset to the extent that they are regarded as an adjustment to interest cost and in other cases by charging it to the statement of profit and loss as a gain or loss on account of exchange differences under the head finance costs.

(l) Leases

The Company's lease asset primarily consists of leases for buildings, and for vehicles. The Company, at the inception of the contract, assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The right-of-use assets initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Company's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it exercises an extension or a termination option.

The Company treated the leases with remaining lease term for less than 12 months as if they were "short term lease".

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

(m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flows statement comprise cash at bank, cash in hand, demand deposits with banks and other deposits with an original maturity of three months or less.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of

the borrowings using the effective interest rate method. Borrowings are eliminated from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

(o) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(p) Provisions and Contingent Liabilities & Assets

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. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

(q) Investment in Subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27.

(r) Employee Benefits

(i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other Long-Term Employee Benefit Obligations

The liabilities for earned leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-Employment Benefits

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as Gratuity and Pension; and
- (b) Defined contribution plans such as Provident Fund.

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due for more than 12 months after the end of the reporting period are discounted to present value.

(s) Earnings Per Share

Earnings Per Share are 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.

(t) Income Taxes

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current tax is determined as the amount of tax payable in respect of taxable income for the period as per the provisions of Income Tax Act, 1961.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(u) Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. The management overview the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

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 has based assumptions and estimates on parameters available when the financial statements were prepared. However existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions as and when they occur.

i. Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates, management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilised.

ii. Defined Benefit Obligations

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameters subject to change is the discount rate, escalation rate, expected rate of return and mortality rate. Future salary increases are based on expected future inflation rates.

iii. Recoverability of Trade Receivables

Required judgements are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

(v) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

i. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

ii. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

iii. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company is assessing the impact of these changes if any and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

2. PROPERTY, PLANT AND EQUIPMENT

| Description | Gross Carrying Amount | | | | Depreciation / Amortisation | | | | Net Carrying Amount | |
|--|---|---|---------------------------------------|----------------------|-----------------------------|---------------------|--|----------------------|----------------------|----------------------|
| | Gross Carrying Amount as at April 1, 2022 | Additions / Adjustments During the Year | Disposal/ Adjustments During the Year | As at March 31, 2023 | Up to March 31, 2022 | Charge for the Year | Disposal / Adjustments During the Year | Up to March 31, 2023 | As at March 31, 2023 | As at March 31, 2023 |
| Property, Plant and Equipment :- | | | | | | | | | | |
| Land (Freehold) | 77,066.97 | - | - | 77,066.97 | - | - | - | - | - | 77,066.97 |
| Land (Leasehold) | 23,576.85 | - | - | 23,576.85 | - | - | - | - | - | 23,576.85 |
| Buildings | 6,644.42 | 3,324.75 | - | 9,969.17 | 1,601.24 | 376.53 | - | 1,977.77 | 7,991.40 | 7,991.40 |
| Right to use - Building | 2,169.20 | 170.18 | 100.08 | 2,239.30 | 1,263.22 | 451.35 | 100.08 | 1,614.49 | 624.81 | 624.81 |
| Plant & Machinery | 30,572.41 | 11,055.54 | 72.02 | 41,555.93 | 6,006.42 | 1,719.29 | 27.50 | 7,698.21 | 33,857.72 | 33,857.72 |
| Electrical Installations | 407.07 | 112.65 | - | 519.72 | 127.57 | 51.57 | - | 179.14 | 340.58 | 340.58 |
| Laboratory Equipments | 907.38 | 692.94 | - | 1,600.32 | 303.63 | 115.47 | - | 419.10 | 1,181.22 | 1,181.22 |
| Furniture & Fixtures | 244.15 | 47.15 | - | 291.30 | 103.71 | 25.58 | - | 129.29 | 162.01 | 162.01 |
| Office Equipments | 410.83 | 107.80 | - | 518.63 | 242.42 | 63.01 | - | 305.43 | 213.20 | 213.20 |
| Vehicles | 490.87 | 17.36 | 7.24 | 500.99 | 245.18 | 52.42 | 3.24 | 294.36 | 206.63 | 206.63 |
| Right to use - Vehicles | 1,307.41 | 122.21 | 39.31 | 1,390.31 | 186.14 | 179.68 | 14.82 | 351.00 | 1,039.31 | 1,039.31 |
| Capital Expenditure On Research & Development | 18.37 | - | - | 18.37 | 10.80 | 1.99 | - | 12.79 | 5.58 | 5.58 |
| Data Processing Equipments | 533.47 | 93.76 | 4.64 | 622.59 | 386.30 | 72.14 | 4.64 | 453.80 | 168.79 | 168.79 |
| TOTAL (A) | 1,44,349.40 | 15,744.34 | 223.29 | 1,59,870.45 | 10,476.63 | 3,109.03 | 150.28 | 13,435.38 | 1,46,435.07 | 1,46,435.07 |
| Intangible Assets :- | | | | | | | | | | |
| Software | 408.67 | 14.60 | - | 423.27 | 240.44 | 60.11 | - | 300.55 | 122.72 | 122.72 |
| TOTAL (B) | 408.67 | 14.60 | - | 423.27 | 240.44 | 60.11 | - | 300.55 | 122.72 | 122.72 |
| TOTAL (A + B) | 1,44,758.07 | 15,758.94 | 223.29 | 1,60,293.72 | 10,717.07 | 3,169.14 | 150.28 | 13,735.93 | 1,46,557.79 | 1,46,557.79 |
| Capital Work in Progress (Refer Note 2 (a)) | | | | | | | | | | |

i) Refer Note No. 28 (a) (d) for disclosure of contractual commitments for Property, Plant and Equipments.

ii) Refer Note No. 13 for Property pledged as security.

iii) The company does not hold any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

iv) There has been no revaluation of Property Plant and Equipment during the year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

2. PROPERTY, PLANT AND EQUIPMENT

| Description | Gross Carrying Amount | | | | Depreciation / Amortisation | | | | Net Carrying Amount |
|--|---|---|---------------------------------------|----------------------|-----------------------------|---------------------|--------------------------|----------------------|----------------------|
| | Gross Carrying Amount as at April 1, 2021 | Additions / Adjustments During the Year | Disposal/ Adjustments During the Year | As at March 31, 2022 | Up to March 31, 2021 | Charge for the Year | Disposal During the Year | Up to March 31, 2022 | As at March 31, 2022 |
| Property, Plant and Equipment :- | | | | | | | | | |
| Land (Freehold) | 77,066.97 | - | - | 77,066.97 | - | - | - | - | 77,066.97 |
| Land (Leasehold) | 23,576.85 | - | - | 23,576.85 | - | - | - | - | 23,576.85 |
| Buildings | 6,171.70 | 472.72 | - | 6,644.42 | 1,277.32 | 323.92 | - | 1,601.24 | 5,043.18 |
| Right to use - Building | 2,176.70 | - | 7.50 | 2,169.20 | 820.64 | 450.08 | 7.50 | 1,263.22 | 905.98 |
| Plant & Machinery | 27,902.38 | 2,670.03 | - | 30,572.41 | 4,538.70 | 1,467.72 | - | 6,006.42 | 24,565.99 |
| Electrical Installations | 359.78 | 47.29 | - | 407.07 | 84.39 | 43.18 | - | 127.57 | 279.50 |
| Laboratory Equipments | 772.18 | 135.20 | - | 907.38 | 220.02 | 83.61 | - | 303.63 | 603.75 |
| Furniture & Fixtures | 212.36 | 31.79 | - | 244.15 | 81.30 | 22.41 | - | 103.71 | 140.44 |
| Office Equipments | 340.50 | 70.33 | - | 410.83 | 190.17 | 52.25 | - | 242.42 | 168.41 |
| Vehicles * | 510.79 | 4.95 | 24.87 | 490.87 | 226.59 | 80.05 | 61.46 | 245.18 | 245.69 |
| Right to use - Vehicles * | 958.04 | 665.00 | 315.63 | 1,307.41 | 129.48 | 145.82 | 89.16 | 186.14 | 1,121.27 |
| Capital Expenditure On Research & Development | 18.12 | 0.25 | - | 18.37 | 8.78 | 2.02 | - | 10.80 | 7.57 |
| Data Processing Equipments | 511.49 | 21.98 | - | 533.47 | 316.31 | 69.99 | - | 386.30 | 147.17 |
| TOTAL (A) | 1,40,577.86 | 4,119.54 | 348.00 | 1,44,349.40 | 7,893.70 | 2,741.05 | 158.12 | 10,476.63 | 1,33,872.77 |
| Software | 380.02 | 28.65 | - | 408.67 | 174.57 | 65.87 | - | 240.44 | 168.23 |
| TOTAL (B) | 380.02 | 28.65 | - | 408.67 | 174.57 | 65.87 | - | 240.44 | 168.23 |
| TOTAL (A + B) | 1,40,957.88 | 4,148.19 | 348.00 | 1,44,758.07 | 8,068.27 | 2,806.92 | 158.12 | 10,717.07 | 1,34,041.00 |
| Capital Work in Progress (Refer Note 2 (a)) | | | | | | | | | 9,592.26 |

i) *Disposal / adjustment during the year ₹ 288.06 Lakhs transfer from ROU vehicles to vehicle in gross carrying amount and ₹ 66.93 Lakhs towards accumulated depreciation on repayment of vehicle loans.

ii) The company does not hold any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

iii) There has been no revaluation of Property Plant and Equipment during the year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

2. (a) The break up of expenses shown under capital work in progress (pending allocation) as on March 31, 2023 is as under :

(₹ In Lakhs)

| Particulars | 2022-23 | 2021-22 |
|-----------------------------------|-----------------|-----------------|
| Opening Balance | 9,592.26 | 1,098.44 |
| Additions During the Year | 6,218.73 | 11,236.41 |
| Less: Capitalised During the Year | (15,208.30) | (3,051.83) |
| Finance Charges | 437.67 | 309.24 |
| Closing Balance* | 1,040.36 | 9,592.26 |

[Note : Includes Intangible Assets under development ₹ 8.75 Lakhs (March 31, 2022: ₹ 7.30 Lakhs)]

CWIP Ageing Schedule

Tangible Projects

(₹ In Lakhs)

| Particulars | Amount in CWIP as on 31.03.2023 for period of | | | | Amount in CWIP as on 31.03.2022 for period of | | | | | |
|----------------------|---|---------------|-------------|-------------------|---|------------------|--------------|-----------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Ongoing Projects | 173.65 | 782.23 | - | - | 955.88 | 8,855.89 | 96.59 | - | - | 8,952.48 |
| Project Stock | 63.53 | 4.14 | 8.06 | - | 75.73 | 629.66 | 2.82 | - | - | 632.48 |
| Projects in Progress | 237.18 | 786.37 | 8.06 | - | 1,031.61 | 9,485.55 | 99.41 | - | - | 9,584.96 |
| Projects Suspended | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 237.18 | 786.37 | 8.06 | - | 1,031.61 | 9,485.55 | 99.41 | - | - | 9,584.96 |

Intangible Projects

(₹ In Lakhs)

| Particulars | Amount in CWIP as on 31.03.2023 for period of | | | | Amount in CWIP as on 31.03.2022 for period of | | | | | |
|----------------------|---|-------------|-----------|-------------------|---|------------------|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Ongoing Projects | 1.45 | 7.30 | - | - | 8.75 | 7.30 | - | - | - | 7.30 |
| Project Stock | - | - | - | - | - | - | - | - | - | - |
| Projects in Progress | 1.45 | 7.30 | - | - | 8.75 | 7.30 | - | - | - | 7.30 |
| Projects Suspended | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 1.45 | 7.30 | - | - | 8.75 | 7.30 | - | - | - | 7.30 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.)

Tangible Projects

(₹ In Lakhs)

| Particulars | As on 31.03.2023 to be completed in | | | | As on 31.03.2022 to be completed in | | | | | |
|---|-------------------------------------|-----------|-----------|-------------------|-------------------------------------|------------------|-----------|-----------|-------------------|----------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Lamination Project | | - | - | - | - | 7,265.65 | - | - | - | 7,265.65 |
| Upgradation & Modification and other Projects | 951.08 | - | - | - | 951.08 | 1,065.19 | - | - | - | 1,065.19 |
| TOTAL | 951.08 | - | - | - | 951.08 | 8,330.84 | - | - | - | 8,330.84 |

In-Tangible Projects

(₹ In Lakhs)

| Particulars | As on 31.03.2023 to be completed in | | | | As on 31.03.2022 to be completed in | | | | | |
|------------------------|-------------------------------------|-----------|-----------|-------------------|-------------------------------------|------------------|-----------|-----------|-------------------|-------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| IT Upgradation Project | 8.75 | - | - | - | 8.75 | 7.30 | - | - | - | 7.30 |
| TOTAL | 8.75 | - | - | - | 8.75 | 7.30 | - | - | - | 7.30 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

3. (a) NON - CURRENT INVESTMENTS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Investment at Fair Value Through Other Comprehensive Income (FVTOCI) in Quoted Equity Instruments | | |
| 262,543 (March 31, 2022 - 262,543) Equity Shares of Garware Technical Fibres Limited, of the face value of ₹ 10/- each, fully paid-up. | 7,632.26 | 7,434.43 |
| Investment In Equity Instruments of Subsidiary - At Cost Fully Paid | | |
| 2,50,000 (March 31, 2022 - 2,50,000) Ordinary Shares of Garware Hi-Tech Films International Limited, London, of the face value of Pound 1/- each, fully paid-up. | 133.57 | 133.57 |
| Investment at Fair Value Through Profit and Loss (FVTPL) in Unquoted Equity Instruments | | |
| 500 (March 31, 2022 - 500) Equity Shares of The Co-Operative Stores Ltd. (New Delhi), of the face value of ₹ 10/- each, fully paid up | 0.05 | 0.05 |
| 10,000 (March 31, 2022 - 10,000) Equity Shares of S I C O M Ltd., of the face value of ₹ 10/- each fully paid-up | 8.00 | 8.00 |
| 100 (March 31, 2022 - 100) Equity Shares of Cosmos Co-Operative Bank Ltd., of the face value of ₹ 10/- each fully paid up | 0.02 | 0.02 |
| 25 (March 31, 2022 - 25) Equity Shares of Shamrao Vithhal Co-Operative Bank Ltd, of the face value of ₹ 25/- each fully paid up | 0.01 | 0.01 |
| TOTAL | 7,773.91 | 7,576.08 |
| Aggregate Amount of Quoted Investments | 7,632.26 | 7,434.43 |
| Aggregate Amount of Unquoted Investments | 141.65 | 141.65 |
| Aggregate Cost of Total Investments | 179.07 | 179.07 |

- i) Investment in subsidiary of ₹ 133.57 Lakhs (March 31, 2022: ₹ 133.57 Lakhs) has been accounted for as per Ind AS 27
ii) The company has not traded or invested in any Crypto currency or Virtual currency during the current year and previous year.

3. (b) CURRENT INVESTMENTS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Investment At Fair Value Through Profit and Loss (FVTPL) in Quoted Mutual Funds | | |
| 3,66,04,008 Units in HDFC Arbitrage Fund (Previous year 3,17,49,882 Units) | 6,219.02 | 5,106.33 |
| 4,06,685 Units in HDFC Overnight Mutual Fund (Previous year 1,10,302 Units) | 13,536.26 | 3,482.73 |
| 77,32,498 Units in HDFC Corporate Bond Fund (Previous year 78,48,470 Units) | 2,135.66 | 2,051.05 |
| 2,99,11,756 Units in Tata Arbitrage Fund (Previous year 2,99,11,756 Units) | 3,793.08 | 3,585.07 |
| 1,43,05,500 Units in Axis Corporate Debt Fund (Previous year 1,48,88,628 Units) | 2,141.86 | 2,048.15 |
| 1,13,38,844 Units in Kotak Equity Arbitrage Fund (Previous year 1,13,38,844 Units) | 3,803.99 | 3,590.90 |
| 0 Units in HDFC Ultra Short Term Fund (Previous year 814,451 Units) | - | 100.00 |
| TOTAL | 31,629.87 | 19,964.23 |
| Aggregate Cost of Quoted Investments | 30,359.86 | 19,478.32 |
| Aggregate Fair Value of Quoted Investments (NAV) | 31,629.87 | 19,964.23 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

4. OTHER FINANCIAL ASSETS - NON - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Security Deposits (Considered Good, Unsecured) | 238.33 | 232.07 |
| Margin Money with more than 12 months maturity | 59.50 | - |
| TOTAL | 297.83 | 232.07 |

i) Security deposit includes rental deposits of ₹ 64.50 Lakhs given to Directors / Relatives of Directors (March 31, 2022 - ₹ 64.50 Lakhs) and ₹ 43.50 Lakhs given to Companies in which Directors are a Director / Member (March 31, 2022 - ₹ 43.50 Lakhs).

5. TRADE RECEIVABLES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Trade Receivable Considered Good, Unsecured | 2,598.97 | 2,644.85 |
| Trade Receivable - Credit Impaired | 20.86 | 20.86 |
| Less: Allowance For Doubtful Debts | (20.86) | (20.86) |
| Trade Receivable due From Subsidiary Companies | 5,643.06 | 10,598.86 |
| TOTAL | 8,242.03 | 13,243.71 |

Trade Receivable - Ageing Schedule from Due Date of Payment

| Particulars | March 31, 2023 | | | | | | Total |
|--|-----------------|--------------------|------------------|-----------|-----------|-------------------|-----------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered Good | 7,537.72 | 704.21 | 0.10 | - | - | - | 8,242.03 |
| (ii) Undisputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | 20.86 | 20.86 |
| Less : Allowance for Doubtful Debts | - | - | - | - | - | (20.86) | (20.86) |
| TOTAL | 7,537.72 | 704.21 | 0.10 | - | - | - | 8,242.03 |

| Particulars | March 31, 2022 | | | | | | Total |
|--|------------------|--------------------|------------------|-----------|-----------|-------------------|------------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - Considered Good | 11,033.60 | 2,210.11 | - | - | - | - | 13,243.71 |
| (ii) Undisputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | 20.86 | 20.86 |
| Less : Allowance for Doubtful Debts | - | - | - | - | - | (20.86) | (20.86) |
| TOTAL | 11,033.60 | 2,210.11 | - | - | - | - | 13,243.71 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

6. (a) CASH AND CASH EQUIVALENTS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|----------------------------|---------------------------------------|---------------------------------------|
| Balances with Banks | | |
| In Current Accounts | 1,983.85 | 3,391.36 |
| Cash on Hand | 9.96 | 17.28 |
| TOTAL | 1,993.81 | 3,408.64 |

6. (b) OTHER BANK BALANCES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|------------------------------|---------------------------------------|---------------------------------------|
| In Earmarked Accounts | | |
| Unclaimed Dividend Accounts | 165.25 | 122.74 |
| Margin Money Deposit | 881.40 | 767.98 |
| TOTAL | 1,046.65 | 890.72 |

7. LOANS - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Loans and Advances to Employees - Considered Good, Unsecured | 33.61 | 12.79 |
| TOTAL | 33.61 | 12.79 |

- i) No funds has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

8. OTHER FINANCIAL ASSETS - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|----------------------------------|---------------------------------------|---------------------------------------|
| Derivative Financial Instrument. | 30.94 | 51.14 |
| Other Receivables | 122.44 | 118.97 |
| TOTAL | 153.38 | 170.11 |

- i) Other receivables includes insurance claim and discount receivable from vendors.

9. INVENTORIES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Stores, Spares and Packing Materials | 2,965.53 | 2,973.18 |
| Raw Materials | 4,775.18 | 4,272.17 |
| Finished Goods | 123.39 | 372.18 |
| Finished Goods (Stock in Transit) | 2,982.05 | 2,586.06 |
| Semi Finished Goods | 4,832.79 | 4,810.91 |
| TOTAL | 15,678.94 | 15,014.50 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

10. (a) OTHER NON CURRENT ASSETS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Capital Advances | | |
| Secured, Considered Good | 56.42 | 636.77 |
| Considered Good, Unsecured | 169.64 | 1,431.60 |
| | 226.06 | 2,068.37 |
| Advances Other than Capital Advances | | |
| Balances with Government Authorities. | 382.72 | 168.71 |
| (Includes ₹ 379.99 Lakhs towards VAT Receivable (Previous year CST Receivable ₹164.64 Lakhs)) | | |
| TOTAL | 608.78 | 2,237.08 |

10. (b) OTHER CURRENT ASSETS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Prepaid Expenses | 284.06 | 302.13 |
| Balances with Government Authorities | 1,771.80 | 3,080.68 |
| Advances Paid to Suppliers/ Vendors (Net of Provision) | 640.95 | 598.37 |
| TOTAL | 2,696.81 | 3,981.18 |

11. (a) DEFERRED TAX ASSETS

The Balance of Deferred Tax Comprises Temporary Differences Attributable to:

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Deferred Tax Assets | | |
| Expenses Allowed on Payment Basis | 177.53 | 328.07 |
| IND AS 116- Right to use Assets | 25.36 | 33.22 |
| Remeasurements of Post Defined Benefit Obligations | 189.42 | 165.52 |
| Others | 9.87 | 9.87 |
| TOTAL (a) | 402.18 | 536.68 |
| Deferred Tax Liabilities | | |
| Excess of Written Down Value as per Books and as per Income Tax Act, 1961 | 3,705.41 | 3,313.46 |
| Deferred Tax on Fair Value Changes in Mutual Fund | 732.51 | 676.12 |
| TOTAL (b) | 4,437.92 | 3,989.58 |
| Deferred Tax Assets / (Liability) (Net) TOTAL (a-b) | (4,035.74) | (3,452.90) |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Changes in Deferred Tax Assets/ (Liabilities) in Statement of Profit and Loss [(charged) / credited during the year]

| | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| Expenses Allowed on Payment Basis | (150.56) | 22.58 |
| Others | - | (0.45) |
| Minimum Alternate Tax Credit Entitlement | - | (3,158.22) |
| IND AS 116- Right to use Assets | (7.86) | (10.15) |
| Excess of Written Down Value as per Books and as per Income Tax Act, 1961 | (391.94) | 767.89 |
| Remeasurements of Post Defined Benefit Obligations | 23.90 | 40.93 |
| Deferred Tax on Fair Value changes | (56.39) | (113.91) |
| TOTAL | (582.85) | (2,451.33) |

11. (b) INCOME TAXES

The Major Components of Income Tax Expense for the Year Ended are :

| Statement of Profit and Loss | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| Current Income Tax | | |
| Current Tax on Profit for the Current Year | 4,214.10 | 3,826.78 |
| Short / (Excess) Tax of earlier Years | (3.97) | (43.89) |
| Deferred Tax | | |
| Deferred tax | 594.01 | (746.28) |
| MAT Credit Entitlement | - | 3,202.11 |
| Income Tax Expense Reported in the Statement of Profit or Loss | 4,804.14 | 6,238.72 |

| Other Comprehensive Income Section | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| Deferred Tax Relating to Remeasurements of Post Employment Benefit Obligations and Gain on Fair Valuation of Equity Instruments | (11.16) | 39.39 |
| Income Tax Charged to OCI | (11.16) | 39.39 |

| Movement in Income Tax (Assets) / Liabilities (Net) | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Opening Balance [Payable/ (Receivable)] | (45.04) | (269.67) |
| Add : Current Tax Payable for the Year | 4,210.13 | 3,826.78 |
| Less : Taxes Paid | (4,140.96) | (3,602.15) |
| Closing Balance [Payable/ (Receivable)] | 24.13 | (45.04) |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Reconciliation of Tax Expense and Accounting Profit for the Year: | Year Ended | Year Ended |
|--|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| Accounting Profit Before Tax | 19,563.62 | 22,259.25 |
| Tax at Statutory Income Tax Rate of @ 25.168% (PY 34.944%) | 4,923.77 | 7,778.27 |
| Tax Effect of Amounts Which are Not Deductible (Taxable) in Calculating Taxable Income | | |
| Donations / CSR Expenses | 85.18 | 170.19 |
| Short / (Excess) Income Tax of earlier years | (3.97) | (43.89) |
| Other Items | (100.11) | (398.77) |
| Reduction in Deferred Tax on account of change in tax rate from 34.944% to 25.168% | - | (1,192.68) |
| Long Term Capital Gain Taxable at Special Rate | (100.73) | (74.40) |
| Income - Tax Expense | 4,804.14 | 6,238.72 |

12. (a) EQUITY AND SHARE CAPITAL

| | As at | As at |
|--|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| Authorised Equity Share Capital: | | |
| 40,000,000 (March 31, 2022 : 40,000,000) Equity Shares of ₹ 10/- each | 4,000 | 4,000 |
| 6,000,000 (March 31, 2022 : 6,000,000) Preference Shares of ₹ 100/- each | 6,000 | 6,000 |
| TOTAL | 10,000 | 10,000 |
| Issued, subscribed and Paid up : | | |
| 23,232,394 (March 31, 2022 : 23,232,394) Equity Shares of ₹ 10/- each | 2,323.24 | 2,323.24 |
| TOTAL | 2,323.24 | 2,323.24 |

(i) Reconciliation of Number of Equity Shares

| | Year Ended | Year Ended |
|--|-----------------------|-----------------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| Shares Outstanding at the Beginning of the year | 2,32,32,394 | 2,32,32,394 |
| Add: Issued during the year | - | - |
| Outstanding at the end of the year | 2,32,32,394 | 2,32,32,394 |

(ii) Terms/ Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/-. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees.

Final Dividend of ₹ 10/- per equity share for the Financial year ended 31st March 2023 proposed by board of directors in its meeting held on 26th May 2023 (₹ 10/- per equity share for FY 2021-22) is in compliance with Section 123 of the Companies Act 2013 and is subject to approval of shareholders in the ensuing Annual General Meeting and if approved, would result in Cash outflow of ₹ 2,323.24 Lakhs.

(iii) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate Shares in the Company

| Name of the Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
| | % holding | No. of shares | % holding | No. of shares |
| S. B. Garware Family Trust | 38.17% | 88,68,372 | 38.17% | 88,68,372 |
| B. D. Garware Research Centre Private Limited (Formerly known as B.D Garware Research Center) | 5.35% | 12,42,216 | 5.35% | 12,42,216 |
| Dr. S. B. Garware | 5.01% | 11,63,001 | 5.01% | 11,63,001 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(iv) Details of Shares held by Promoters

| Sr. No. | Promoter Name | As at 31.03.2023 | | As at 31.03.2022 | | % change during FY 22-23 |
|---------|---|------------------|-------------------|------------------|-------------------|--------------------------|
| | | No. of shares | % of total shares | No. of shares | % of total shares | |
| 1 | S. B. Garware Family Trust | 88,68,372 | 38.17% | 88,68,372 | 38.17% | - |
| 2 | B. D. Garware Research Centre Private Limited (Formerly known as B.D Garware Research Center) | 12,42,216 | 5.35% | 12,42,216 | 5.35% | - |
| 3 | Dr. S. B. Garware | 11,63,001 | 5.01% | 11,63,001 | 5.01% | - |
| 4 | Monika Garware Benefit Trust | 5,73,917 | 2.47% | 5,73,917 | 2.47% | - |
| 5 | Sarita Garware Benefit Trust | 5,73,917 | 2.47% | 5,73,917 | 2.47% | - |
| 6 | Great View Real Estates Private Limited | 4,69,175 | 2.02% | 4,69,175 | 2.02% | - |
| 7 | Ms. Sonia Garware | 2,68,595 | 1.16% | 2,68,595 | 1.16% | - |
| 8 | Mrs. Sarita Garware Ramsay | 2,67,810 | 1.15% | 2,67,810 | 1.15% | - |
| 9 | Ms. Monika Garware | 2,67,504 | 1.15% | 2,67,504 | 1.15% | - |
| 10 | Garware Industries Private Limited | 2,35,000 | 1.01% | 2,35,000 | 1.01% | - |
| 11 | Mrs. Sheela S. Garware | 1,75,465 | 0.76% | 1,75,465 | 0.76% | - |
| 12 | Sonia Garware Benefit Trust | 1,000 | 0.00% | 1,000 | 0.00% | - |

12. (b) OTHER EQUITY

| | Capital redemption reserve | Securities premium | Capital reserve | General reserve | Retained earnings | FVTOCI - Equity Instruments | Total ₹ In Lakhs |
|---|----------------------------|--------------------|------------------|-----------------|-------------------|-----------------------------|--------------------|
| As at March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 70,285.88 | 6,843.14 | 1,66,466.45 |
| Profit for the year | - | - | - | - | 14,759.48 | - | 14,759.48 |
| Other Comprehensive Income | | | | | | | |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | (71.06) | - | (71.06) |
| b) Changes in Fair Value of Equity Instruments through OCI (Net of Tax) | - | - | - | - | - | 185.08 | 185.08 |
| Reductions during the year: | | | | | | | |
| Dividends Paid FY 21-22 | - | - | - | - | (2,323.24) | - | (2,323.24) |
| As at March 31, 2023 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 82,651.06 | 7,028.22 | 1,79,016.71 |

| | Capital redemption reserve | Securities premium | Capital reserve | General reserve | Retained earnings | FVTOCI - Equity Instruments | Total ₹ In Lakhs |
|---|----------------------------|--------------------|------------------|-----------------|-------------------|-----------------------------|--------------------|
| As at March 31, 2021 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 56,849.51 | 6,233.94 | 1,52,420.88 |
| Profit for the year | - | - | - | - | 16,020.53 | - | 16,020.53 |
| Other Comprehensive Income | | | | | | | |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | (260.92) | - | (260.92) |
| b) Changes in Fair Value of Equity Instruments through OCI (Net of Tax) | - | - | - | - | - | 609.20 | 609.20 |
| Reductions during the year: | | | | | | | |
| Dividend Paid FY 20-21 | - | - | - | - | (2,323.24) | - | (2,323.24) |
| As at March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 70,285.88 | 6,843.14 | 1,66,466.45 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Nature and purpose of Other Reserves:

1 Capital Redemption Reserve

Capital redemption reserve is towards the redemption of preference shares allotted to Industrial Development Bank of India (IDBI) in FY 2014 - 15.

2 Securities Premium

Securities premium reserve is towards the premium on issue of equity shares. This reserve is utilised in accordance with the provisions of The Companies Act, 2013.

3 Capital Reserve

Capital reserve of ₹ 4,439.48 Lakhs was created on demerger of manufacturing business of erstwhile Garware Chemicals Limited (GCL) as per the scheme of arrangement between the Company and GCL under provisions of section 391 - 394 of the Companies Act, 1956 and ₹ 61,842.43 Lakhs (Net of Deferred Tax) on account of fair Valuation of Property, Plant and Equipment done as at the transition date of Ind AS. Capital reserve also includes revaluation reserve amounting to ₹ 4,584.49 Lakhs pertains to revaluation of land at Mumbai at Vile Parle in 2007 and ₹ 18,755.94 Lakhs revaluation of land situated at Aurangabad and Nashik in FY 2012 - 13 and ₹ (13,235.03) Lakhs pertains to impairment of assets taken over from GCL in FY 2012 - 13 and ₹ 2.07 Lakhs amount paid up on cancellation of 82,756 shares.

4 Fair Value Through Other Comprehensive Income (FVTOCI) Equity Instruments

The Company has elected to recognise changes in fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

13. (a) NON CURRENT BORROWINGS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Secured | | |
| Term Loans | | |
| Indian Rupee Loans from Banks | 14,078.65 | 18,244.69 |
| TOTAL | 14,078.65 | 18,244.69 |
| Less: Current Maturities of Long Term Debt (Included in Note 13 (c)) | 6,542.95 | 6,542.95 |
| Non Current Borrowings | 7,535.70 | 11,701.74 |

13. (b) NON CURRENT LEASE LIABILITY

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Non Current Lease Liability | | |
| From Bank (Secured) | 772.46 | 870.31 |
| From Others | 748.63 | 1,071.83 |
| TOTAL | 1,521.09 | 1,942.14 |
| Less : Current Maturities of Lease Liability | | |
| From Bank | 183.93 | 158.99 |
| From Others | 449.26 | 466.18 |
| TOTAL | 633.19 | 625.17 |
| Non Current Lease Liability | 887.90 | 1,316.97 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

13. (c) CURRENT BORROWINGS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Current Maturities of Long Term Borrowings | 6,542.95 | 6,542.95 |
| Current Borrowings | 6,542.95 | 6,542.95 |

Terms of Repayment for Borrowings

| Particulars | Terms of Repayment |
|----------------------------------|---|
| Non-Current | |
| Indian Rupee Loans from Banks | Loan of ₹ 2,535.00 Lakhs is repayable in 12 monthly instalments from April-23 to March-24. Loan of ₹ 4,468.64 Lakhs is repayable in 9 quarterly instalments from May-23 to May-25. Loan of ₹ 7,132.01 Lakhs is payable in 43 instalments from April-23 to Oct-26 Rate of interest: 1 year MCLR + 0.35% to 1 year MCLR + 0.65% p.a. |
| Obligations Under Finance Leases | Repayable in 38 to 53 monthly instalments from April-23 to August-27 Rate of interest: 7.25% - 8.25% p.a. |

Details of Security for the Non - Current and Current Borrowings:

| Particulars | Nature of Security |
|--|---|
| Non - Current | |
| Indian Rupee Loans from Banks | First Pari - passu charge on property, plant and equipment (present and future) except Vile Parle, Mumbai property and Nashik Property and second pari - passu charge on current assets. |
| Obligations Under Finance Leases | Hypothecation of specific assets |
| Current | |
| Indian Rupees and Foreign Currency and Working Capital loans | Hypothecation of all the current assets including inventory, book debts etc. and second charge on property, plant and equipment of the Company excluding Vile Parle, Mumbai property and Nashik property. |

- i) The term loans have been applied for the purposes of capacity expansion and various other capex plans.
- ii) Registration of charges or satisfaction with registrar of companies have been complied with in the statutory period.
- iii) Quarterly return / statements of current assets filed by the company with banks are in agreement with the books of accounts.
- iv) The company has not been declared as Wilful Defaulter by any bank or financial institution.
- v) No funds have been received by the company from any person or entity including foreign entity (Funding Parties), with the understanding whether recorded in writing or otherwise that the company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi) Funds raised on short term basis are not used for long term purpose.

14. TRADE PAYABLES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | 1,038.88 | 1,221.41 |
| Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises | 9,396.55 | 9,656.63 |
| TOTAL | 10,435.43 | 10,878.04 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

| Sr. No. | Particulars | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---------|--|---------------------------------------|---------------------------------------|
| a) | Principal Amount Due to Suppliers Registered under MSMED Act and Remaining Unpaid as at the Year End (Including Capital Creditors ₹ 17.29 Lakhs (Previous Year ₹ 32.04 Lakhs)) | 1,056.17 | 1,253.45 |
| b) | Interest Due thereon | - | - |
| c) | Interest Paid by the Company in term of Section 16 | - | - |
| d) | Interest Due and Payable for the Period of Delay in Payment | - | - |
| e) | Interest Accrued and Remaining Unpaid | - | - |
| f) | Interest Remaining Due and Payable even in Succeeding Years | - | - |

Trade Payable Ageing Schedule from Due Date of Payment

| Sr. No. | Particulars | As at March 31, 2023 | | | | | | Total |
|---------|------------------------|----------------------|-----------------|------------------|--------------|--------------|-------------------|------------------|
| | | Not Due | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 986.60 | - | 52.28 | - | - | - | 1,038.88 |
| (ii) | Others | 5,805.15 | 1,415.72 | 2,101.93 | 10.06 | 51.72 | 11.97 | 9,396.55 |
| (iii) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| (iv) | Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | 6,791.75 | 1,415.72 | 2,154.21 | 10.06 | 51.72 | 11.97 | 10,435.43 |

| Sr. No. | Particulars | As at March 31, 2022 | | | | | | Total |
|---------|------------------------|----------------------|-----------------|------------------|--------------|-------------|-------------------|------------------|
| | | Not Due | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 1,077.89 | - | 143.52 | - | - | - | 1,221.41 |
| (ii) | Others | 6,869.11 | 1,069.55 | 1,636.08 | 53.35 | 6.93 | 21.61 | 9,656.63 |
| (iii) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| (iv) | Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | 7,947.00 | 1,069.55 | 1,779.60 | 53.35 | 6.93 | 21.61 | 10,878.04 |

15. OTHER FINANCIAL LIABILITIES - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|-----------------------------------|---------------------------------------|---------------------------------------|
| Unclaimed Dividend | 165.25 | 122.74 |
| Creditors for Capital Expenditure | 429.29 | 701.94 |
| Payable for Expenses | 225.70 | 676.43 |
| Payable to Employees | 605.39 | 559.60 |
| Deposit from Customers | 157.38 | 197.88 |
| TOTAL | 1,583.01 | 2,258.59 |

i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

16. NON-CURRENT PROVISIONS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Provision for Employee Benefits (Refer Note 29) | | |
| Provision for Compensated Absences | 441.67 | 388.76 |
| TOTAL | 441.67 | 388.76 |

17. CURRENT PROVISIONS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Provision for Employee Benefits (Refer Note 29) | | |
| Provision for Gratuity | 355.33 | 532.38 |
| Provision for Compensated Absences | 289.24 | 433.51 |
| TOTAL | 644.57 | 965.89 |

18. OTHER CURRENT LIABILITIES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|-------------------------|---------------------------------------|---------------------------------------|
| Statutory Liabilities | 321.75 | 380.36 |
| Advances from Customers | 3,327.78 | 3,108.35 |
| TOTAL | 3,649.53 | 3,488.71 |

- a) The company has recognised revenue including Taxes of ₹ 7,899.33 Lakhs (Previous year ₹ 5,106.62 Lakhs) as per Ind AS 115 from the amounts included under advance received from customer at the beginning of the year.
- b) Contract liability primarily relates to advance consideration received from customers for sale of products based on terms agreed. The contract liability is expected to be recognised within 12 months.
- c) Unsatisfied Performance Obligations: The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

19. REVENUE FROM OPERATIONS

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--------------------------------|-----------------------|-----------------------|
| Sale of Products | 1,28,507.38 | 1,23,637.95 |
| Other Operating Revenue | | |
| Export Incentives | 2,163.99 | 2,389.50 |
| Sale of Scrap and Others | 452.21 | 369.08 |
| TOTAL | 1,31,123.58 | 1,26,396.53 |

- a) **Reconciliation of Revenue from Sale of Products with the Contracted Price.**

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--|-----------------------|-----------------------|
| Contracted Price | 1,28,742.78 | 1,23,752.57 |
| Less : Discounts, Allowances and Claims as per Contract. | (235.40) | (114.62) |
| Revenue from Sale of Products | 1,28,507.38 | 1,23,637.95 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

b) Contract balances :

| | 2022-23 | 2021-22 |
|---|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Trade Receivables | 8,242.03 | 13,243.71 |
| Advance from Customers (Contract Liability) | 3,327.78 | 3,108.35 |

20. OTHER INCOME

| | 2022-23 | 2021-22 |
|--|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Interest Income: | | |
| On Bank Deposits | 44.56 | 36.68 |
| On Income Tax & Sales Tax Refund | 98.07 | 8.02 |
| Others | 1.09 | 1.35 |
| Dividend from Quoted Equity Investments Measured at Fair Value Through OCI | 18.38 | 6.56 |
| Insurance Claims | 52.60 | 77.35 |
| Profit on Sale of Property, Plant and Equipment | 362.03 | 1,485.00 |
| Profit on Sale of Investments | 262.79 | 350.57 |
| Excess Provision/ Sundry Credit Balances Written Back | 69.14 | 27.08 |
| Gain on Exchange Rate Fluctuations | 1,568.61 | 1,496.48 |
| Net Gain on Financial Assets Measured at FVTPL | 884.10 | 455.71 |
| Unwinding of Security Deposit | 11.08 | 9.92 |
| Rent Received | 4.20 | - |
| VAT Refund | 660.66 | - |
| TOTAL | 4,037.31 | 3,954.72 |

- i) The company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act 1961.

21. COST OF MATERIALS CONSUMED

| | 2022-23 | 2021-22 |
|-------------------------|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Opening Inventory | 4,272.17 | 2,900.15 |
| Add: Purchases | 60,865.24 | 58,387.37 |
| Less: Sales | (86.36) | (91.33) |
| Less: Closing Inventory | (4,775.18) | (4,272.17) |
| TOTAL | 60,275.87 | 56,924.02 |

22. CHANGE IN INVENTORIES OF FINISHED GOODS AND SEMI - FINISHED GOODS

| | 2022-23 | 2021-22 |
|--------------------------------|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Closing Inventory | | |
| Semi - Finished Goods | 4,832.79 | 4,810.91 |
| Finished Goods | 3,105.44 | 2,958.24 |
| | 7,938.23 | 7,769.15 |
| Less: Opening Inventory | | |
| Semi - Finished Goods | 4,810.91 | 3,870.32 |
| Finished Goods | 2,958.24 | 128.34 |
| | 7,769.15 | 3,998.66 |
| Net Change in Inventory | (169.08) | (3,770.49) |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

23. EMPLOYEE BENEFITS EXPENSE

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Salaries, Wages and Bonus | 8,446.97 | 8,840.78 |
| Contributions to Provident Fund and Other Funds | 955.40 | 912.95 |
| Staff Welfare Expenses | 614.23 | 670.70 |
| TOTAL | 10,016.60 | 10,424.43 |

24. FINANCE COSTS

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Interest Expense | 941.58 | 1,063.39 |
| Interest Expense on Right to Use Assets | 143.85 | 165.44 |
| Other Borrowing Cost | 445.73 | 486.41 |
| TOTAL | 1,531.16 | 1,715.24 |

i) Finance costs amounting to ₹ 437.67 Lakhs (March 31, 2022 : ₹ 309.24 Lakhs) is capitalised in the cost of assets during the current year.

25. DEPRECIATION AND AMORTIZATION EXPENSE

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Depreciation on Property, Plant and Equipment (Including IND AS 116 Depreciation) | 3,109.03 | 2,741.05 |
| Amortisation of Intangible Assets | 60.11 | 65.87 |
| TOTAL | 3,169.14 | 2,806.92 |

26. OTHER EXPENSES

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Stores, Spares & Packing Materials Consumed | 7,491.84 | 7,652.91 |
| Power and Fuel | 12,590.48 | 10,496.52 |
| Processing Charges | 4,429.53 | 5,049.35 |
| Water Charges | 120.39 | 122.38 |
| Rent, Hire Charges and Compensation | 14.61 | 18.35 |
| Rates, Taxes and License Fees | 107.15 | 122.76 |
| Insurance | 378.86 | 347.79 |
| Freight & Forwarding (Net) | 6,202.37 | 7,013.30 |
| Research and Development Expenses | 316.62 | 371.74 |
| Advertisement Expenses | 61.81 | 158.15 |
| Repairs and Maintenance Expenses: | | |
| Plant and Machinery | 341.04 | 255.45 |
| Building | 377.44 | 272.64 |
| Others | 1,204.28 | 1,042.74 |
| Contract Labour Cost | 2,539.49 | 2,257.04 |
| Security Charges | 569.74 | 588.92 |
| Travelling & Conveyance | 500.77 | 293.33 |
| Postage, Telegrams & Telephones | 46.53 | 48.96 |
| Commission on Sales | 484.88 | 525.23 |
| Contribution Towards Corporate Social Responsibilities (Refer Note 26A) | 330.00 | 267.94 |
| Donation | 8.43 | 538.17 |
| Legal and Professional Charges* | 1,142.35 | 1,169.43 |
| Auditors Remuneration (Refer Note 26B) | 52.90 | 54.75 |
| Directors Sitting Fees | 11.38 | 11.68 |
| Miscellaneous Expenses | 1,450.69 | 1,293.99 |
| Provision for Doubtful Advances | - | 18.36 |
| TOTAL | 40,773.58 | 39,991.88 |

i) *Legal and professional charges include ₹ 3.25 Lakhs (March 31, 2022: ₹ 3.25 Lakhs) paid to a firm in which one of the partner of the auditor's firm is interested as a partner.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

26. (a) CORPORATE SOCIAL RESPONSIBILITY (CSR)

| | 2022-23 | 2021-22 |
|--|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Gross Amount Required to be Spent by the Company during the Year | 329.90 | 263.09 |
| TOTAL | 329.90 | 263.09 |
| Amount Spent During the Year | | |
| A. Construction / Acquisition of any Asset | - | - |
| B. On Purposes other than (A) above | 330.00 | 267.94 |
| TOTAL | 330.00 | 267.94 |
| C. Shortfall at the End of the Year | - | - |
| D. Total of Previous Years Shortfall | - | - |
| E. Reason for Shortfall | NA | NA |

| F. Nature of CSR Activities | | (₹ In Lakhs) | |
|--|----------------------------|---------------------|---------------------|
| Name of the project | Implementing Agency | Amount Spent | Amount Spent |
| | | 2022-23 | 2021-22 |
| Promoting Health care Measures for Deprived Section of Society | | - | 167.94 |
| Promote Social and Economic Development in the City by Creating an Opportunity to Nature, Support | Garware Charitable Trust | - | 100.00 |
| Promoting Health care Measures for Deprived Section of Society | Garware Charitable Trust | 16.50 | - |
| Promoting Education, Including Special Education and Employment Enhancing Vocation Skills | Garware Charitable Trust | 21.00 | - |
| Promoting /Setting up Old Age Home, Day Cares Centers and such other Facilities for Senior Citizen | Garware Charitable Trust | 292.50 | - |
| TOTAL | | 330.00 | 267.94 |

G. Details of Related Party Transactions - Refer Note No.30

26. (b) PAYMENT TO AUDITORS

| | 2022-23 | 2021-22 |
|---|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| As Auditor | | |
| Statutory Audit Fees | 26.00 | 26.00 |
| Tax Audit Fees | 6.00 | 6.00 |
| In Other Capacity | | |
| For Certification/ Others | 19.00 | 22.31 |
| Reimbursement of Out of Pocket Expenses | 1.90 | 0.44 |
| TOTAL | 52.90 | 54.75 |

27. EARNINGS PER SHARE (EPS)

| | 2022-23 | 2021-22 |
|---|--------------------|-------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Net Profit Attributable to the Equity Shareholders of the Company | 14,759.48 | 16,020.53 |
| Weighted Average Number of Equity Shares | 2,32,32,394 | 2,32,32,394 |
| Basic & Diluted Earnings Per Share (In ₹) | 63.53 | 68.96 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

28. (a) CONTINGENCIES AND COMMITMENTS

a) Contingent Liabilities

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Disputed Matters in Appeal / Contested in Respect of: | | |
| Excise Duty and Service Tax | 40.57 | 40.57 |
| Income Tax | 80.79 | - |
| Maharashtra State Electricity Board (MSEB) | 27.72 | 27.72 |
| Grampanchayat Tax | 81.88 | 69.93 |
| TOTAL | 230.96 | 138.22 |

b) The Company has given counter-guarantees for ₹ 6,557.91 Lakhs (March 31, 2022: ₹ 5,620.22 Lakhs) to banks in respect of guarantees given by the banks to third parties for purchase of equipments, supply of goods, clearance of goods from customs, excise bonds, etc.

c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to ₹ 2,397.59 Lakhs (March 31, 2022: ₹ 4,598.15 Lakhs).

d) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 805.75 Lakhs (March 31, 2022: ₹ 6,406.68 Lakhs) against which an advance of ₹ 226.06 Lakhs (March 31, 2022: ₹ 2,068.37 Lakhs) has been paid.

28. (b) LEASES

Company as a Lessee:

| Particulars | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Depreciation for Right to Use Asset | 631.03 | 595.90 |
| Interest Expense on Lease Liabilities | 143.85 | 165.44 |
| Expenses Relating to Short Term Leases / Low Value Assets | 82.64 | 91.61 |
| Repayment of Lease Liabilities | 664.17 | 729.77 |
| Additions to Right to Use Assets | 292.39 | 665.00 |
| Carrying amount of Right to Use Assets | 1,664.12 | 2,027.25 |

29. EMPLOYEE BENEFIT OBLIGATIONS

| Particulars | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--------------------------------|---------------------------------------|---------------------------------------|
| Gratuity (Refer Note C) | 355.33 | 532.38 |
| Non-Current | - | - |
| Current | 355.33 | 532.38 |

A Defined Contribution Plan

The Company has certain defined contribution plans. Contributions are made to provident fund / Superannuation fund / National Pension Scheme contribution for employees at the rate as per regulation of basic salary. The contributions are made to registered provident fund administered by the government, however certain employees are covered under the contributory plans with trust "Garware Polyester Limited Office Staff and Officers Provident Fund".

B Compensated Absences

The leave obligations is towards encashment of balance leave. The provision reversed during the year is ₹ 38.99 Lakhs (March 31, 2022 - reversed ₹ 84.60 Lakhs).

C Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

I The Amounts Recognised in Balance Sheet and Movements in the Net Benefit Obligation over the year are as follows :

| Particulars | Present value of obligation | Fair value of plan assets | Net amount (₹ In Lakhs) |
|--|-----------------------------|---------------------------|-------------------------|
| April 1, 2022 | 3,434.77 | (2,902.39) | 532.38 |
| Current Service Cost | 165.67 | - | 165.67 |
| Interest Expense/(Income) | 223.86 | (203.34) | 20.52 |
| Total Amount Recognised in Profit or Loss | 389.53 | (203.34) | 186.19 |
| Return on Plan Assets | - | (6.63) | (6.63) |
| (Gain)/Loss from Experience Changes | 164.35 | - | 164.35 |
| (Gain)/Loss from Change in Financial Assumptions | (62.76) | - | (62.76) |
| Total Amount Recognised in Other Comprehensive Income | 101.59 | (6.63) | 94.96 |
| Employer contributions | - | (470.00) | (470.00) |
| Benefits paid | (380.72) | 380.72 | - |
| Mortality Charges and Taxes | - | 11.80 | 11.80 |
| March 31, 2023 | 3,545.17 | (3,189.84) | 355.33 |

| Particulars | Present value of obligation | Fair value of plan assets | Net amount (₹ In Lakhs) |
|--|-----------------------------|---------------------------|-------------------------|
| April 1, 2021 | 3,105.09 | (2,716.96) | 388.13 |
| Current Service Cost | 155.36 | - | 155.36 |
| Interest Expense/(Income) | 193.78 | (179.33) | 14.45 |
| Total Amount Recognised in Profit or Loss | 349.14 | (179.33) | 169.81 |
| Return on Plan Assets | - | (16.91) | (16.91) |
| (Gain) / Loss from Experience Changes | 366.60 | - | 366.60 |
| (Gain) / Loss from Change in Financial Assumptions | (47.84) | - | (47.84) |
| Total Amount Recognised in Other Comprehensive Income | 318.76 | (16.91) | 301.85 |
| Employer Contributions | - | (338.41) | (338.41) |
| Benefits Paid | (338.22) | 338.22 | - |
| Mortality Charges and Taxes | - | 11.00 | 11.00 |
| March 31, 2022 | 3,434.77 | (2,902.39) | 532.38 |

II The Net Liability Disclosed above Relates to Funded Plans are as follows :

| Particulars | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|------------------------------------|------------------------------|------------------------------|
| Present Value of Funded Obligation | 3,545.17 | 3,434.77 |
| Fair Value of Plan Assets | (3,189.84) | (2,902.39) |
| Deficit | 355.33 | 532.38 |

III Estimates

The Actuarial Assumptions were as follows :

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Discount Rate | 7.40% | 6.90% |
| Rate of Increase in Compensation Levels | 7.00% | 7.00% |
| Expected Return on Plan Assets | 6.90% | 6.60% |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

IV Sensitivity of Actuarial Assumptions

The Sensitivity of Defined Obligation to Changes in the Weighted Principal Assumptions is:

| Assumption | Impact on defined benefit obligation | |
|-------------------------------|--------------------------------------|------------------------------|
| | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
| Discount Rate | | |
| 1 % Increase | (117.54) | (149.95) |
| 1 % Decrease | 128.42 | 165.09 |
| Future Salary Increase | | |
| 1 % Increase | 101.60 | 135.45 |
| 1 % Decrease | (94.77) | (125.73) |

Projected Benefits Payable from the Fund in Future Years from the Date of Reporting:

| Particulars | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|-----------------------|------------------------------|------------------------------|
| Less than a year | 1,257.42 | 1,000.85 |
| Between 1 to 2 years | 411.71 | 410.59 |
| Between 2 to 3 years | 933.38 | 390.03 |
| Between 3 to 4 years | 371.33 | 489.47 |
| Between 4 to 5 years | 347.15 | 385.93 |
| Between 6 to 10 years | 1,425.20 | 1,677.69 |
| TOTAL | 4,746.19 | 4,354.56 |

i) The Weighted Duration of the Defined Benefit Obligation is 5.13 Year (Previous Year 6.51 Years.)

V The Major Categories of Plan Assets are as follows:

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Funds Managed by Insurer | 100% | 100% |

VI Risk Exposure

- Asset Volatility** : All plan assets are maintained in a trust managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- Discount Rate Risk** : Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
- Future Salary Increase and Inflation Risk** : Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- Asset-Liability Mismatch Risk** : Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

30. RELATED PARTY TRANSACTIONS - AS PER IND AS 24

Name of the Related Parties and Nature of Relationship

| | | |
|-----------|---|--|
| a. | Subsidiary | Garware Hi-Tech Films International Limited |
| b. | Step down subsidiary | Global Hi-Tech Films Inc. |
| c. | Key Management Personnel | Dr. S. B. Garware - Chairman and Managing Director Ms. Monika Garware - Vice Chairperson & Joint Managing Director Mrs. Sarita Garware Ramsay - Joint Managing Director (appointed w.e.f. May 26, 2022) Ms. Sonia Garware - Director Mr. U.V. Joshi - Whole-Time Director (appointed w.e.f. October 18, 2022) Mr. H.N. Nikam - Whole-Time Director (ceased w.e.f. October 18, 2022) Mr. Pradeep Mehta - Chief Financial Officer Mr. Awaneesh Srivastava - Company Secretary |
| d. | Non Executive Director | Mr. Ramesh P. Makhija - Non executive and independent director Mr. M. C. Agarwal - Non executive and independent director Mr. T. M. Parikh - Non executive and independent director Mr. Nilesh R. Doshi - Non executive and independent director Mr. V.H.Kamath - Non executive and independent director Ms. Devanshi H. Nanavati - Non executive and independent director |
| e. | Entities in which some of the directors are interested | Garware Industries Private Limited Great View Real Estates Private Limited Shashvat Investment Consultancy & Properties Private Limited Garware Community Centre Garware Charitable Trust B. D. Garware Research Centre Private Limited S. B. Garware Family Trust Monika Garware Benefit Trust Sarita Garware Benefit Trust Sonia Garware Benefit Trust |
| f. | Post Employment Benefit Plans | Garware Polyester Limited Office Staff and Officers Provident Fund |
| g. | Relatives of Key Managerial Personnel | Mrs. Kanchan U. Joshi (from October 18, 2022) Mrs. Priti P. Mehta Mrs. Asmita H. Nikam (up to October 18, 2022) |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

30 TRANSACTIONS WITH RELATED PARTIES

I Key Management Personnel Compensation

| | 2022-23 | 2021-22 |
|--------------------------|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Employee Benefit Expense | 1,897.13 | 2,278.92 |
| Post-Employment benefits | 198.16 | 158.82 |
| TOTAL | 2,095.29 | 2,437.74 |

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

II Transactions with the related parties

| Sr. No. | Particulars | Relationship | 2022-23 | 2021-22 |
|----------------|--|--|-------------------|------------|
| | | | ₹ In Lakhs | ₹ In Lakhs |
| a) | Sale of Goods | | | |
| | Garware Hi-Tech Films International Limited | Subsidiary | 4,425.98 | 6,715.69 |
| | Global Hi-Tech Films Inc. | Step-down Subsidiary | 36,710.86 | 34,515.31 |
| | Garware Industries Private Limited | Entities in which some of the directors are interested | 34.98 | 50.42 |
| b) | Purchase of Materials | | | |
| | Global Hi-Tech Films Inc. | Step-down Subsidiary | - | 19.47 |
| | Garware Industries Private Limited | Entities in which some of the directors are interested | 5.15 | 0.22 |
| c) | Service Received /Processing/ Commission / Rent Paid / Reimbursement of Expenses/ Donation & CSR expenses | | | |
| | Garware Hi-Tech Films International Limited(Commission /Reimb.of Exp.) | Subsidiary | 357.53 | 362.33 |
| | Global Hi-Tech Films Inc. | Step-down Subsidiary | 0.40 | - |
| | Garware Industries Private Limited (Rent) | Entities in which some of the directors are interested | 227.45 | 216.62 |
| | Garware Industries Private Limited (Processing Charges) | Entities in which some of the directors are interested | 4,361.71 | 4,980.31 |
| | Great View Real Estates Private Limited (Rent) | Entities in which some of the directors are interested | 72.00 | 72.00 |
| | Shashvat Investment Consultancy & Properties Private Limited (Rent) | Entities in which some of the directors are interested | 30.00 | 30.00 |
| | Ms.Monika Garware (Rent) | Vice Chairperson & Joint Managing Director | 72.00 | 72.00 |
| | Mrs.Sarita Garware Ramsay (Rent) | Joint Managing Director | 42.00 | 42.00 |
| | Ms.Sonia Garware (Rent) | Director | 72.00 | 72.00 |
| | Garware Community Centre (Donation & Expenses) | Entities in which some of the directors are trustees | 8.43 | 8.51 |
| | Garware Charitable Trust (Donation & CSR) | Entities in which some of the directors are trustees | 330.00 | 630.00 |
| | Garware Polyester Limited Office Staff and Officers Provident Fund (Employer Contribution) | Post Employment Benefit Plans | 203.60 | 196.53 |
| d) | Rent Received | | | |
| | Garware Industries Private Limited | Entities in which some of the directors are interested | 1.20 | - |
| | Great View Real Estates Private Limited | Entities in which some of the directors are interested | 1.00 | - |
| | Shashvat Investment Consultancy & Properties Private Limited | Entities in which some of the directors are interested | 1.00 | - |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Sr. No. | Particulars | Relationship | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|-----------|---|--|-----------------------|-----------------------|
| | B. D. Garware Research Centre Private Limited | Entities in which some of the directors are interested | 1.00 | - |
| e) | Managerial Remuneration | | | |
| | Dr.. S.B.Garware | Chairman and Managing Director | 722.69 | 880.57 |
| | Ms.Monika Garware | Vice Chairperson & Joint Managing Director | 694.61 | 700.68 |
| | Mrs.Sarita Garware Ramsay | Joint Managing Director | 462.08 | 525.67 |
| | Mr. U.V. Joshi | Whole-Time Director | 27.45 | - |
| | Mr. C.J. Pathak | Whole-Time Director | - | 171.46 |
| | Mr. H.N. Nikam | Whole-Time Director | 26.38 | 10.34 |
| | Mr. Pradeep Mehta | Chief Financial Officer | 74.20 | 75.10 |
| | Mr. Awaneesh Srivastava | Company Secretary | 87.88 | 73.92 |
| f) | Director Sitting Fees | | | |
| | Ms. Sonia Garware | Director | 0.80 | 0.60 |
| | Mr. B. D. Doshi | Director | - | 1.65 |
| | Mr. B. Moradian | Independent Director | - | 1.55 |
| | Mr. Ramesh P. Makhija | Independent Director | 1.50 | 0.40 |
| | Mr. M. C. Agarwal | Independent Director | 2.63 | 2.28 |
| | Mr. T. M. Parikh | Independent Director | 1.95 | 1.65 |
| | Mr. Nilesh R. Doshi | Independent Director | 1.75 | 1.50 |
| | Mr. V.H.Kamath | Independent Director | 1.55 | 1.05 |
| | Ms. Devanshi H. Nanavati | Independent Director | 1.20 | 1.00 |
| g) | Car Lease payment | | | |
| | Mrs. Kanchan U. Joshi (Car Lease Rent) | Relative of Whole-Time Director | 0.61 | - |
| | Mrs. Sunita C. Pathak (Car Lease Rent) | Relative of Whole-Time Director | - | 3.86 |
| | Mrs. Priti P. Mehta (Car Lease Rent) | Relative of Key Managerial personnel | 3.42 | 3.39 |
| | Mrs. Asmita Nikam (Care Lease Rent) | Relative of Whole-Time Director | 2.14 | 0.70 |
| h) | Net Balances (Dr / (Cr)) | | | |
| | Garware Hi-Tech Films International Limited | Subsidiary | (813.25) | 397.74 |
| | Global Hi-Tech Films Inc. | Step-down Subsidiary | 5,643.06 | 10,106.05 |
| | Garware Industries Private Limited | Entities in which some of the directors are interested | (384.47) | (524.30) |
| | Shashvat Investment Consultancy & Properties Private Limited (Rent deposit) | Entities in which some of the directors are interested | 7.50 | 7.50 |
| | Great View Real Estates Private Limited (Rent Deposit) | Entities in which some of the directors are interested | 36.00 | 36.00 |
| | Dr. S.B.Garware (Remuneration Payable) | Chairman and Managing Director | (76.61) | (295.68) |
| | Ms. Sonia Garware (Rent Deposit) | Director | 36.00 | 36.00 |
| | Ms. Monika Garware (Rent Deposit / Remuneration Payable) | Vice Chairperson & Joint Managing Director | (42.98) | (189.58) |
| | Mrs. Sarita Garware Ramsay (Rent Deposit / Remuneration Payable) | Joint Managing Director | (27.81) | (133.28) |
| | Mr. U.V. Joshi | Whole-Time Director | (3.43) | - |
| | Mr. H.N. Nikam | Whole-Time Director | - | (2.47) |
| | Mr. Pradeep Mehta | Chief Financial Officer | (4.69) | (2.73) |
| | Mr. Awaneesh Srivastava | Company Secretary | (4.40) | (3.51) |
| | Mrs. Kanchan U. Joshi | Relative of Whole-Time Director | (0.11) | - |
| | Mrs. Asmita Nikam | Relative of Whole-Time Director | - | (0.26) |
| | Mrs. Priti P. Mehta | Relative of Key Managerial Personnel | (0.26) | (0.26) |

The above figures are net of Taxes and Duties

There were no Loan and Advances in the nature of loans given / taken from Directors, Key Managerial Persons and Related Parties or any other entity.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

31. FAIR VALUE MEASUREMENTS

Financial Instruments by Category

(₹ In Lakhs)

| | March 31, 2023 | | | March 31, 2022 | | |
|--|--|---|------------------|--|---|------------------|
| | Fair Value Through Profit and Loss Account | Fair Value Through Other Comprehensive Income | Amortised Cost | Fair Value Through Profit and Loss Account | Fair Value Through Other Comprehensive Income | Amortised Cost |
| Financial assets | | | | | | |
| Investments in Quoted Equity Instruments | - | 7,632.26 | - | - | 7,434.43 | - |
| Investment In Equity Instruments of Subsidiary | - | - | 133.57 | - | - | 133.57 |
| Investments in Unquoted Equity Instruments | 8.08 | - | - | 8.08 | - | - |
| Investment in Quoted Mutual Funds | 31,629.87 | - | - | 19,964.23 | - | - |
| Security Deposits | - | - | 238.33 | - | - | 232.07 |
| Margin money with more than 12 months Maturity | - | - | 59.50 | - | - | - |
| Trade Receivables | - | - | 8,242.03 | - | - | 13,243.71 |
| Cash and Cash Equivalents | - | - | 1,993.81 | - | - | 3,408.64 |
| Bank Balances other than above | - | - | 1,046.65 | - | - | 890.72 |
| Loans and Advances to Employees | - | - | 33.61 | - | - | 12.79 |
| Other Receivables | - | - | 122.44 | - | - | 118.97 |
| Derivative Financial Instrument | 30.94 | - | - | 51.14 | - | - |
| Total Financial Assets | 31,668.89 | 7,632.26 | 11,869.94 | 20,023.45 | 7,434.43 | 18,040.47 |
| Financial liabilities | | | | | | |
| Non Current Borrowings | - | - | 7,535.70 | - | - | 11,701.74 |
| Non Current Lease Liability | - | - | 887.90 | - | - | 1,316.97 |
| Current Borrowings | - | - | 6,542.95 | - | - | 6,542.95 |
| Current Portion of Lease Liabilities | - | - | 633.19 | - | - | 625.17 |
| Trade Payables | - | - | 10,435.43 | - | - | 10,878.04 |
| Unclaimed Dividend | - | - | 165.25 | - | - | 122.74 |
| Creditors for Capital Expenditure | - | - | 429.29 | - | - | 701.94 |
| Payable for Expenses | - | - | 225.70 | - | - | 676.43 |
| Payable to Employees | - | - | 605.39 | - | - | 559.60 |
| Deposit from Customers | - | - | 157.38 | - | - | 197.88 |
| Total Financial Liabilities | - | - | 27,618.18 | - | - | 33,323.46 |

Note: Investment in subsidiary ₹ 133.57 Lakhs (March 31, 2022: ₹ 133.57 Lakhs) has been accounted for as per Ind AS 27.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

i) Fair Value Hierarchy

The fair values of the financial instruments that are recognised and measured at fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian accounting standard.

(₹ in Lakhs)

| Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|-------|-----------|---------|---------|-----------|
| At March 31, 2023 | | | | | |
| Financial assets | | | | | |
| Derivative Financial Instrument (Asset) | 8 | - | 30.94 | - | 30.94 |
| Investment in Quoted Mutual Fund | 3 (b) | 31,629.87 | - | - | 31,629.87 |
| Investment in Quoted Equity Instruments | 3 (a) | 7,632.26 | - | - | 7,632.26 |
| Investments in Unquoted Equity Instruments | 3 (a) | - | 8.08 | - | 8.08 |

(₹ in Lakhs)

| Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|-------|-----------|---------|---------|-----------|
| At March 31, 2022 | | | | | |
| Financial assets | | | | | |
| Derivative financial instrument (Asset) | 8 | - | 51.14 | - | 51.14 |
| Investment in quoted Mutual Fund | 3 (b) | 19,964.23 | - | - | 19,964.23 |
| Investment in quoted equity instruments | 3 (a) | 7,434.43 | - | - | 7,434.43 |
| Investments in unquoted equity instruments | 3 (a) | - | 8.08 | - | 8.08 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes quoted equity instruments. The fair value of all the equity instruments which are treated in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of derivatives and investment in unquoted equity and unquoted mutual funds instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The mutual funds are valued using the closing NAV.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation Technique Used to Determine Fair Value

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices or dealer quotes for similar instruments

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

The fair value of mutual funds is calculated by valuing them at closing NAV

iii) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

32. FINANCIAL RISK MANAGEMENT

The Company's activities exposes it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are taken.

The Company's risk management is carried out by the Company's treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk refers to a risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities primarily trade receivables, derivative financial instruments, investment in mutual funds, deposits held with banks, loans and other receivables.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

The Company has a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its customers are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

For investment in mutual funds, derivative financial instruments and balances held with banks, banks and recognised financial institutions with only high credit rating are accepted.

(i) Trade Receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

| Movement of Provision for Doubtful Debts: | 2022-23 | 2021-22 |
|--|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Provision for Doubtful Debts as on April 1 | 20.86 | 20.86 |
| Change during the year | - | - |
| Provision for Doubtful Debts as on March 31 | 20.86 | 20.86 |

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

(i) Maturities of Financial Liabilities:

Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non - derivative financial liabilities are as follows:

| Particulars | Carrying amount as at March 31, 2023 | (₹ In Lakhs) | | |
|------------------------------------|---|---------------------|---------------------|---------------------|
| | | < 1 year | 1 to 3 years | > 3 years |
| Non Current Borrowings | 7,535.70 | - | 6,415.69 | 1,120.01 |
| Non Current Lease Liability | 887.90 | - | 639.38 | 248.52 |
| Current Borrowings | 6,542.95 | 6,542.95 | - | - |
| Current Maturities Lease Liability | 633.19 | 633.19 | - | - |
| Trade Payables | 10,435.43 | 10,435.43 | - | - |
| Unclaimed Dividend | 165.25 | 165.25 | - | - |
| Creditors for Capital Expenditure | 429.29 | 429.29 | - | - |
| Payable for Expenses | 225.70 | 225.70 | - | - |
| Payable to Employees | 605.39 | 605.39 | - | - |
| Deposit from Customers | 157.38 | 157.38 | - | - |
| Total | 27,618.18 | 19,194.58 | 7,055.07 | 1,368.53 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ In Lakhs)

| Particulars | Carrying amount as at March 31, 2022 | < 1 year | 1 to 3 years | > 3 years |
|------------------------------------|--------------------------------------|------------------|------------------|-----------------|
| Non Current Borrowings | 11,701.74 | - | 10,550.90 | 1,150.84 |
| Non Current Lease Liability | 1,316.97 | - | 918.30 | 398.67 |
| Current Borrowings | 6,542.95 | 6,542.95 | - | - |
| Current Maturities Lease Liability | 625.17 | 625.17 | - | - |
| Trade Payables | 10,878.04 | 10,878.04 | - | - |
| Unclaimed Dividend | 122.74 | 122.74 | - | - |
| Creditors for Capital Expenditure | 701.94 | 701.94 | - | - |
| Payable for Expenses | 676.43 | 676.43 | - | - |
| Payable to Employees | 559.60 | 559.60 | - | - |
| Deposit from Customers | 197.88 | 197.88 | - | - |
| Total | 33,323.46 | 20,304.75 | 11,469.20 | 1,549.51 |

(C) Market Risk

i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The Company's risk management policy is to hedge sales and purchases. The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

i) Foreign Currency Risk Exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ In Lakhs, are as follows :-

| | March 31, 2023 | | | March 31, 2022 | | | | | |
|---|-----------------|-------------------|----------------|----------------|-------------|------|------|-------|----------|
| | EUR | USD | GBP | EUR | USD | AUD | AED | JPY | GBP |
| Financial Assets | 513.02 | 5,569.00 | - | 1,093.50 | 11,166.52 | - | - | 30.12 | 135.99 |
| Financial Instruments (assets) - Foreign Exchange Forward Contracts (Sell Foreign Currency) | (620.49) | (6,694.20) | (88.19) | (1,620.84) | (10,624.68) | - | - | - | (198.91) |
| Net Exposure to Foreign Currency Risk (Assets) | (107.47) | (1,125.20) | (88.19) | (527.34) | 541.84 | - | - | 30.12 | (62.92) |
| Financial Liabilities | 33.59 | 1,696.04 | 972.65 | 153.97 | 1,647.19 | 0.56 | 4.05 | - | 102.61 |
| Net Exposure to Foreign Currency Risk (Liabilities) | 33.59 | 1,696.04 | 972.65 | 153.97 | 1,647.19 | 0.56 | 4.05 | - | 102.61 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

| | (₹ In Lakhs) | |
|-------------------------------------|-----------------------------|----------------|
| | Impact on Profit Before Tax | |
| | March 31, 2023 | March 31, 2022 |
| EUR Sensitivity | | |
| ₹ / EUR - Increase / Decrease by 5% | 7.05 | 34.07 |
| USD Sensitivity | | |
| ₹ / USD - Increase / Decrease by 5% | 141.06 | 55.27 |
| AUD Sensitivity | | |
| ₹ / AUD - Increase / Decrease by 5% | - | 0.03 |
| AED Sensitivity | | |
| ₹ / AED - Increase / Decrease by 5% | - | 0.20 |
| JPY Sensitivity | | |
| ₹ / JPY - Increase / Decrease by 5% | - | 1.51 |
| GBP Sensitivity | | |
| ₹ / GBP - Increase / Decrease by 5% | 53.04 | 8.28 |

* Holding all other variables constant

II) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on financial liabilities such as borrowings, both non - current and current. The Company has not used any interest rate derivatives. The Company is also exposed to interest rate risk on its financial assets that include fixed deposits and liquid investments such as deposits which are part of cash and cash equivalents. Since all these are generally for short durations, the Company believes it has manageable risk for achieving satisfactory returns.

33. CAPITAL MANAGEMENT

a) Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

b) Dividends

| | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|--|------------------------------|------------------------------|
| (i) Equity shares | | |
| (a) Final dividend paid for the year ended March 31, 2022: ₹ 10 (March 31, 2021 of ₹ 10) per fully paid share | 2,323.24 | 2,323.24 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| The directors have recommended the payment of a final dividend of ₹ 10/- (March 31, 2022 - ₹ 10) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | - | - |
| The Dividends declared / paid during the FY 2022-23 (PY 2021-22) are in compliance with Section 123 of the Companies Act 2013. | | |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

34. ANALYTICAL RATIOS

| Sr. No. | Particulars | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Change |
|---------|---|---|--|-------------------------|-------------------------|--------------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 2.6 | 2.3 | 14% |
| 2 | Debt Equity Ratio | Long Term Debt (Incl. Lease Liabilities) | Total Equity | 0.0 | 0.1 | (40%) [#] |
| 3 | Debt Service Coverage Ratio | PAT + Depreciation + Finance Cost | Finance Cost + Loan Repayments | 2.2 | 3.4 | (35%)* |
| 4 | Return on Equity Ratio | Net Profit After Taxes | Total Equity | 8.1% | 9.5% | (14%) |
| 5 | Inventory Turnover Ratio | Net Sales of Products | Average Inventory | 8.3 | 10.1 | (18%) |
| 6 | Trade Receivable Turnover Ratio | Net Sales of Products | Average Trade Receivables | 12.0 | 11.2 | 6% |
| 7 | Trade Payables Turnover Ratio | Cost of Purchases | Average Trade Payables | 9.5 | 9.6 | (1%) |
| 8 | Net Capital Turnover Ratio | Net Sales of Products | Working Capital (Current Assets - Current Liabilities) | 3.4 | 3.9 | (12%) |
| 9 | Net Profit Ratio | Net Profit | Revenue from operations | 11.3% | 12.7% | (11%) |
| 10 | Return on Capital Employed | Earning Before interest and Taxes | Capital Employed | 10.9% | 12.9% | (16%) |
| 11 | Return on Investment - Quoted Mutual Fund | Income generated from Investment in mutual fund | Time weighted average cost of investments | 5.6% | 4.0% | 41% [^] |

[#] Decrease in outstanding borrowings and increase in retained earnings on account of profits during the year resulted in reduction in ratio.

* Increase in loan repayments resulted in decrease in the ratio.

[^] Yield on mutual fund investment improved on account of recent increase in debt market.

35. RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ In Lakhs)

| Sr. No. | Name of Struck off Company | Nature of Transaction | Relation with Struck off Company | Transaction During FY 2022-23 / FY 2021-22 | Balance outstanding as on 31.03.2023 | Balance outstanding as on 31.03.2022 |
|---------|----------------------------------|-------------------------------|----------------------------------|--|--------------------------------------|--------------------------------------|
| 1 | Koyali Carbotech Private Limited | Security Deposit | Vendor | - | 0.10 | 0.10 |
| 2 | Other entities (a) | Subscription to Equity Shares | Equity Shareholder | - | 0.07 | 0.07 |

(a) Details of other struck off companies holding shares of the company as below:

| Sr. No. | Name of Struck off Company | No of Shares held as on 31.03.2023 (paid up value ₹ 10 each) | No of Shares held as on 31.03.2022 (paid up value ₹ 10 each) |
|---------|--|--|--|
| 1 | Agents India Limited | 75 | 75 |
| 2 | Prananjali Investments and Trading Co Pvt. Ltd. | 81 | 81 |
| 3 | Shri Brijraj Investments and Estates Private Limited | 105 | 105 |
| 4 | Idafa Investments Private Limited | 50 | 50 |
| 5 | Adarsh Textiles Industries Private Limited | 340 | 340 |

36. PREVIOUS YEAR FIGURES HAVE BEEN RECLASSIFIED / REGROUPED TO CONFIRM TO THIS YEAR CLASSIFICATION.

37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Board of Directors at their meeting held on May 26, 2023.

| | | | | |
|---|--|--|---|---|
| As per our report of even date | As per our report of even date | For and on behalf of the Board of Directors | | |
| For Manubhai & Shah LLP Chartered Accountants (FRN. 106041W/W100136) | For Kirtane & Pandit LLP Chartered Accountants (FRN. 105215W/W100057) | Dr. S. B. GARWARE Chairman & Managing Director DIN : 00943822 | T. M. PARIKH Director DIN : 00049287 | UDAY V. JOSHI Whole-Time Director DIN : 09753984 |
| LAXMINARAYAN P. YEKKALI Partner M.No. 114753 Mumbai, 26th May, 2023 | ADITYA A. KANETKAR Partner M.No.: 149037 Mumbai, 26th May, 2023 | AWANEESH SRIVASTAVA Company Secretary ICSI M. No. FCS8513 | PRADEEP MEHTA Chief Financial Officer ICAI M. No. 049220 | |

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Garware Hi-Tech Films Limited
(formerly known as Garware Polyester Limited)
Report on the Consolidated Financial Statements
Opinion

We have audited the accompanying consolidated financial statements of **Garware Hi-Tech Films Limited (formerly known as Garware Polyester Limited)** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2023, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below to be the Key Audit Matters to be communicated in the Report:

| Sr. No. | Key Audit Matters | Auditor's Response (Audit Procedures followed) |
|---------|---|--|
| 1. | <p>Evaluation of Tax matters</p> <p>The Holding Company has some Direct & Indirect tax matters which involve judgment to determine possible outcome of these tax assessments.</p> <p>Refer Note 10 (a) & 28(a) to the Consolidated Financial Statements.</p> | <p>Principal Audit Procedures</p> <ul style="list-style-type: none"> We have carried out detailed review of all pending tax assessments. Obtained details of completed tax assessments and demands from the management for the year ended 31st March 2023. |

| Sr. No. | Key Audit Matters | Auditor's Response (Audit Procedures followed) |
|---------|-------------------|--|
| | | <ul style="list-style-type: none"> We involved our internal experts to verify the management's underlying assumptions in estimating the tax provisions and the possible outcomes of disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these tax matters & legal position. |

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance, Business Responsibility and Sustainability Report and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business

activities included in the consolidated financial statements of which we are the independent auditors, for the other entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of the reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of two subsidiaries incorporated outside India, whose financial statements reflect total assets of ₹ 11724.54 Lakhs as at 31st March 2023, total revenues of ₹ 55140.63 Lakhs and net cash outflows amounting to ₹ 2872.35 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the report of the other auditors.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, CARO 2020 is not applicable to the subsidiaries consolidated in consolidated financial statements.
- 2) 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 financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the report of the Statutory auditors of its subsidiary companies incorporated outside India, none of the director is disqualified as on 31st March, 2023 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 Holding Company and the operating effectiveness of such controls refer to our separate report in "Annexure A"; our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding 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 the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated financial statements disclose the impact of pending litigations as at 31st March, 2023 on the consolidated financial position of the Group – Refer Note 28(a) to the consolidated financial statements;
- (ii) The Group has made provision, as required under the applicable law or Indian accounting standard, 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.
- (iv) (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (iv) (a) and (b) above, contain any material misstatement.
- (v) The dividend declared or paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Manubhai & Shah LLP
Chartered Accountants
FRN: 106041W / W100136

Laxminarayan Yekkali
Partner
Membership No: 114753

Place: Mumbai
Date: 26th May 2023
UDIN: 23114753BGWPLR5882

For Kirtane & Pandit LLP
Chartered Accountants
FRN: 105215W / W100057

Aditya A. Kanetkar
Partner
Membership No: 149037

Place: Mumbai
Date: 26th May 2023
UDIN: 23149037BGUGJG2614

ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 2(f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date,

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Garware Hi-Tech Films Limited (formerly known as Garware Polyester Limited)** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the 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 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.

Auditor’s 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 issued by ICAI (the “Guidance Note”) and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls 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 consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the consolidated 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, 2023, 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.

For Manubhai & Shah LLP

Chartered Accountants

FRN: 106041W / W100136

Laxminarayan Yekkali

Partner

Membership No: 114753

Place: Mumbai

Date: 26th May 2023

UDIN: 23114753BGWPLR5882

For Kirtane & Pandit LLP

Chartered Accountants

FRN: 105215W / W100057

Aditya A. Kanetkar

Partner

Membership No: 149037

Place: Mumbai

Date: 26th May 2023

UDIN: 23149037BGUGJG2614

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2023

| Particulars | Notes | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|--------|---------------------------------------|---------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 2 | 146,600.79 | 133,895.77 |
| Capital Work-in-Progress | 2 (a) | 1,031.61 | 9,584.96 |
| Intangible Assets | 2 | 122.72 | 168.23 |
| Intangible Assets Under Development | 2 (a) | 8.75 | 7.30 |
| Financial Assets | | | |
| Investments | 3 (a) | 7,640.34 | 7,442.51 |
| Other Financial Assets | 4 | 297.83 | 232.07 |
| Other Non - Current Assets | 10 (a) | 608.78 | 2,237.08 |
| TOTAL NON-CURRENT ASSETS | | 156,310.82 | 153,567.92 |
| CURRENT ASSETS | | | |
| Inventories | 9 | 19,885.28 | 21,033.33 |
| Financial Assets | | | |
| Investments | 3 (b) | 31,629.87 | 19,964.23 |
| Trade Receivables | 5 | 2,995.01 | 3,326.05 |
| Cash and Cash Equivalents | 6 (a) | 5,998.67 | 9,930.81 |
| Bank Balances Other than above | 6 (b) | 1,046.65 | 890.72 |
| Loans | 7 | 33.61 | 12.79 |
| Other Financial Assets | 8 | 153.38 | 170.11 |
| Current Tax Assets (Net) | 11 (b) | - | 45.04 |
| Other Current Assets | 10 (b) | 3,381.20 | 4,377.04 |
| TOTAL CURRENT ASSETS | | 65,123.67 | 59,750.12 |
| TOTAL ASSETS | | 221,434.49 | 213,318.04 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity Share Capital | 12 (a) | 2,323.24 | 2,323.24 |
| Other Equity | 12 (b) | 183,258.62 | 168,764.61 |
| TOTAL EQUITY | | 185,581.86 | 171,087.85 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Financial Liabilities | | | |
| Borrowings | 13 (a) | 7,535.70 | 11,701.74 |
| Lease Liabilities | 13 (b) | 939.57 | 1,316.97 |
| Deferred Tax Liabilities (Net) | 11 (a) | 3,171.90 | 2,734.13 |
| Provisions | 16 | 441.67 | 388.76 |
| TOTAL NON-CURRENT LIABILITIES | | 12,088.84 | 16,141.60 |
| CURRENT LIABILITIES | | | |
| Financial Liabilities | | | |
| Borrowings | 13 (c) | 6,542.95 | 6,542.95 |
| Lease Liabilities | 13 (b) | 700.85 | 625.17 |
| Trade and Other Payables | 14 | | |
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | | 1,038.88 | 1,221.41 |
| Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises | | 9,318.28 | 9,768.83 |
| Other Financial Liabilities | 15 | 1,657.99 | 2,299.75 |
| Other Current Liabilities | 18 | 3,558.26 | 4,565.11 |
| Provisions | 17 | 644.57 | 965.89 |
| Current Tax Liabilities (Net) | 11 (b) | 302.01 | 99.48 |
| TOTAL CURRENT LIABILITIES | | 23,763.79 | 26,088.59 |
| TOTAL LIABILITIES | | 35,852.63 | 42,230.19 |
| TOTAL EQUITY AND LIABILITIES | | 221,434.49 | 213,318.04 |

Notes forming part of the Financial Statements

1 to 39

As per our report of even date
For **Manubhai & Shah LLP**
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753
Mumbai, 26th May, 2023

As per our report of even date
For **Kirtane & Pandit LLP**
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
Partner
M.No.: 149037
Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

Dr. S. B. GARWARE
Chairman & Managing Director
DIN : 00943822

AWANEESH SRIVASTAVA
Company Secretary
ICSI M. No. FCS8513

T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

| Particulars | Notes | 2022-23 | 2021-22 |
|--|------------|-------------------|-------------------|
| | | ₹ In Lakhs | ₹ In Lakhs |
| INCOME | | | |
| Revenue from Operations | 19 | 143,801.03 | 130,263.39 |
| Other Income | 20 | 4,215.54 | 3,942.91 |
| Total Income | | 148,016.57 | 134,206.30 |
| EXPENSES | | | |
| Cost of Materials Consumed | 21 | 64,835.84 | 59,771.14 |
| Change in Inventories of Finished Goods and Work-in-Progress | 22 | 1,643.41 | (6,792.21) |
| Employee Benefits Expense | 23 | 12,187.31 | 12,285.32 |
| Finance Costs | 24 | 1,699.44 | 1,824.47 |
| Depreciation and Amortisation Expense | 25 | 3,240.77 | 2,818.99 |
| Other Expenses | 26 | 42,414.91 | 41,192.45 |
| Total Expenses | | 126,021.68 | 111,100.16 |
| Profit Before Tax | | 21,994.89 | 23,106.14 |
| Tax Expenses | | | |
| Current Tax | 11 (b) | 4,935.69 | 4,444.46 |
| Short / (Excess) Tax of Earlier Years | | (3.97) | (43.89) |
| Deferred Tax | 11 (a & b) | 448.93 | 1,987.56 |
| Total Tax Expenses | | 5,380.65 | 6,388.13 |
| Profit for the Year | | 16,614.24 | 16,718.01 |
| Other Comprehensive Income (OCI) | | | |
| Items that will not be Reclassified to Statement of Profit and Loss | | | |
| Gain on Fair Valuation of Equity Instruments | | 197.82 | 689.52 |
| Remeasurement of Post-Employment Defined Benefit Obligations | 29 | (94.96) | (301.85) |
| Income Tax Relating to these Items | 11 (b) | 11.16 | (39.39) |
| Other Comprehensive Income for the Year, Net of Tax | | 114.02 | 348.28 |
| Total Comprehensive Income for the Year (Net) | | 16,728.26 | 17,066.29 |
| Profit Attributable to : | | | |
| Owners of the Parent | | 16,614.24 | 16,718.01 |
| Non-controlling Interest | | - | - |
| Other Comprehensive Income Attributable to: | | | |
| Owners of the Parent | | 114.02 | 348.28 |
| Non-controlling Interest | | - | - |
| Total Comprehensive Income Attributable to: | | | |
| Owners of the Parent | | 16,728.26 | 17,066.29 |
| Non-controlling Interest | | - | - |
| Earnings Per Share | | | |
| Basic and Diluted | 27 | 71.51 | 71.96 |
| Notes Forming Part of the Financial Statement | 1 to 39 | | |

As per our report of even date
For **Manubhai & Shah LLP**
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753
Mumbai, 26th May, 2023

As per our report of even date
For **Kirtane & Pandit LLP**
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
Partner
M.No.: 149037
Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

Dr. S. B. GARWARE
Chairman & Managing Director
DIN : 00943822

AWANEESH SRIVASTAVA
Company Secretary
ICSI M. No. FCS8513

T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2023

EQUITY SHARE CAPITAL

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Balance at the Beginning of the Year | 2,323.24 | 2,323.24 |
| Changes in Equity Share Capital Due to Prior Period Errors | - | - |
| Restated Balance at the Beginning of the Year | 2,323.24 | 2,323.24 |
| Changes in Equity Share Capital During the Year | - | - |
| Balance at the End of the Year | 2,323.24 | 2,323.24 |

OTHER EQUITY

| | Capital Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | Foreign Currency Translation Reserve (OCI) | FVTOCI - Equity Instruments | Total ₹ In Lakhs |
|---|----------------------------|--------------------|-----------------|-----------------|-------------------|--|-----------------------------|---------------------|
| As at March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 72,445.65 | 138.39 | 6,843.14 | 168,764.61 |
| Profit for the Year | - | - | - | - | 16,614.24 | - | - | 16,614.24 |
| Other Comprehensive Income : | - | - | - | - | (71.06) | - | - | (71.06) |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | - | - | - | - |
| b) Changes in Fair Value of Equity Instruments Through OCI (Net of Tax) | - | - | - | - | - | - | 185.08 | 185.08 |
| c) Currency Translation Adjustments Relating to Subsidiaries | - | - | - | - | - | 88.99 | - | 88.99 |
| Reductions During the Year: | - | - | - | - | (2,323.24) | - | - | (2,323.24) |
| Dividend Paid FY 21-22 | - | - | - | - | - | - | - | - |
| As at March 31, 2023 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 86,665.59 | 227.38 | 7,028.22 | 183,258.62 |

| | Capital Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | Foreign Currency Translation Reserve (OCI) | FVTOCI - Equity Instruments | Total ₹ In Lakhs |
|---|----------------------------|--------------------|-----------------|-----------------|-------------------|--|-----------------------------|---------------------|
| As at March 31, 2021 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 58,311.80 | 149.03 | 6,233.94 | 154,032.20 |
| Profit for the Year | - | - | - | - | 16,718.01 | - | - | 16,718.01 |
| Other Comprehensive Income : | - | - | - | - | (260.92) | - | - | (260.92) |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | - | - | - | - |
| b) Changes in Fair Value of Equity Instruments Through OCI (Net of Tax) | - | - | - | - | - | - | 609.20 | 609.20 |
| c) Currency Translation Adjustments Relating to Subsidiaries | - | - | - | - | - | (10.64) | - | (10.64) |
| Reductions During the Year: | - | - | - | - | (2,323.24) | - | - | (2,323.24) |
| Dividend Paid FY 20-21 | - | - | - | - | - | - | - | - |
| As at March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 72,445.65 | 138.39 | 6,843.14 | 168,764.61 |

As per our report of even date

For **Manubhai & Shah LLP**
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LAXMINARAYAN P. YEKKALI
Partner
M.No.: 114753
Mumbai, 26th May, 2023

As per our report of even date

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Chartered Accountants
(FRN: 105215W/W/100057)

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Partner
M.No.: 149037
Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

For **S. B. GARWARE**
Chairman & Managing Director
DIN : 00943822

AWANEESH SRIVASTAVA
Company Secretary
ICSI M. No. FCS8513

T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Particulars | Year ended March 31, 2023 ₹ In Lakhs | Year ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| A. Cash Flow from Operating Activities | | |
| Profit Before Tax | 21,994.89 | 23,106.14 |
| Adjustments for: | | |
| Depreciation and Amortisation Expense | 3,240.77 | 2,818.99 |
| Finance Cost | 1,699.44 | 1,824.47 |
| Unrealised Exchange (Gain) / Loss | 15.33 | (104.20) |
| Provision for Doubtful Deposits | - | 18.36 |
| Interest Income | (185.00) | (48.74) |
| (Profit) / Loss on Sale / Disposal / Write-off of Property, Plant and Equipment | (362.03) | (1,485.00) |
| Profit on Sale of Investment | (262.79) | (350.57) |
| Dividend Income | (18.38) | (6.56) |
| Sundry Credit Balances & Provisions no Longer Required, Written Back | (69.44) | (27.08) |
| Net Gain on Financial Assets | (874.98) | (484.00) |
| | <u>3,182.92</u> | <u>2,155.67</u> |
| Operating Profit / (Loss) before Working Capital Changes | 25,177.81 | 25,261.81 |
| Transfer to Foreign Currency Translation Reserve | 88.99 | (10.64) |
| Changes in Assets and Liabilities: | | |
| (Increase) / Decrease in Operating Assets: | | |
| Inventories | 1,148.05 | (8,621.98) |
| Trade Receivables | 176.92 | 963.84 |
| Loans | (20.82) | 39.07 |
| Other Financial Assets | (128.73) | (76.89) |
| Other Assets | 2,635.22 | (702.37) |
| Increase / (Decrease) in Operating Liabilities: | | |
| Trade Payables | (615.75) | 2,357.36 |
| Other Financial Liabilities | (641.76) | 313.29 |
| Other Liabilities | (976.29) | 2,162.25 |
| Provisions | (363.37) | (242.20) |
| | <u>1,302.46</u> | <u>(3,818.27)</u> |
| Cash Generated from Operations | 26,480.27 | 21,443.54 |
| Direct Taxes Paid | (4,684.15) | (4,218.58) |
| Net Cash Flow from Operating Activities (A) | 21,796.12 | 17,224.96 |
| B. Cash Flow from Investing Activities | | |
| Purchase of Property, Plant and Equipment & Intangible Assets | (7,045.97) | (12,618.06) |
| Proceeds from Sale of Property, Plant and Equipment | 410.55 | 1,750.60 |
| Interest Income | 185.00 | 48.74 |
| Dividend on Investment | 18.38 | 6.56 |
| Net (Investment) / Redemption of Mutual Funds | (10,518.75) | (3,315.57) |
| Net Cash Flow Used in Investing Activities (B) | (16,950.79) | (14,127.73) |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023 (Contd...)

| Particulars | Year ended | Year ended |
|---|-------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| C. Cash Flow From Financing Activities | | |
| Finance Cost | (1,699.44) | (1,824.47) |
| Proceeds from Long Term Borrowings | 2,376.91 | 8,578.68 |
| (Repayments) of Long Term Borrowings | (6,542.95) | (3,526.87) |
| Proceeds from Finance Lease | 68.95 | 570.99 |
| (Repayment) of Lease Liability | (722.38) | (729.77) |
| Dividend Paid / Deposited | (2,323.24) | (2,323.24) |
| Movement in Margin Money Deposit | (53.92) | (135.38) |
| Movement in Unclaimed Dividend Account | (42.51) | (29.34) |
| Net Cash Flow from / (Used in) Financing Activities (C) | (8,938.58) | 580.60 |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | (4,093.25) | 3,677.83 |
| Cash and Cash Equivalents (Opening Balance) | 9,930.81 | 6,252.98 |
| Effects of Exchange Rate Changes on Cash and Cash Equivalents | 161.11 | - |
| Cash and Cash Equivalents (Closing Balance) | 5,998.67 | 9,930.81 |

Cash and Cash Equivalents at the End of the Year Include:

| | As at | As at |
|---|-----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| | ₹ In Lakhs | ₹ In Lakhs |
| (a) Cash on Hand | 9.96 | 17.28 |
| (b) Balances with Banks in Current and Deposit Accounts | 5,988.71 | 9,913.53 |
| Cash and Cash Equivalents (Refer Note 6 (a)) | 5,998.67 | 9,930.81 |
| Cash and Cash Equivalents at the End of the Year | 5,998.67 | 9,930.81 |

| Particulars | As at March 31, 2022 | Cash Flow | Non Cash Change | | | As at March 31, 2023 |
|--------------------------|-------------------------|------------|-----------------------|---------------------------------------|-----------------------------------|-------------------------|
| | | | Fair Value Changes | Foreign Exchange Movement / Others | Recognition of Lease Liability | |
| Borrowings - Non Current | 13,018.71 | (4,848.54) | 21.05 | 0.51 | 283.54 | 8,475.27 |
| Borrowings - Current | 7,168.12 | 8.02 | - | - | 67.66 | 7,243.80 |

As per our report of even date

For **Manubhai & Shah LLP**
Chartered Accountants
(FRN. 106041W/W100136)

LAXMINARAYAN P. YEKKALI
Partner
M.No. 114753
Mumbai, 26th May, 2023

As per our report of even date

For **Kirtane & Pandit LLP**
Chartered Accountants
(FRN. 105215W/W100057)

ADITYA A. KANETKAR
Partner
M.No.: 149037
Mumbai, 26th May, 2023

For and on behalf of the Board of Directors

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Chairman & Managing Director
DIN : 00943822

AWANEESH SRIVASTAVA
Company Secretary
ICSI M. No. FCS8513

T. M. PARIKH
Director
DIN : 00049287

PRADEEP MEHTA
Chief Financial Officer
ICAI M. No. 049220

UDAY V. JOSHI
Whole-Time Director
DIN : 09753984

GROUP INFORMATION:

Garware Hi-Tech Films Limited ('the Company/Parent') and its subsidiaries (together referred to as 'the Group'). The Company is limited by shares, incorporated and domiciled in India and equity shares of the Company are listed on the Indian stock exchange BSE (Bombay Stock Exchange) and NSE (National Stock Exchange). The registered office of the company is located at Naigaon, Post Waluj, Aurangabad 431 133 and Corporate office is located at 50-A Swami Nityanand Marg, Vile Parle (East) Mumbai 400 057.

The Group is engaged in the business of manufacturing & Trading of specialty performance polyester Films like Sun Control window films used in Automobiles, Buildings, etc, Paint Protection Films used in Automobiles and a variety of other specialty polyester films such as PET Shrink films used for Label applications, Low Oligomer PET films used for insulation of hermetically sealed compressors motors, Electric motor insulation and cable insulation, sequin application films, TV and LCD screen application, Packaging applications etc.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS:

A: Significant Accounting Policies:

(a) Basis of Preparation

(i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

Group's financial statements are presented in Indian Rupees, which is the functional currency of the Company.

These consolidated financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting except for certain financial assets and financial liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period and Defined Benefits Plans – Plan Assets as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

(ii) Classification of Assets and Liabilities

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

(b) Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Ind AS 110 Consolidated Financial Statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Subsidiary Companies considered in the presentation of consolidated financial statements are as follows:

| Name of the Company | Country of Incorporation | Percentage of Voting Power | Financial Year |
|--|--------------------------|----------------------------|----------------|
| Subsidiary Garware Hi-Tech Films International Ltd | United Kingdom | 100% | 2022-23 |
| Step down Subsidiary Global Hi-Tech Films Inc | U.S.A. | 100% | 2022-23 |

(c) Segment Reporting

The Group's Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined in Ind AS 108 Operating Segments. The CODM is the Company's board of directors. The board of directors assesses the financial performance and position of the Group and makes strategic decisions. Refer note 31 for segment information presented.

(d) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of Property, Plant and Equipment, borrowing cost (if capitalisation criteria are met) and any attributable costs of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the Property, Plant and Equipment can be

measured reliably. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation, Estimated Useful Lives and Residual value

Depreciation on property, plant and equipment is provided on the straight-line method arrived on the basis of the useful life provided as per the Schedule II of the Companies Act, 2013.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned below) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013.

| Particulars | Useful Life as technically assessed |
|---|-------------------------------------|
| Building (Including Roads) | 10 - 20 years |
| Plant & Machinery (Including Electrical Installations) | 03 - 20 years |

The Property, Plant and Equipment capitalised under leases is depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The asset’s residual values, depreciation method and useful lives are reviewed and adjusted if appropriate, at the end of the reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/ other expenses respectively.

Capital Work - In - Progress

Capital work-in-progress assets in the course of installation for production or/ and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management’s intended use, the cost of construction/ installation is transferred to the appropriate category of Property, Plant and Equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(e) Intangible Assets

Intangible assets are stated at acquisition cost net of tax/ duty credits availed, if any, and net of accumulated amortisation. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the profit or loss. Intangible assets are amortized on the straight line method as follows:

| Asset | Useful life as Technically Assessed |
|----------|-------------------------------------|
| Software | 5 Years |

Intangible asset under development:

Intangible asset under development pertaining to upgradation of IT software are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management’s intended use, the cost is transferred to the appropriate category of Intangible assets. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

(f) Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset’s net selling price and its 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.

After impairment, depreciation / amortization is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

(g) Non Current Assets Held for Sale

Non-Current Assets are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

(h) Revenue recognition

A. Revenue from Sale of Goods or Services

Revenue from sale of goods or services (including scrap sales) are recognised when the control of goods or services are transferred to the customer at a transaction price that reflects the consideration entitled in exchange for those goods or services allocated to that contracted performance obligations. The Group also provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified. The discounts are accrued based on customary business practices. The control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided that the transfer of title to the customer occurs and any significant risks of ownership or future obligations with respect to the goods shipped are not retained by the Group. Sales are recognised net of return/rebates excluding applicable goods and services tax.

The Group collects short-term advances from its customers. Using Ind AS 115 practical expedient, the group recognises contract liabilities for the consideration received with respect to unsatisfied performance obligations and reports these amounts as advances received from customer under other head Current liabilities. The Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Thus, there is no significant financing component.

B. Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Export Benefits

Export entitlements under the Duty Draw Back Scheme / Other Schemes are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Others

Dividend income is recognised when the right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time proportion using effective interest method.

(i) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating revenue.

Government grants relating to purchase of property, plant and equipment are netted off from acquisition amount of property, plant and equipment and the grant is recognised in profit or loss over the life of a depreciable asset as a reduced charge of depreciation expense.

(j) Inventories

(1) Raw Materials and Packing Materials are valued at the lower of cost and net realizable value. Cost is determined on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties & taxes, which are subsequently recoverable from the taxing authorities.

(2) Stores and Spares are valued at cost computed on a moving weighted average basis. Cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities.

- (3) Semi-finished goods including those held for captive consumption is valued at factory cost including depreciation.
- (4) Finished goods are valued at the lower of cost and net realizable value. Cost includes direct material & labour cost and a proportion of manufacturing overheads.
- (5) Purchases of finished goods are valued at the lower of cost and net realizable value.

(k) 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.

A. Financial Assets

(1) Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(2) Measurement

All financial assets are recognized initially at fair value and where financial assets are not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. These includes Trade receivables, Cash and cash equivalent, other bank balances, Fixed Deposits with bank and Loan.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for the payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity Instruments

The Group subsequently measures equity investment at fair value. The Group's Management elects to present fair value gains and losses on equity investments in other comprehensive income or profit and loss account on an instrument by instrument basis.

(3) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 34 (A) for details of credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(4) Derecognition of Financial Assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the Financial Asset.

B. Financial Liability

(1) Initial Recognition and Measurement:

The Group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

(2) Measurement:

All financial liabilities of the Group are subsequently measured at amortised cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortised cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognised as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

(3) 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 between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

(l) Derivative Financial Instruments

Derivative financial instruments such as forward contracts to hedge foreign currency risk are initially recognised at fair value and subsequently remeasured at their fair value with changes in fair value recognised in the Statement of Profit & Loss in the period when they arise.

(m) Foreign currency translation

(1) Functional and Presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupees, which is the Company's functional and presentation currency.

(2) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit and loss and are presented in the Statement of Profit or Loss on a net basis. 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. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange gains and losses on foreign currency borrowings is accounted by addition or deduction to the cost of asset so far it relates to capital asset to the extent that they are regarded as an adjustment to interest cost and in other cases by charging it to the statement of profit and loss as a gain or loss on account of exchange differences under the head finance costs.

(3) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income (On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss)

(n) Leases

The Group lease asset primarily consists of leases for buildings, and for vehicles. The Group, at the inception of the contract, assesses whether a contract contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The right-of-use assets initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are subsequently depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using respective Company's incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the respective Company changes its assessment of whether it exercises an extension or a termination option.

The Group treated the leases with remaining lease term for less than 12 months as if they were "short term lease".

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

(o) Cash and Cash Equivalents

Cash and cash Equivalents for the purpose of cash flows statement comprise cash at bank, cash in hand, demand deposits with banks and other deposits with an original maturity of three months or less.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

(q) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the year in which they are incurred.

(r) Provisions and Contingent Liabilities & Assets

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. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

(s) Employee Benefits

(i) Short-term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term Employee Benefit Obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-Employment Benefits

The Group operates the following post-employment schemes:

- (a) Defined benefit plans such as Gratuity and Pension; and
- (b) Defined contribution plans such as Provident Fund.

Define Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Group. The interest payable by the Trust is notified by the Government. The Group has an obligation to make good the shortfall, if any.

Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due for more than 12 months after the end of the reporting period are discounted to present value.

(t) Earnings Per Share

Earnings per share are 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.

(u) Income Taxes

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current tax is determined as the amount of tax payable in respect of taxable income for the period as per the provisions of Income Tax Act, 1961.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(v) Significant accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. The management overview the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group has based assumptions and estimates on parameters available when the consolidated financial statements were prepared. However existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions as and when they occur.

i. Taxes

The Group provides for tax considering the applicable tax regulations and based on reasonable estimates, management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Group against which such assets can be utilised.

ii. Defined Benefit Obligations

The cost of the defined benefit plans and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameters subject to change is the discount rate, escalation rate, expected rate of return and mortality rate. Future salary increases are based on expected future inflation rates.

iii. Recoverability of Trade Receivables

Required judgements are used in assessing the recoverability of overdue trade receivables and for determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate risk of non-payment.

(w) Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

b. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

c. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Group is assessing the impact of these changes if any and will accordingly incorporate the same in the financial statements for the year ending March 31, 2024.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

2. PROPERTY, PLANT AND EQUIPMENT

| Description | Gross Carrying Amount | | | Depreciation / Amortisation | | | Net Carrying Amount As at March 31, 2023 |
|--|---|---|---------------------------------------|-----------------------------|----------------------|---------------------|--|
| | Gross Carrying Amount as at April 1, 2022 | Additions / Adjustments During the Year | Disposal/ Adjustments During the Year | As at March 31, 2023 | Up to March 31, 2022 | Charge for the Year | |
| Property, Plant and Equipment :- | | | | | | | |
| Land (Freehold) | 77,066.97 | - | - | 77,066.97 | - | - | 77,066.97 |
| Land (Leasehold) | 23,580.99 | - | - | 23,580.99 | - | - | 23,580.99 |
| Buildings | 6,638.63 | 3,324.75 | - | 9,963.38 | 1,601.24 | 376.53 | 7,985.61 |
| Right to use - Building | 2,169.20 | 347.22 | 100.08 | 2,416.34 | 1,263.22 | 514.43 | 738.77 |
| Plant & Machinery | 30,572.81 | 11,055.54 | 72.03 | 41,556.32 | 6,006.46 | 1,719.29 | 33,858.07 |
| Electrical Installations | 407.07 | 112.65 | - | 519.72 | 127.57 | 51.57 | 340.58 |
| Laboratory Equipments | 907.39 | 692.94 | - | 1,600.33 | 303.63 | 115.47 | 1,181.23 |
| Furniture & Fixtures | 390.70 | 83.63 | - | 474.33 | 225.35 | 32.08 | 216.90 |
| Office Equipments | 408.69 | 108.64 | - | 517.33 | 238.97 | 65.06 | 213.30 |
| Vehicles | 490.86 | 17.36 | 7.24 | 500.98 | 245.19 | 52.42 | 206.61 |
| Right to use - Vehicles | 1,307.40 | 122.21 | 39.31 | 1,390.30 | 186.13 | 179.68 | 1,039.31 |
| Capital Expenditure on Research & Development | 18.37 | - | - | 18.37 | 10.80 | 1.99 | 5.58 |
| Data Processing Equipments | 534.45 | 93.76 | 4.64 | 623.57 | 389.20 | 72.14 | 166.87 |
| TOTAL (A) | 1,44,493.53 | 15,958.70 | 223.30 | 1,60,228.93 | 10,597.76 | 3,180.66 | 1,46,600.79 |
| Intangible Assets :- | | | | | | | |
| Software | 408.67 | 14.60 | - | 423.27 | 240.44 | 60.11 | 122.72 |
| TOTAL (B) | 408.67 | 14.60 | - | 423.27 | 240.44 | 60.11 | 122.72 |
| TOTAL (A + B) | 1,44,902.20 | 15,973.30 | 223.30 | 1,60,652.20 | 10,838.20 | 3,240.77 | 1,46,723.51 |
| Capital Work in Progress (Refer Note 2 (a)) | | | | | | | 1,040.36 |

- i) Refer Note No. 28 (a) (d) for disclosure of contractual commitments for Property, Plant and Equipments.
- ii) Refer Note No. 13 for Property pledged as security.
- iii) The Holding company does not hold any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- iv) There has been no revaluation of Property Plant and Equipment / Intangible Assets during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

2. PROPERTY, PLANT AND EQUIPMENT

| Description | Gross Carrying Amount | | | Depreciation / Amortisation | | | | Net Carrying Amount As at March 31, 2022 |
|--|---|---|---------------------------------------|-----------------------------|----------------------|---------------------|--------------------------|--|
| | Gross Carrying Amount as at April 1, 2021 | Additions / Adjustments During the Year | Disposal/ Adjustments During the Year | As at March 31, 2022 | Up to March 31, 2021 | Charge for the Year | Disposal During the Year | |
| Property, Plant and Equipment :- | | | | | | | | |
| Land (Freehold) | 77,066.97 | - | - | 77,066.97 | - | - | - | 77,066.97 |
| Land (Leasehold) | 23,580.99 | - | - | 23,580.99 | - | - | - | 23,580.99 |
| Buildings | 6,165.91 | 472.72 | - | 6,638.63 | 1,277.32 | 323.92 | - | 5,037.39 |
| Right to use - Building | 2,176.70 | - | 7.50 | 2,169.20 | 820.64 | 450.08 | 7.50 | 1,283.22 |
| Plant & Machinery | 27,902.78 | 2,670.03 | - | 30,572.81 | 4,538.74 | 1,467.72 | - | 24,566.35 |
| Electrical Installations | 359.78 | 47.29 | - | 407.07 | 84.39 | 43.18 | - | 279.50 |
| Laboratory Equipments | 772.19 | 135.20 | - | 907.39 | 220.02 | 83.61 | - | 603.76 |
| Furniture & Fixtures | 358.91 | 31.79 | - | 390.70 | 194.57 | 30.78 | - | 165.35 |
| Office Equipments | 334.86 | 73.83 | - | 408.69 | 184.00 | 54.97 | - | 169.72 |
| Vehicles * | 510.78 | 4.95 | 24.87 | 490.86 | 226.60 | 80.05 | 61.46 | 245.67 |
| Right to use - Vehicles * | 958.03 | 665.00 | 315.63 | 1,307.40 | 129.47 | 145.82 | 89.16 | 1,121.27 |
| Capital Expenditure On Research & Development | 18.12 | 0.25 | - | 18.37 | 8.78 | 2.02 | - | 7.57 |
| Data Processing Equipments | 511.67 | 22.78 | - | 534.45 | 318.23 | 70.97 | - | 145.25 |
| TOTAL (A) | 1,40,717.69 | 4,123.84 | 348.00 | 1,44,493.53 | 8,002.76 | 2,753.12 | 158.12 | 1,33,895.77 |
| Intangible Assets :- | | | | | | | | |
| Software | 380.02 | 28.65 | - | 408.67 | 174.57 | 65.87 | - | 168.23 |
| TOTAL (B) | 380.02 | 28.65 | - | 408.67 | 174.57 | 65.87 | - | 168.23 |
| TOTAL (A + B) | 1,41,097.71 | 4,152.49 | 348.00 | 1,44,902.20 | 8,177.33 | 2,818.99 | 158.12 | 1,34,064.00 |
| Capital Work in Progress (Refer Note 2 (a)) | | | | | | | | 9,592.26 |

i) The Holding company does not hold any benami property under the Benami Transactions (prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

ii) There has been no revaluation of Property Plant and Equipment / Intangible Assets during the year.

iii) *Disposal / adjustment during the year ₹ 288.06 Lakhs transfer from ROU vehicles to vehicle in gross carrying amount and ₹ 66.93 Lakhs towards accumulated depreciation on repayment of vehicle loans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

2. (a) The Break-up of Expenses Shown Under Capital Work in Progress (Pending Allocation) as on March 31, 2023 is as under :

| Particulars | ₹ In Lakhs | |
|-----------------------------------|-----------------|-----------------|
| | 2022-23 | 2021-22 |
| Opening Balance | 9,592.26 | 1,098.44 |
| Additions During the Year | 6,218.73 | 11,236.41 |
| Less: Capitalised During the Year | (15,208.30) | (3,051.83) |
| Finance Charges | 437.67 | 309.24 |
| Closing Balance # | 1,040.36 | 9,592.26 |

[# Note : Includes Intangible Assets under development ₹ 8.75 Lakhs (March 31, 2022: ₹ 7.30 Lakhs)]

CWIP Ageing Schedule

Tangible Assets

| Particulars | ₹ In Lakhs | | | | | | | |
|----------------------|---|---------------|---|-----------------|------------------|--------------|-------------------|-----------------|
| | Amount in CWIP as on 31.03.2023 for Period of | | Amount in CWIP as on 31.03.2022 for Period of | | | | | |
| | Less than 1 year | 2-3 years | More than 3 years | Total | Less than 1 year | 2-3 years | More than 3 years | Total |
| Ongoing Projects | 173.65 | 782.23 | - | 955.88 | 8,855.89 | 96.59 | - | 8,952.48 |
| Project Stock | 63.53 | 4.14 | 8.06 | 75.73 | 629.66 | 2.82 | - | 632.48 |
| Projects in Progress | 237.18 | 786.37 | 8.06 | 1,031.61 | 9,485.55 | 99.41 | - | 9,584.96 |
| Projects Suspended | - | - | - | - | - | - | - | - |
| TOTAL | 237.18 | 786.37 | 8.06 | 1,031.61 | 9,485.55 | 99.41 | - | 9,584.96 |

Intangible Assets

| Particulars | ₹ In Lakhs | | | | | | | |
|----------------------|---|-------------|---|-------------|------------------|-----------|-------------------|-------------|
| | Amount in CWIP as on 31.03.2023 for period of | | Amount in CWIP as on 31.03.2022 for period of | | | | | |
| | Less than 1 year | 2-3 years | More than 3 years | Total | Less than 1 year | 2-3 years | More than 3 years | Total |
| Ongoing Projects | 1.45 | 7.30 | - | 8.75 | 7.30 | - | - | 7.30 |
| Project Stock | - | - | - | - | - | - | - | - |
| Projects in Progress | 1.45 | 7.30 | - | 8.75 | 7.30 | - | - | 7.30 |
| Projects Suspended | - | - | - | - | - | - | - | - |
| TOTAL | 1.45 | 7.30 | - | 8.75 | 7.30 | - | - | 7.30 |

(For Capital-Work-in Progress, Whose Completion is Overdue or has Exceeded its Cost Compared to its Original Plan.)

Tangible Assets

| Particulars | ₹ In Lakhs | | | | | | | |
|---|-------------------------------------|-----------|-------------------------------------|---------------|------------------|-----------|-------------------|-----------------|
| | As on 31.03.2023 to be Completed in | | As on 31.03.2022 to be Completed in | | | | | |
| | Less than 1 Year | 2-3 Years | More than 3 Years | Total | Less than 1 Year | 2-3 Years | More than 3 Years | Total |
| Lamination Project | - | - | - | - | 7,265.65 | - | - | 7,265.65 |
| Upgradation & Modification & Other Projects | 951.08 | - | - | 951.08 | 1,065.19 | - | - | 1,065.19 |
| TOTAL | 951.08 | - | - | 951.08 | 8,330.84 | - | - | 8,330.84 |

Intangible Assets

| Particulars | ₹ In Lakhs | | | | | | | |
|------------------------|-------------------------------------|-----------|-------------------------------------|-------------|------------------|-----------|-------------------|-------------|
| | As on 31.03.2023 to be Completed in | | As on 31.03.2022 to be Completed in | | | | | |
| | Less than 1 Year | 2-3 Years | More than 3 Years | Total | Less than 1 Year | 2-3 Years | More than 3 Years | Total |
| IT Upgradation Project | 8.75 | - | - | 8.75 | 7.30 | - | - | 7.30 |
| TOTAL | 8.75 | - | - | 8.75 | 7.30 | - | - | 7.30 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

3. (a) NON - CURRENT INVESTMENTS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Investment at Fair Value Through Other Comprehensive Income (FVTOCI) in Quoted Equity Instruments | | |
| 262,543 (March 31, 2022 - 262,543) Equity Shares of Garware Technical Fibres Limited, of the Face Value of ₹ 10/- Each, Fully Paid-up. | 7,632.26 | 7,434.43 |
| Investment at Fair Value Through Profit and Loss (FVTPL) in Unquoted Equity Instruments | | |
| 500 (March 31, 2022 - 500) Equity Shares of The Co-Operative Stores Ltd. (New Delhi), of the Face Value of ₹ 10/- Each, Fully Paid-up | 0.05 | 0.05 |
| 10,000 (March 31, 2022 - 10,000) Equity Shares of S I C O M Ltd., of the Face Value of ₹ 10/- Each Fully Paid-up | 8.00 | 8.00 |
| 100 (March 31, 2022 - 100) Equity Shares of Cosmos Co-Operative Bank Ltd., of the Face Value of ₹ 10/- Each Fully Paid-up | 0.02 | 0.02 |
| 25 (March 31, 2022 - 25) Equity Shares of Shamrao Vitthal Co-Operative Bank Ltd., of the Face Value of ₹ 25/- Each Fully Paid-up | 0.01 | 0.01 |
| TOTAL | 7,640.34 | 7,442.51 |
| Aggregate Amount of Quoted Investments | 7,632.26 | 7,434.43 |
| Aggregate Amount of Unquoted Investments | 8.08 | 8.08 |
| Aggregate Cost of Total Investments | 45.50 | 45.50 |

i) The Group has not Traded or Invested in any Crypto Currency or Virtual Currency during the current year and previous year.

3. (b) CURRENT INVESTMENTS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Investment at Fair Value Through Profit and Loss (FVTPL) in Quoted Mutual Funds | | |
| 3,66,04,008 Units in HDFC Arbitrage Fund (Previous Year 3,17,49,882 Units) | 6,219.02 | 5,106.33 |
| 4,06,685 Units in HDFC Overnight Mutual Fund (Previous Year 1,10,302 Units) | 13,536.26 | 3,482.73 |
| 77,32,498 Units in HDFC Corporate Bond Fund (Previous Year 78,48,470) | 2,135.66 | 2,051.05 |
| 2,99,11,756 Units in Tata Arbitrage Fund (Previous Year 2,99,11,756) | 3,793.08 | 3,585.07 |
| 1,43,05,500 Units in Axis Corporate Debt Fund (Previous Year 1,48,88,628) | 2,141.86 | 2,048.15 |
| 1,13,38,844 Units in Kotak Equity Arbitrage Fund (Previous Year 1,13,38,844) | 3,803.99 | 3,590.90 |
| 0 Units in HDFC Ultra Short Term Fund (Previous Year 8,14,451) | - | 100.00 |
| TOTAL | 31,629.87 | 19,964.23 |
| Aggregate Cost of Quoted Investments | 30,359.86 | 19,478.32 |
| Aggregate Fair Value of Quoted Investments (NAV) | 31,629.87 | 19,964.23 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

4. OTHER FINANCIAL ASSETS - NON - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Security Deposits (Considered Good, Unsecured) | 238.33 | 232.07 |
| Margin Money with more than 12 months maturity | 59.50 | - |
| TOTAL | 297.83 | 232.07 |

- i) Security deposit includes rental deposits of ₹ 64.50 Lakhs given to Directors (March 31, 2022 - ₹ 64.50 Lakhs) and ₹ 43.50 Lakhs given to Companies in which Directors are a Director / Member (March 31, 2022 - ₹ 43.50 Lakhs).

5. TRADE RECEIVABLES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Trade Receivable Considered Good, Unsecured | 2,995.01 | 3,326.05 |
| Trade Receivable - Credit Impaired | 20.86 | 20.86 |
| Less: Allowance for Doubtful Debts | (20.86) | (20.86) |
| TOTAL | 2,995.01 | 3,326.05 |

Trade Receivable - Ageing Schedule from Due Date of Payment

| Particulars | March 31, 2023 | | | | | | Total |
|--|-----------------|-----------------------|---------------------|--------------|--------------|----------------------|-----------------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - Considered Good | 1,894.66 | 1,100.25 | 0.10 | - | - | - | 2,995.01 |
| (ii) Undisputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | 20.86 | 20.86 |
| Less : Allowance for Doubtful Debts | - | - | - | - | - | (20.86) | (20.86) |
| TOTAL | 1,894.66 | 1,100.25 | 0.10 | - | - | - | 2,995.01 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Particulars | March 31, 2022 | | | | | | | Total |
|--|-----------------|--------------------|------------------|-----------|-----------|-------------------|-----------------|-------|
| | Not Due | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | | |
| (i) Undisputed Trade Receivables - Considered Good | 2,364.36 | 961.70 | - | - | - | - | 3,326.05 | |
| (ii) Undisputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - | |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | - | - | - | |
| (iv) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - | - | |
| (v) Disputed Trade Receivables - which have Significant Increase in Credit Risk | - | - | - | - | - | - | - | |
| (vi) Disputed Trade Receivables - Credit Impaired | - | - | - | - | - | 20.86 | 20.86 | |
| Less : Allowance for Doubtful Debts | - | - | - | - | - | (20.86) | (20.86) | |
| TOTAL | 2,364.36 | 961.70 | - | - | - | - | 3,326.05 | |

6. (a) CASH AND CASH EQUIVALENTS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|----------------------------|---------------------------------------|---------------------------------------|
| Balances with Banks | | |
| In Current Accounts | 5,988.71 | 9,913.53 |
| Cash on Hand | 9.96 | 17.28 |
| TOTAL | 5,998.67 | 9,930.81 |

6. (b) OTHER BANK BALANCES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|------------------------------|---------------------------------------|---------------------------------------|
| In Earmarked Accounts | | |
| Unclaimed Dividend Accounts | 165.25 | 122.74 |
| Margin Money Deposit | 881.40 | 767.98 |
| TOTAL | 1,046.65 | 890.72 |

7. LOANS - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Loans and Advances to Employees - Considered Good, Unsecured | 33.61 | 12.79 |
| TOTAL | 33.61 | 12.79 |

- i) No funds has been advanced to loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity including foreign entity (Intermediaries) with the understanding whether recorded in writing or otherwise that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

8. OTHER FINANCIAL ASSETS - CURRENT

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|----------------------------------|---------------------------------------|---------------------------------------|
| Derivative Financial Instrument. | 30.94 | 51.14 |
| Other Receivables | 122.44 | 118.97 |
| TOTAL | 153.38 | 170.11 |

i) Other receivables includes insurance claim and discount receivable from vendors.

9. INVENTORIES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Stores, Spares and Packing Materials | 2,965.53 | 2,973.18 |
| Raw Materials | 4,775.18 | 4,272.17 |
| Finished Goods | 6,086.36 | 6,145.18 |
| Finished Goods (Stock in Transit) | 1,225.42 | 2,831.89 |
| Semi Finished Goods | 4,832.79 | 4,810.91 |
| TOTAL | 19,885.28 | 21,033.33 |

10. (a) OTHER NON CURRENT ASSETS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Capital Advances | | |
| Considered Good, Secured | 56.42 | 636.77 |
| Considered Good, Unsecured | 169.64 | 1,431.60 |
| | 226.06 | 2,068.37 |
| Advances other than Capital Advances | | |
| Balances with Government Authorities. | 382.72 | 168.71 |
| (Includes ₹ 379.99 Lakhs Towards VAT Receivable (Previous Year CST Receivable ₹ 164.64 Lakhs)) | | |
| TOTAL | 608.78 | 2,237.08 |

10. (b) OTHER CURRENT ASSETS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Prepaid Expenses | 284.06 | 302.13 |
| Balances with Government Authorities | 2,453.62 | 3,474.17 |
| Advances Paid to Suppliers/ Vendors (Net of Provisions) | 643.52 | 600.74 |
| TOTAL | 3,381.20 | 4,377.04 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

11. (a) DEFERRED TAX ASSETS

The Balance of Deferred Tax Comprises Temporary Differences Attributable to:

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Deferred Tax Assets | | |
| Expenses Allowed on Payment Basis | 177.53 | 328.07 |
| Unrealised Profits on Inter Companies Stock / Elimination | 875.03 | 721.30 |
| IND AS 116- Right to use Assets | 25.66 | 33.22 |
| Remeasurements of Post Defined Benefit Obligations | 189.42 | 165.52 |
| Others | 9.87 | 9.87 |
| TOTAL (a) | 1,277.51 | 1,257.98 |
| Deferred Tax Liabilities | | |
| Excess of Written Down Value as per Books and as per Income Tax Act, 1961 | 3,716.90 | 3,315.97 |
| Deferred Tax on Fair Value Changes in Mutual Fund | 732.51 | 676.14 |
| TOTAL (b) | 4,449.41 | 3,992.11 |
| Deferred Tax Assets / (Liability) (Net) TOTAL (a-b) | (3,171.90) | (2,734.13) |

Changes in Deferred Tax Assets/ (Liabilities) in Statement of Profit and Loss [(charged) / credited During the Year]

| | Year Ended | |
|---|------------------------------|------------------------------|
| | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
| Expenses Allowed on Payment Basis | (150.54) | 22.58 |
| Others | - | (0.45) |
| Minimum Alternate Tax Credit Entitlement | - | (3,158.22) |
| IND AS 116- Right to use Assets | (7.56) | (10.15) |
| Remeasurements of Post Defined Benefit Obligations | 23.90 | 40.93 |
| Unrealised Profits on Inter Companies Stock | 153.73 | 467.74 |
| Excess of Written Down Value as per Books and as per Income Tax Act, 1961 | (400.93) | 768.44 |
| Deferred Tax on Fair Value Changes | (56.37) | (113.93) |
| TOTAL | (437.77) | (1,983.06) |

11. (b) INCOME TAXES

The Major Components of Income Tax Expense for the Year Ended are :

Statement of Profit and Loss

| Profit and Loss Section | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| Current Income Tax | | |
| Current Tax on Profit for the Current Year | 4,935.69 | 4,444.46 |
| Short / (Excess) Tax of earlier year | (3.97) | (43.89) |
| Deferred Tax | | |
| Deferred Tax | 448.93 | (1,214.55) |
| MAT Credit Entitlement | - | 3,202.11 |
| Income Tax Expense Reported in the Statement of Profit or Loss | 5,380.65 | 6,388.13 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Other Comprehensive Income Section

| | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|---|--|--|
| Deferred Tax Relating to Remeasurements of Post Employment Benefit Obligations and Gain on Fair Valuation of Equity Instruments | (11.16) | 39.39 |
| Income Tax Charged to OCI | (11.16) | 39.39 |

Movement in Income Tax (Assets) / Liabilities (Net)

| | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|--|------------------------------|------------------------------|
| Opening Balance [Payable/ (Receivable)] | 54.44 | (171.44) |
| Add : Current Tax Payable for the year | 4,931.72 | 4,444.46 |
| Less : Taxes Paid | (4,684.15) | (4,218.58) |
| Closing Balance [Payable/ (Receivable)] | 302.01 | 54.44 |

Reconciliation of Tax Expense and Accounting Profit for the Year:

| | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|--|--|--|
| Accounting Profit Before Tax | 21,994.89 | 23,106.14 |
| Tax at Statutory Income Tax Rate of @ 25.168% (PY 34.944%) | 5,535.67 | 8,074.21 |
| Tax Effect of Amounts Which are Not Deductible (Taxable) in Calculating Taxable Income | | |
| Donations / CSR Expenses | 85.18 | 170.19 |
| Short /(Excess) Income Tax of earlier years | (3.97) | (43.89) |
| Other Items | (100.11) | (398.92) |
| Long Term Capital Gain Taxable at Special Rate | (100.73) | (74.40) |
| Reduction in Deferred Tax on account of change in tax rate from 34.944% to 25.168% | - | (1,127.77) |
| Difference in Tax Rates of Subsidiaries | (35.39) | (211.29) |
| Income-Tax Expense | 5,380.65 | 6,388.13 |

12. (a) EQUITY SHARE CAPITAL

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Authorised Equity Share Capital: | | |
| 40,000,000 (March 31, 2022 : 40,000,000) Equity Shares of ₹ 10/- each | 4,000.00 | 4,000.00 |
| 6,000,000 (March 31, 2022 : 6,000,000) Preference Shares of ₹ 100/- each | 6,000.00 | 6,000.00 |
| TOTAL | 10,000.00 | 10,000.00 |
| Issued, Subscribed and Paid up : | | |
| 23,232,394 (March 31, 2022 : 23,232,394) Equity Shares of ₹ 10/- each | 2,323.24 | 2,323.24 |
| TOTAL | 2,323.24 | 2,323.24 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(i) Reconciliation of Number of Equity Shares

| | Year Ended March 31, 2023 ₹ In Lakhs | Year Ended March 31, 2022 ₹ In Lakhs |
|--|--|--|
| Shares Outstanding at the Beginning of the year | 2,32,32,394 | 2,32,32,394 |
| Add: Issued during the year | - | - |
| Outstanding at the end of the year | 2,32,32,394 | 2,32,32,394 |

(ii) Terms/ Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10/-. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees.

Final Dividend of ₹ 10 /- per equity share for the Financial year ended 31st March 2023 proposed by board of directors in its meeting held on 26th May 2023 (₹ 10/- per equity share for FY 2021-22) is in compliance with Section 123 of the Companies Act 2013 and is subject to approval of shareholders in the ensuing Annual General Meeting and if approved, would result in Cash outflow of ₹ 2,323.24 Lakhs.

(iii) Details of Equity Shares held by Shareholders holding more than 5% of the aggregate Shares in the Company

| Name of the Shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|---------------|----------------------|---------------|
| | % Holding | No. of Shares | % Holding | No. of Shares |
| S. B. Garware Family Trust | 38.17% | 88,68,372 | 38.17% | 88,68,372 |
| B. D. Garware Research Centre (Formerly known as B.D Garware Research Center) | 5.35% | 12,42,216 | 5.35% | 12,42,216 |
| Dr. S. B. Garware | 5.01% | 11,63,001 | 5.01% | 11,63,001 |

(iv) Details of Shares Held by Promoters

| Sr. No. | Promoter Name | As at 31.03.2023 | | As at 31.03.2022 | | % Change During FY 2022-23 |
|---------|---|------------------|-------------------|------------------|-------------------|----------------------------|
| | | No. of Shares | % of total Shares | No. of Shares | % of Total Shares | |
| 1 | S. B. Garware Family Trust | 88,68,372 | 38.17% | 88,68,372 | 38.17% | - |
| 2 | B. D. Garware Research Centre Private Limited (Formerly known as B.D Garware Research Center) | 12,42,216 | 5.35% | 12,42,216 | 5.35% | - |
| 3 | Dr. S. B. Garware | 11,63,001 | 5.01% | 11,63,001 | 5.01% | - |
| 4 | Monika Garware Benefit Trust | 5,73,917 | 2.47% | 5,73,917 | 2.47% | - |
| 5 | Sarita Garware Benefit Trust | 5,73,917 | 2.47% | 5,73,917 | 2.47% | - |
| 6 | Great View Real Estates Private Limited | 4,69,175 | 2.02% | 4,69,175 | 2.02% | - |
| 7 | Ms. Sonia Garware | 2,68,595 | 1.16% | 2,68,595 | 1.16% | - |
| 8 | Mrs. Sarita Garware Ramsay | 2,67,810 | 1.15% | 2,67,810 | 1.15% | - |
| 9 | Ms. Monika Garware | 2,67,504 | 1.15% | 2,67,504 | 1.15% | - |
| 10 | Garware Industries Private Limited | 2,35,000 | 1.01% | 2,35,000 | 1.01% | - |
| 11 | Mrs. Sheela S. Garware | 1,75,465 | 0.76% | 1,75,465 | 0.76% | - |
| 12 | Sonia Garware Benefit Trust | 1,000 | 0.00% | 1,000 | 0.00% | - |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

12. (b) OTHER EQUITY

| | Capital Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | Foreign Currency Translation Reserve (OCI) | Fvtoci - Equity Instruments | Total ₹ In Lakhs |
|---|----------------------------|--------------------|------------------|-----------------|-------------------|--|-----------------------------|--------------------|
| As at March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 72,445.65 | 138.39 | 6,843.14 | 1,68,764.61 |
| Profit for the year | - | - | - | - | 16,614.24 | - | - | 16,614.24 |
| Other Comprehensive Income | | | | | | | | |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | (71.06) | - | - | (71.06) |
| b) Changes in Fair Value of Equity Instruments through OCI (Net of Tax) | - | - | - | - | - | - | 185.08 | 185.08 |
| c) Currency Translation Adjustments Relating to Subsidiaries | - | - | - | - | - | 88.99 | - | 88.99 |
| Reductions During the Year: | | | | | | | | |
| Dividend Paid FY 21-22 | - | - | - | - | (2,323.24) | - | - | (2,323.24) |
| As at March 31, 2023 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 86,665.59 | 227.38 | 7,028.22 | 1,83,258.62 |

Other Equity

| | Capital Redemption Reserve | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | Foreign Currency Translation Reserve (OCI) | FVTOCI - Equity Instruments | Total ₹ In Lakhs |
|---|----------------------------|--------------------|------------------|-----------------|-------------------|--|-----------------------------|--------------------|
| As at March 31, 2021 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 58,311.80 | 149.03 | 6,233.94 | 1,54,032.20 |
| Profit for the Year | - | - | - | - | 16,718.01 | - | - | 16,718.01 |
| Other Comprehensive Income | | | | | | | | |
| a) Remeasurement of Post Employment Benefit Obligations (Net of Tax) | - | - | - | - | (260.92) | - | - | (260.92) |
| b) Changes in Fair Value of Equity Instruments Through OCI (Net of Tax) | - | - | - | - | - | - | 609.20 | 609.20 |
| c) Currency Translation Adjustments Relating to Subsidiaries | - | - | - | - | - | (10.64) | - | (10.64) |
| Reductions During the Year: | | | | | | | | |
| Dividend Paid FY 20-21 | - | - | - | - | (2,323.24) | - | - | (2,323.24) |
| As at March 31, 2022 | 5,446.00 | 592.14 | 76,389.38 | 6,909.91 | 72,445.65 | 138.39 | 6,843.14 | 1,68,764.61 |

Nature and purpose of Other Reserves:

1 Capital Redemption Reserve

Capital Redemption Reserve is towards the redemption of preference shares allotted to Industrial Development Bank of India (IDBI) in FY 2014 - 15.

2 Securities Premium

Securities Premium is towards the premium on issue of equity shares and will be utilised in accordance with the provisions of the Companies Act, 2013.

3 Capital Reserve

Capital Reserve of ₹ 4,439.48 Lakhs was created on demerger of manufacturing business of erstwhile Garware Chemicals Limited (GCL) as per the scheme of arrangement between the Company and GCL under provisions of section 391 - 394 of the Companies Act, 1956 and ₹ 61,842.43 Lakhs (net of deferred tax) on account of Fair Valuation of Property, Plant and Equipment done as at the transition date of Ind AS. Capital reserve also includes revaluation reserve amounting to ₹ 4,584.49 Lakhs pertains to revaluation of land at Mumbai at Vile Parle in 2007 and ₹ 18755.94 Lakhs revaluation of land situated at Aurangabad and Nashik in FY 2012 - 13 and ₹ (13,235.03) Lakhs pertains to impairment of assets taken over from GCL in FY 2012 - 13 and ₹ 2.07 Lakhs amount paid up on cancellation of 82,756 Shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

4 Fair Value Through Other Comprehensive Income (FVTOCI) Equity Instruments

The Company has elected to recognise changes in fair value of certain investments in equity instruments through other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

13. (a) NON CURRENT BORROWINGS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Secured | | |
| Term Loans | | |
| Indian Rupee Loans from Banks | 14,078.65 | 18,244.69 |
| TOTAL | 14,078.65 | 18,244.69 |
| Less: Current Maturities of Long Term Debt (Included in Note 13(c)) | 6,542.95 | 6,542.95 |
| Non Current Borrowings | 7,535.70 | 11,701.74 |

13. (b) NON CURRENT LEASE LIABILITY

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Non Current Lease Liability | | |
| From Bank (Secured) | 772.46 | 870.31 |
| From Others | 867.96 | 1,071.83 |
| TOTAL | 1,640.42 | 1,942.14 |
| Less : Current Maturities of Lease Liability | | |
| From Bank | 183.93 | 158.99 |
| From Others | 516.92 | 466.18 |
| TOTAL | 700.85 | 625.17 |
| Non Current Lease Liability | 939.57 | 1,316.97 |

13. (c) CURRENT BORROWINGS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Current Maturities of Long Term Borrowings | 6,542.95 | 6,542.95 |
| Current Borrowings | 6,542.95 | 6,542.95 |

Terms of Repayment for Borrowings

| Particulars | Terms of Repayment |
|----------------------------------|--|
| Non - Current | |
| Indian Rupee Loans from Banks | Loan of ₹ 2,535.00 Lakhs is repayable in 12 monthly instalments from April-23 to March-24. Loan of ₹ 4,468.64 Lakhs is repayable in 9 quarterly instalments from May-23 to May-25. Loan of ₹ 7,132.01 Lakhs is payable in 43 instalments from April-23 to Oct-26 Rate of interest: 1 year MCLR + 0.35% to 1 year MCLR + 0.65% p.a. |
| Obligations Under Finance Leases | Repayable in 38 to 53 monthly instalments from April-23 to August-27 Rate of interest: 7.25% - 8.25% p.a. |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Details of Security for the Non - Current and Current Borrowings:

| Particulars | Nature of Security |
|--|--|
| Non - Current | |
| Indian Rupee Loans from Banks | First Pari - Passu charge on Property, Plant and Equipment (present and future) except Vile Parle, Mumbai property and Nasik Property and second Pari - Passu charge on current assets. |
| Obligations Under Finance Leases | Hypothecation of Specific Assets |
| Current | |
| Indian Rupees and Foreign Currency and Working Capital Loans | Hypothecation of all the Current Assets including inventory, book debts etc. and second charge on property, plant and equipment of the Company excluding Vile Parle, Mumbai property and Nasik property. |

- The Term Loans have been applied for the purposes of Capacity Expansion and various other Capex Plans.
- Registration of charges or satisfaction with Registrar of the Holding Companies have been complied with in the statutory period.
- Quarterly return / statements of current assets filed by the Holding Company with banks are in agreement with the books of accounts.
- The Holding Company has not been declared as Wilful Defaulter by any bank or financial institution.
- No funds have been received by the Holding company from any person or entity including foreign entity (Funding Parties), with the understanding whether recorded in writing or otherwise that the Holding Company shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- Funds raised on short term basis are not used for long term purpose.

14. TRADE PAYABLES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Total Outstanding Dues of Micro Enterprises and Small Enterprises | 1,038.88 | 1,221.41 |
| Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises | 9,318.28 | 9,768.83 |
| TOTAL | 10,357.16 | 10,990.24 |

Details of Dues to Micro and Small Enterprises as Defined under the MSMED Act, 2006

Based on the information and records available with the Company, the disclosures required pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED ACT'). The Disclosure pursuant to the said MSMED Act are as follows:

| Sr. No. | Particulars | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---------|---|---------------------------------------|---------------------------------------|
| a) | Principal Amount Due to Suppliers Registered under MSMED Act and Remaining Unpaid as at the Year End (Including Capital Creditors ₹ 17.29 Lakhs (Previous Year ₹ 32.04 Lakhs) | 1,056.17 | 1,253.45 |
| b) | Interest Due thereon | - | - |
| c) | Interest Paid by the Company in term of Section 16 | - | - |
| d) | Interest Due and Payable for the Period of Delay in Payment | - | - |
| e) | Interest Accrued and Remaining Unpaid | - | - |
| f) | Interest Remaining Due and Payable even in Succeeding Years | - | - |

Trade Payable Ageing Schedule from Due Date of Payment

| Sr. No. | Particulars | March 31, 2023 | | | | | | Total |
|---------|------------------------|-----------------|-----------------|------------------|--------------|--------------|-------------------|------------------|
| | | Not Due | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 986.60 | - | 52.28 | - | - | - | 1,038.88 |
| (ii) | Others | 5,833.69 | 1,271.83 | 2,129.63 | 10.06 | 51.72 | 21.35 | 9,318.28 |
| (iii) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| (iv) | Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | 6,820.29 | 1,271.83 | 2,181.91 | 10.06 | 51.72 | 21.35 | 10,357.16 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Sr. No. | Particulars | March 31, 2022 | | | | | | Total |
|---------|------------------------|-----------------|---------------|------------------|--------------|-------------|-------------------|------------------|
| | | Not Due | Unbilled | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | MSME | 1,077.89 | - | 143.52 | - | - | - | 1,221.41 |
| (ii) | Others | 6,933.38 | 965.95 | 1,754.42 | 53.63 | 6.93 | 54.52 | 9,768.83 |
| (iii) | Disputed Dues - MSME | - | - | - | - | - | - | - |
| (iv) | Disputed Dues - Others | - | - | - | - | - | - | - |
| | Total | 8,011.27 | 965.95 | 1,897.94 | 53.63 | 6.93 | 54.52 | 10,990.24 |

15. OTHER FINANCIAL LIABILITIES - CURRENT

| | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|---------------------------------|---------------------------------|
| Unclaimed Dividend | 165.25 | 122.74 |
| Creditors for Capital Expenditure | 429.29 | 701.94 |
| Payable for Expenses | 300.68 | 717.59 |
| Payable to Employees | 605.39 | 559.60 |
| Deposit from Customers | 157.38 | 197.88 |
| TOTAL | 1,657.99 | 2,299.75 |

i) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

16. NON-CURRENT PROVISIONS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|--|--|
| Provision for Employee Benefits (Refer Note 29) | | |
| Provision for Compensated Absences | 441.67 | 388.76 |
| TOTAL | 441.67 | 388.76 |

17. CURRENT PROVISIONS

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|--|--|
| Provision for Employee Benefits (Refer Note 29) | | |
| Provision for Gratuity | 355.33 | 532.38 |
| Provision for Compensated Absences. | 289.24 | 433.51 |
| TOTAL | 644.57 | 965.89 |

18. OTHER CURRENT LIABILITIES

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|-------------------------|--|--|
| Statutory Liabilities | 391.64 | 500.98 |
| Advances from Customers | 3,166.62 | 4,064.13 |
| TOTAL | 3,558.26 | 4,565.11 |

- a) The company has recognised revenue including Taxes of ₹ 8,909.42 Lakhs (Previous year ₹ 5,299.97 Lakhs) as per Ind AS 115 from the amounts included under advance received from customer at the beginning of the year.
- b) Contract liability primarily relates to advance consideration received from customers for sale of products based on terms agreed. The contract liability is expected to be recognised within 12 months.
- c) Unsatisfied Performance Obligations: The Company applies the practical expedient in Paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

19. REVENUE FROM OPERATIONS

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--------------------------------|-----------------------|-----------------------|
| Sale of Products | 1,41,184.83 | 1,27,504.81 |
| Other Operating Revenue | | |
| Export Incentives | 2,163.99 | 2,389.50 |
| Sale of Scrap and Others | 452.21 | 369.08 |
| TOTAL | 1,43,801.03 | 1,30,263.39 |

a) Reconciliation of revenue from sale of products with the contracted price.

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--|-----------------------|-----------------------|
| Contracted Price | 1,41,420.23 | 1,27,619.43 |
| Less : Discounts, Allowances and Claims as per contract. | (235.40) | (114.62) |
| Revenue from Sale of Products | 1,41,184.83 | 1,27,504.81 |

b) Contract balances :

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Trade Receivables | 2,995.01 | 3,326.05 |
| Advance from Customers (Contract Liability) | 3,166.62 | 4,064.13 |

20. OTHER INCOME

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--|-----------------------|-----------------------|
| Interest Income: | | |
| On Bank Deposits | 85.84 | 39.37 |
| On Income Tax & Sales Tax Refund | 98.07 | 8.02 |
| Others | 1.09 | 1.35 |
| Dividend from Quoted Equity Investments Measured at Fair Value Through OCI | 18.38 | 6.56 |
| Insurance Claims | 52.60 | 77.35 |
| Profit on Sale of Property, Plant and Equipment | 362.03 | 1,485.00 |
| Profit on Sale of Investments | 262.79 | 350.57 |
| Excess Provision/ Sundry Credit Balances Written Back | 69.44 | 27.08 |
| Gain on Exchange Rate Fluctuations | 1,705.26 | 1,481.98 |
| Net Gain on Financial Assets Measured at FVTPL | 884.10 | 455.71 |
| Unwinding of Security Deposit | 11.08 | 9.92 |
| Rent Received | 4.20 | - |
| VAT Refund | 660.66 | - |
| TOTAL | 4,215.54 | 3,942.91 |

i) The company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act 1961.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

21. COST OF MATERIALS CONSUMED

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|-------------------------|-----------------------|-----------------------|
| Opening Inventory | 4,272.17 | 2,900.15 |
| Add: Purchases | 65,425.21 | 61,234.49 |
| Less: Sales | (86.36) | (91.33) |
| Less: Closing Inventory | (4,775.18) | (4,272.17) |
| TOTAL | 64,835.84 | 59,771.14 |

22. CHANGE IN INVENTORIES OF FINISHED GOODS AND SEMI - FINISHED GOODS

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--------------------------------|-----------------------|-----------------------|
| Closing Inventory | | |
| Semi - Finished Goods | 4,832.79 | 4,810.91 |
| Finished Goods | 7,311.78 | 8,977.07 |
| | 12,144.57 | 13,787.98 |
| Less: Opening Inventory | | |
| Semi - Finished Goods | 4,810.91 | 3,870.32 |
| Finished Goods | 8,977.07 | 3,125.45 |
| | 13,787.98 | 6,995.77 |
| Net Change in Inventory | 1,643.41 | (6,792.21) |

23. EMPLOYEE BENEFITS EXPENSE

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Salaries, Wages and Bonus | 10,614.93 | 10,695.93 |
| Contributions to Provident Fund and Other Funds | 955.40 | 912.95 |
| Staff Welfare Expenses | 616.98 | 676.44 |
| TOTAL | 12,187.31 | 12,285.32 |

24. FINANCE COSTS

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Interest Expense | 1,102.96 | 1,172.62 |
| Interest Expense on Right to Use Assets | 150.75 | 165.44 |
| Other Borrowing Cost | 445.73 | 486.41 |
| TOTAL | 1,699.44 | 1,824.47 |

i) Finance costs amounting to ₹ 437.67 Lakhs (March 31, 2022 : ₹ 309.24 Lakhs) is capitalised in the cost of assets during the current year.

25. DEPRECIATION AND AMORTIZATION EXPENSE

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Depreciation on Property, Plant and Equipment (Including IND AS 116 Depreciation) | 3,180.66 | 2,753.12 |
| Amortisation of Intangible Assets | 60.11 | 65.87 |
| TOTAL | 3,240.77 | 2,818.99 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

26. OTHER EXPENSES

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Stores, Spares & Packing Materials Consumed | 7,491.84 | 7,652.91 |
| Power and Fuel | 12,595.85 | 10,501.33 |
| Processing Charges | 4,429.53 | 5,049.35 |
| Water Charges | 120.39 | 122.38 |
| Rent, Hire Charges and Compensation | 43.32 | 83.08 |
| Rates, Taxes and License Fees | 107.62 | 122.96 |
| Insurance | 450.76 | 385.83 |
| Freight & Forwarding (Net) | 7,104.93 | 7,858.75 |
| Research and Development Expenses | 316.62 | 371.74 |
| Advertisement Expenses | 61.81 | 158.15 |
| Repairs and Maintenance Expenses: | | |
| Plant and Machinery | 341.04 | 255.45 |
| Building | 377.44 | 272.64 |
| Others | 1,210.40 | 1,046.89 |
| Contract Labour Cost | 2,539.49 | 2,257.04 |
| Security Charges | 569.74 | 588.92 |
| Travelling & Conveyance | 662.59 | 361.54 |
| Postage, Telegrams & Telephones | 70.52 | 71.10 |
| Commission on Sales | 151.86 | 170.18 |
| Contribution Towards Corporate Social Responsibilities (Refer Note 26(a)) | 330.00 | 267.94 |
| Donation | 26.15 | 556.03 |
| Legal and Professional Charges* | 1,620.94 | 1,415.49 |
| Auditors Remuneration (Refer Note 26(b)) | 85.86 | 84.49 |
| Directors Sitting Fees | 11.38 | 11.68 |
| Miscellaneous Expenses | 1,694.83 | 1,508.22 |
| Provision for Doubtful Advances | - | 18.36 |
| TOTAL | 42,414.91 | 41,192.45 |

i) *Legal and professional charges include ₹ 3.25 Lakhs (March 31, 2022: ₹ 3.25 Lakhs) paid to a firm in which one of the partner of the auditor's firm is interested as a partner.

26. (a) CORPORATE SOCIAL RESPONSIBILITY (CSR)

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|--|-----------------------|-----------------------|
| Gross Amount Required to be Spent by the Company during the year | 329.90 | 263.09 |
| TOTAL | 329.90 | 263.09 |
| Amount spent during the year | | |
| A. Construction/ Acquisition of any Asset | - | - |
| B. On Purposes other than (A) above | 330.00 | 267.94 |
| TOTAL | 330.00 | 267.94 |
| C. Shortfall at the end of the year | - | - |
| D. Total of previous years shortfall | - | - |
| E. Reason for Shortfall | NA | NA |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

F. Nature of CSR Activities

₹ In Lakhs

| Name of the project | Implementing Agency | Amount Spent | Amount Spent |
|--|-------------------------------|---------------|--------------|
| | | 2022-23 | 2021-22 |
| Promoting Health Care Measures for Deprived Section of Society | Garware Hi-Tech Films Limited | - | 167.94 |
| Promote Social and Economic Development in the City by Creating an Opportunity to Nature, Support | Garware Charitable Trust | - | 100.00 |
| Promoting Health Care Measures for Deprived Section of Society | Garware Charitable Trust | 16.50 | - |
| Promoting Education, Including Special Education and Employment Enhancing Vocation Skills | Garware Charitable Trust | 21.00 | - |
| Promoting /Setting-up Old Age Home, Day Cares Centers and such Other Facilities for Senior Citizen | Garware Charitable Trust | 292.50 | - |
| TOTAL | | 330.00 | 267.94 |

G. Details of Related Party Transactions - Refer Note No.30

26. (b) PAYMENT TO AUDITORS

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| As Auditor | | |
| Statutory Audit Fees | 58.96 | 55.74 |
| Tax Audit Fees | 6.00 | 6.00 |
| In Other Capacity | | |
| For Certification/ Others | 19.00 | 22.31 |
| Reimbursement of Out of Pocket Expenses | 1.90 | 0.44 |
| TOTAL | 85.86 | 84.49 |

27. EARNINGS PER SHARE (EPS)

| | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|---|-----------------------|-----------------------|
| Net Profit Attributable to the Equity Shareholders of the Company | 16,614.24 | 16,718.01 |
| Weighted Average Number of Equity Shares | 23,232,394 | 23,232,394 |
| Basic & Diluted Earnings Per Share (In ₹) | 71.51 | 71.96 |

28. (a) CONTINGENCIES AND COMMITMENTS

a) Contingent Liabilities

| | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--|---------------------------------------|---------------------------------------|
| Disputed Matters in Appeal / Contested in Respect of: | | |
| Excise Duty and Service Tax | 40.57 | 40.57 |
| Income Tax | 80.79 | - |
| Maharashtra State Electricity Board (MSEB) | 27.72 | 27.72 |
| Grampanchayat Tax | 81.88 | 69.93 |
| TOTAL | 230.96 | 138.22 |

b) The Company has given counter-guarantees for ₹ 6,557.91 Lakhs (March 31, 2022: ₹ 5,620.22 Lakhs) to banks in respect of guarantees given by the banks to third parties for purchase of equipments, supply of goods, clearance of goods from customs, excise bonds, etc.

c) Letters of Credit opened on behalf of the Company by Banks for purchase of materials and equipment amount to ₹ 2,397.59 Lakhs (March 31, 2022: ₹ 4,598.15 Lakhs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

d) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 805.75 Lakhs (March 31, 2022: ₹ 6,406.68 Lakhs) against which an advance of ₹ 226.06 Lakhs (March 31, 2022: ₹ 2,068.37 Lakhs) has been paid.

28. (b) LEASES

Company as a Lessee:

| Particulars | As at March 31, 2023 ₹ in Lakhs | As at March 31, 2022 ₹ In Lakhs |
|---|---------------------------------------|---------------------------------------|
| Depreciation for Right to Use Asset | 694.11 | 595.90 |
| Interest Expense on Lease Liabilities | 150.75 | 165.44 |
| Expenses Relating to Short Term Leases / Low Value Assets | 82.64 | 230.17 |
| Repayment of Lease Liabilities | 722.38 | 729.77 |
| Additions to Right to Use Assets | 469.43 | 665.00 |
| Carrying amount of Right to Use Assets | 1,778.08 | 2,027.25 |

29. EMPLOYEE BENEFIT OBLIGATIONS

| Particulars | As at March 31, 2023 ₹ In Lakhs | As at March 31, 2022 ₹ In Lakhs |
|--------------------------------|---------------------------------------|---------------------------------------|
| Gratuity (Refer Note C) | 355.33 | 532.38 |
| Non - Current | - | - |
| Current | 355.33 | 532.38 |

A Defined Contribution Plan

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate as per regulation of basic salary. The contributions are made to registered provident fund administered by the government, however certain employees are covered under the contributory plans with trust "Garware Polyester Limited Office Staff and Officers Provident Fund".

B Compensated absences

The leave obligations is towards encashment of balance leave. The provision reversed during the year is ₹ 38.99 Lakhs (March 31, 2022 - reversed ₹ 84.60 Lakhs).

C Gratuity

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The gratuity plan is a funded plan.

I The Amounts Recognised in Balance Sheet and Movements in the Net Benefit Obligation over the year are as follows :

(₹ In Lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|--|--------------------------------|------------------------------|---------------|
| April 1, 2022 | 3,434.77 | (2,902.39) | 532.38 |
| Current Service Cost | 165.67 | - | 165.67 |
| Interest Expense/(Income) | 223.86 | (203.34) | 20.52 |
| Total Amount Recognised in Profit or Loss | 389.53 | (203.34) | 186.19 |
| Return on Plan Assets | - | (6.63) | (6.63) |
| (Gain)/Loss from Experience Changes | 164.35 | - | 164.35 |
| (Gain)/Loss from Change in Financial Assumptions | (62.76) | - | (62.76) |
| Total Amount Recognised in Other Comprehensive Income | 101.59 | (6.63) | 94.96 |
| Employer Contributions | - | (470.00) | (470.00) |
| Benefits Paid | (380.72) | 380.72 | - |
| Mortality Charges and Taxes | - | 11.80 | 11.80 |
| March 31, 2023 | 3,545.17 | (3,189.84) | 355.33 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(₹ In Lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|--|-----------------------------|---------------------------|---------------|
| April 1, 2021 | 3,105.09 | (2,716.96) | 388.13 |
| Current Service Cost | 155.36 | - | 155.36 |
| Interest Expense/(Income) | 193.78 | (179.33) | 14.45 |
| Total Amount Recognised in Profit or Loss | 349.14 | (179.33) | 169.81 |
| Return on Plan Assets | - | (16.91) | (16.91) |
| (Gain) / Loss from Experience Changes | 366.60 | - | 366.60 |
| (Gain) / Loss from Change in Financial Assumptions | (47.84) | - | (47.84) |
| Total Amount Recognised in Other Comprehensive Income | 318.76 | (16.91) | 301.85 |
| Employer Contributions | - | (338.41) | (338.41) |
| Benefits Paid | (338.22) | 338.22 | - |
| Mortality Charges and Taxes | - | 11.00 | 11.00 |
| March 31, 2022 | 3,434.77 | (2,902.39) | 532.38 |

II The Net Liability Disclosed above Relates to Funded Plans are as follows :

| Particulars | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|------------------------------------|------------------------------|------------------------------|
| Present Value of Funded Obligation | 3,545.17 | 3,434.77 |
| Fair Value of Plan Assets | (3,189.84) | (2,902.39) |
| Deficit | 355.33 | 532.38 |

III Estimates

The Actuarial Assumptions were as follows :

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Discount Rate | 7.40% | 6.90% |
| Rate of Increase in Compensation Levels | 7.00% | 7.00% |
| Expected Return on Plan Assets | 6.90% | 6.60% |

IV Sensitivity of Actuarial Assumptions

The Sensitivity of Defined Obligation to Changes in the Weighted Principal Assumptions is:

₹ In Lakhs

| Assumption | Impact on defined benefit obligation | |
|-------------------------------|--------------------------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Discount Rate | | |
| 1 % Increase | (117.54) | (149.95) |
| 1 % Decrease | 128.42 | 165.09 |
| Future Salary Increase | | |
| 1 % Increase | 101.60 | 135.45 |
| 1 % Decrease | (94.77) | (125.73) |

Projected Benefits Payable from the Fund in Future Years from the Date of Reporting:

| | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|-----------------------|------------------------------|------------------------------|
| Less than a year | 1,257.42 | 1,000.85 |
| Between 1 to 2 Years | 411.71 | 410.59 |
| Between 2 to 3 Years | 933.38 | 390.03 |
| Between 3 to 4 Years | 371.33 | 489.47 |
| Between 4 to 5 Years | 347.15 | 385.93 |
| Between 6 to 10 Years | 1,425.20 | 1,677.69 |
| TOTAL | 4,746.19 | 4,354.56 |

i) The Weighted Duration of the Defined Benefit Obligation is 5.13 Year (Previous Year 6.51 Years.)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

V The Major Categories of Plan Assets are as follows:

| Particulars | March 31, 2023 ₹ In Lakhs | March 31, 2022 ₹ In Lakhs |
|--------------------------|------------------------------|------------------------------|
| Funds Managed by Insurer | 100% | 100% |

VI Risk Exposure

- Asset Volatility** : All plan assets are maintained in a trust managed by a public sector insurer viz. LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.
- Discount Rate Risk** : Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.
- Future Salary Increase and Inflation Risk** : Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.
- Asset-Liability Mismatch Risk** : Risk arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements.

30. RELATED PARTY TRANSACTIONS - AS PER IND AS 24

Name of the Related Parties and Nature of Relationship

| | |
|--|--|
| a. Key Management Personnel | Dr. S. B. Garware - Chairman and Managing Director Ms. Monika Garware - Vice Chairperson & Joint Managing Director Mrs. Sarita Garware Ramsay - Joint Managing Director (appointed w.e.f. May 26, 2022) Ms. Sonia Garware - Director Mr. U.V. Joshi - Whole-Time Director (appointed w.e.f. October 18, 2022) Mr. H.N. Nikam - Whole-Time Director (resigned w.e.f. October 18, 2022) Mr. Pradeep Mehta - Chief Financial Officer Mr. Awaneesh Srivastava - Company Secretary |
| b. Non Executive Director | Mr. Ramesh P. Makhija - Non executive and independent director Mr. M. C. Agarwal - Non executive and independent director Mr. T. M. Parikh - Non executive and independent director Mr. Nilesh R. Doshi - Non executive and independent director Mr. V.H.Kamath - Non executive and independent director Ms. Devanshi H. Nanavati - Non executive and independent director |
| c. Entities in which some of the Directors are Interested | Garware Industries Private Limited Great View Real Estates Private Limited Shashvat Investment Consultancy & Properties Private Limited Garware Community Centre Garware Charitable Trust B. D. Garware Research Centre Private Limited S. B. Garware Family Trust Monika Garware Benefit Trust Sarita Garware Benefit Trust Sonia Garware Benefit Trust |
| d. Post Employment Benefit Plans | Garware Polyester Limited Office Staff and Officers Provident Fund |
| e. Relatives of Key Managerial Personnel | Mrs. Kanchan U. Joshi (from October 18, 2022) Mrs. Priti P. Mehta Mrs. Asmita H. Nikam (up to October 18, 2022) |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

30. TRANSACTIONS WITH RELATED PARTIES

I Key Management Personnel Compensation

| | 2022-23 | 2021-22 |
|--------------------------|-------------------|------------|
| | ₹ In Lakhs | ₹ In Lakhs |
| Employee Benefit Expense | 2,920.71 | 3,153.69 |
| Post-Employment Benefits | 198.16 | 158.82 |
| TOTAL | 3,118.87 | 3,312.51 |

Key Managerial Personnel who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

II Transactions with the related parties

| Sr. No. | Particulars | Relationship | 2022-23 | 2021-22 |
|-----------|--|--|-----------------|------------|
| | | | ₹ In Lakhs | ₹ In Lakhs |
| a) | Sale of Goods | | | |
| | Garware Industries Private Limited | Entities in which some of the Directors are interested | 34.98 | 50.42 |
| b) | Purchase of Materials | | | |
| | Garware Industries Private Limited | Entities in which some of the Directors are interested | 5.15 | 0.22 |
| c) | Service Received /Processing/ Commission / Rent Paid / Reimbursement of Expenses/ Donation & CSR expenses | | | |
| | Garware Industries Private Limited (Rent) | Entities in which some of the Directors are interested | 227.45 | 216.62 |
| | Garware Industries Private Limited (Processing Charges) | Entities in which some of the Directors are interested | 4,361.71 | 4,980.31 |
| | Great View Real Estates Private Limited (Rent) | Entities in which some of the Directors are interested | 72.00 | 72.00 |
| | Shashvat Investment Consultancy & Properties Private Limited (Rent) | Entities in which some of the Directors are interested | 30.00 | 30.00 |
| | Ms. Monika Garware (Rent) | Vice Chairperson & Joint Managing Director | 72.00 | 72.00 |
| | Mrs. Sarita Garware Ramsay (Rent) | Joint Managing Director | 42.00 | 42.00 |
| | Ms. Sonia Garware (Rent) | Director | 72.00 | 72.00 |
| | Garware Community Centre (Donation & Expenses) | Entities in which some of the Directors are Trustees | 8.43 | 8.51 |
| | Garware Charitable Trust (Donation & CSR) | Entities in which some of the Directors are Trustees | 330.00 | 630.00 |
| | Garware Polyester Limited Office Staff and Officers Provident Fund (Employer Contribution) | (Post Employment Benefit Plans) | 203.60 | 196.53 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Sr. No. | Particulars | Relationship | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|-----------|--|--|-----------------------|-----------------------|
| d) | Rent Received | | | |
| | Garware Industries Private Limited | Entities in which some of the Directors are interested | 1.20 | - |
| | Great View Real Estates Private Limited | Entities in which some of the Directors are interested | 1.00 | - |
| | Shashvat Investment Consultancy & Properties Private Limited | Entities in which some of the Directors are interested | 1.00 | - |
| | B. D. Garware Research Centre Private Limited | Entities in which some of the Directors are interested | 1.00 | - |
| e) | Managerial Remuneration | | | |
| | Dr. S. B. Garware | Chairman and Managing Director | 722.69 | 880.57 |
| | Ms. Monika Garware | Vice Chairperson & Joint Managing Director | 694.61 | 700.68 |
| | Mrs. Sarita Garware Ramsay | Joint Managing Director | 462.08 | 525.67 |
| | Ms. Sonia Garware | Director | 1,023.58 | 874.77 |
| | Mr. U. V. Joshi | Whole - Time Director | 27.45 | - |
| | Mr. C. J. Pathak | Whole - Time Director | - | 171.46 |
| | Mr. H.N. Nikam | Whole - Time Director | 26.38 | 10.34 |
| | Mr. Pradeep Mehta | Chief Financial Officer | 74.20 | 75.10 |
| | Mr. Awaneesh Srivastava | Company Secretary | 87.88 | 73.92 |
| f) | Director Sitting Fees | | | |
| | Ms. Sonia Garware | Director | 0.80 | 0.60 |
| | Mr. B. D. Doshi | Director | - | 1.65 |
| | Mr. B. Moradian | Independent Director | - | 1.55 |
| | Mr. Ramesh P. Makhija | Independent Director | 1.50 | 0.40 |
| | Mr. M. C. Agarwal | Independent Director | 2.63 | 2.28 |
| | Mr. T. M. Parikh | Independent Director | 1.95 | 1.65 |
| | Mr. Nilesh R. Doshi | Independent Director | 1.75 | 1.50 |
| | Mr. V. H. Kamath | Independent Director | 1.55 | 1.05 |
| | Ms. Devanshi H. Nanavati | Independent Director | 1.20 | 1.00 |
| g) | Car Lease Payment / Insurance Reimbursement | | | |
| | Mrs. Kanchan U. Joshi (Car Lease Rent) | Relative of Whole - Time Director | 0.61 | - |
| | Mrs. Sunita C. Pathak (Car Lease Rent) | Relative of Whole - Time Director | - | 3.86 |
| | Mrs. Priti P. Mehta (Car Lease Rent) | Relative of Key Managerial Person | 3.42 | 3.39 |
| | Mrs. Asmita Nikam (Car Lease Rent) | Relative of Whole - Time Director | 2.14 | 0.70 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

| Sr. No. | Particulars | Relationship | 2022-23 ₹ In Lakhs | 2021-22 ₹ In Lakhs |
|-----------|---|--|-----------------------|-----------------------|
| h) | Net Balances (Dr / (Cr)) | | | |
| | Garware Industries Private Limited | Entities in which some of the Directors are interested | (384.47) | (524.30) |
| | Shashvat Investment Consultancy & Properties Private Limited (Rent deposit) | Entities in which some of the Directors are interested | 7.50 | 7.50 |
| | Great View Real Estates Private Limited (Rent Deposit) | Entities in which some of the Directors are interested | 36.00 | 36.00 |
| | Dr. S. B. Garware (Remuneration Payable) | Chairman and Managing Director | (76.61) | (295.68) |
| | Ms. Sonia Garware (Rent Deposit / Remuneration Payable) | Director | (5.68) | (9.75) |
| | Ms. Monika Garware (Rent Deposit / Remuneration Payable) | Vice Chairperson & Joint Managing Director | (42.98) | (189.58) |
| | Mrs. Sarita Garware Ramsay (Rent Deposit / Remuneration Payable) | Joint Managing Director | (27.81) | (133.28) |
| | Mr. U. V. Joshi | Whole - Time Director | (3.43) | - |
| | Mr. H. N. Nikam | Whole - Time Director | - | (2.47) |
| | Mr. Pradeep Mehta | Chief Financial Officer | (4.69) | (2.73) |
| | Mr. Awaneesh Srivastava | Company Secretary | (4.40) | (3.51) |
| | Mrs. Kanchan U. Joshi | Relative of Whole - Time Director | (0.11) | - |
| | Mrs. Asmita Nikam | Relative of Whole - Time Director | - | (0.26) |
| | Mrs. Priti P. Mehta | Relative of Key Managerial Person | (0.26) | (0.26) |

i) The above figures are net of Taxes and Duties

ii) There were no Loan and Advances in the nature of loans given / taken from Directors, Key Managerial Persons and Related Parties or any other entity.

31. SEGMENT REPORTING

i) Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors have been identified as the chief operating decision maker.

The Group has organised its operating segments based on product groupings. These operating segments have been aggregated into one reportable business segment: Polyester films.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

ii) Geographical Segments

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers is shown in the table below:

(₹ in Lakhs)

| Particulars | Within India | | USA | | Rest of the world | | Total | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Segment Revenue by Geographical Area based on Geographical Location of Customers | 43,143.62 | 35,911.94 | 47,008.15 | 30,886.28 | 53,649.26 | 63,465.17 | 1,43,801.03 | 1,30,263.39 |

- i) The Total of Non-Current Assets (other than Financial Instruments, Deferred Tax Assets and Income Tax Assets) are located in the Company's Country of Domicile i.e. in India.
- ii) One customer contributed ~ 16% (~ 14% Previous Year) to the Group's total product sale.

32. (a) INTEREST IN OTHER ENTITIES

i) Subsidiary and Step-down Subsidiary

| Name of the Entity | Place of Business | Ownership Held by Group | | Principal Activities |
|---|-------------------|-------------------------|----------------------|--|
| | | As at March 31, 2023 | As at March 31, 2022 | |
| Subsidiary Garware Hi-Tech Films International Ltd. | United Kingdom | 100% | 100% | Trading, Marketing and Distribution Solely for Garware Hi-Tech Films Limited |
| Step-down Subsidiary Global Hi-Tech Films Inc. | USA | 100% | 100% | Trading, Marketing and Distribution Solely for Garware Hi-Tech Films Limited |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

32. (b) ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ In Lakhs)

| Particulars | Net Assets i.e. Total Assets Minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|--|--------------------|-------------------------------------|------------------|---|---------------|---|------------------|
| | As % of Consolidated Net Assets | Amount | As % of Consolidated Profit or Loss | Amount | As % of Consolidated Other Comprehensive Income | Amount | As % of Consolidated Total Comprehensive Income | Amount |
| Parent | | | | | | | | |
| Garware Hi-Tech Films Limited | | | | | | | | |
| March 31, 2023 | 97.71% | 1,81,339.95 | 88.84% | 14,759.48 | 100.00% | 114.02 | 88.91% | 14,873.50 |
| March 31, 2022 | 98.66% | 1,68,789.69 | 95.83% | 16,020.53 | 100.00% | 348.28 | 95.91% | 16,368.81 |
| Foreign Subsidiary | | | | | | | | |
| Global Hi-Tech Films Inc. | | | | | | | | |
| March 31, 2023 | 2.16% | 4,017.41 | 12.28% | 2,041.01 | - | - | 12.20% | 2,041.01 |
| March 31, 2022 | 1.58% | 2,696.93 | 8.30% | 1,387.09 | - | - | 8.13% | 1,387.09 |
| Garware Hi-Tech Films International Ltd. | | | | | | | | |
| March 31, 2023 | 1.67% | 3,106.88 | 7.33% | 1,218.08 | - | - | 7.28% | 1,218.08 |
| March 31, 2022 | 1.09% | 1,866.13 | 4.52% | 754.96 | - | - | 4.42% | 754.96 |
| Subtotal 2023 | 101.54% | 1,88,464.24 | 108.45% | 18,018.57 | 100.00% | 114.02 | 108.39% | 18,132.59 |
| Subtotal 2022 | 101.32% | 1,73,352.75 | 108.65% | 18,162.58 | 100.00% | 348.28 | 108.46% | 18,510.86 |
| Inter Company Elimination and Consolidation Adjustment | | | | | | | | |
| March 31, 2023 | (1.55%) | (2,882.38) | (8.45%) | (1,404.33) | - | - | (8.39%) | (1,404.33) |
| March 31, 2022 | (1.32%) | (2,264.90) | (8.64%) | (1,444.57) | - | - | (8.46%) | (1,444.57) |
| Grand Total | | | | | | | | |
| March 31, 2023 | 100% | 1,85,581.86 | 100% | 16,614.24 | 100% | 114.02 | 100% | 16,728.26 |
| March 31, 2022 | 100% | 1,71,087.85 | 100% | 16,718.01 | 100% | 348.28 | 100% | 17,066.29 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

33. FAIR VALUE MEASUREMENTS

Financial Instruments by Category

| | March 31, 2023 (₹ in Lakhs) | | March 31, 2022 (₹ in Lakhs) | |
|--|--|---|-----------------------------|---|
| | Fair Value Through Profit and Loss Account | Fair Value Through Other Comprehensive Income | Amortised Cost | Fair Value Through Other Comprehensive Income |
| Financial Assets | | | | Amortised Cost |
| Investments in Quoted Equity Instruments | - | 7,632.26 | - | - |
| Investments in Unquoted Equity Instruments | 8.08 | - | 8.08 | - |
| Investment in Quoted Mutual Funds | 31,629.87 | - | 19,964.23 | - |
| Security Deposits | - | - | 238.33 | 232.07 |
| Margin money with more than 12 Months Maturity | - | - | 59.50 | - |
| Trade Receivables | - | - | 2,995.01 | - |
| Cash and Cash Equivalents | - | - | 5,998.67 | 3,326.05 |
| Bank Balances other than above | - | - | 1,046.65 | 9,930.81 |
| Loans and Advances to Employees | - | - | 33.61 | 890.72 |
| Other Receivables | - | - | 122.44 | 12.79 |
| Derivative Financial Instrument | 30.94 | - | - | 118.97 |
| Total Financial Assets | 31,668.89 | 7,632.26 | 10,494.21 | 14,511.41 |
| | | | | |
| Financial Liabilities | | | | |
| Non Current Borrowings | - | - | 7,535.70 | 11,701.74 |
| Non Current Lease Liability | - | - | 939.57 | 1,316.97 |
| Current Maturities of Long Term Debt | - | - | 6,542.95 | 6,542.95 |
| Trade Payables | - | - | 10,357.16 | 10,990.24 |
| Current Portion of Lease Liabilities | - | - | 700.85 | 625.17 |
| Unclaimed Dividend | - | - | 165.25 | 122.74 |
| Creditors for Capital Expenditure | - | - | 429.29 | 701.94 |
| Payable for Expenses | - | - | 300.68 | 717.59 |
| Payable to Employees | - | - | 605.39 | 559.60 |
| Deposit from Customers | - | - | 157.38 | 197.88 |
| Total Financial Liabilities | - | - | 27,734.22 | 33,476.82 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

i) Fair value hierarchy

The fair values of the financial instruments that are recognised and measured at fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

(₹ in Lakhs)

| Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|-------|-----------|---------|---------|-----------|
| At March 31, 2023 | | | | | |
| Financial Assets | | | | | |
| Derivative Financial Instrument (Asset) | 8 | - | 30.94 | - | 30.94 |
| Investment in Quoted Mutual Fund | 3 (b) | 31,629.87 | - | - | 31,629.87 |
| Investment in Quoted Equity Instruments | 3 (a) | 7,632.26 | - | - | 7,632.26 |
| Investments in Unquoted Equity Instruments | 3 (a) | - | 8.08 | - | 8.08 |

(₹ in Lakhs)

| Financial Assets and Liabilities Measured at Fair Value - Recurring Fair Value Measurements | Notes | Level 1 | Level 2 | Level 3 | Total |
|---|-------|-----------|---------|---------|-----------|
| At March 31, 2022 | | | | | |
| Financial Assets | | | | | |
| Derivative Financial Instrument | 8 | - | 51.14 | - | 51.14 |
| Investment in Quoted Mutual Fund | 3 (b) | 19,964.23 | - | - | 19,964.23 |
| Investment in Quoted Equity Instruments | 3 (a) | 7,434.43 | - | - | 7,434.43 |
| Investments in Unquoted Equity Instruments | 3 (a) | - | 8.08 | - | 8.08 |

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes quoted equity instruments and mutual funds. The fair value of all the equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2: The fair value of derivatives and investment in unquoted financial instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii) Valuation Technique Used to Determine Fair Value

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- The fair value of mutual funds is calculated by valuing them at closing NAV

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

iii) Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

34. FINANCIAL RISK MANAGEMENT

The Company's activities exposes it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are taken.

The Company's risk management is carried out by the Company's treasury department under policies approved by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit Risk

Credit risk refers to a risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities primarily trade receivables, derivative financial instruments, investment in mutual funds, deposits held with banks, loans and other receivables.

The Company has a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its customers are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

For investment in mutual funds, derivative financial instruments and balances held with banks, banks and recognised financial institutions with only high credit rating are accepted.

Trade Receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

| Movement of Provision for Doubtful Debts: | 2022-23 | 2021-22 |
|--|-------------------|-------------------|
| | ₹ in Lakhs | ₹ in Lakhs |
| Provision for Doubtful Debts as on April 1 | 20.86 | 20.86 |
| Change during the year | - | - |
| Provision for Doubtful Debts as on March 31 | 20.86 | 20.86 |

(B) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(i) Maturities of Financial Liabilities:

Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non - derivative financial liabilities are as follows:

(₹ In Lakhs)

| Particulars | Carrying amount as at March 31, 2023 | < 1 year | 1 to 3 years | > 3 years |
|------------------------------------|--------------------------------------|------------------|-----------------|-----------------|
| Non Current Borrowings | 7,535.70 | - | 6,415.69 | 1,120.01 |
| Non Current Lease Liability | 939.57 | - | 691.05 | 248.52 |
| Current Borrowings | 6,542.95 | 6,542.95 | - | - |
| Current Maturities Lease Liability | 700.85 | 700.85 | - | - |
| Trade Payables | 10,357.16 | 10,357.16 | - | - |
| Unclaimed Dividend | 165.25 | 165.25 | - | - |
| Creditors for Capital Expenditure | 429.29 | 429.29 | - | - |
| Payable for Expenses | 300.68 | 300.68 | - | - |
| Payable to Employees | 605.39 | 605.39 | - | - |
| Deposit from Customers | 157.38 | 157.38 | - | - |
| TOTAL | 27,734.22 | 19,258.95 | 7,106.74 | 1,368.53 |

(₹ In Lakhs)

| Particulars | Carrying amount as at March 31, 2022 | < 1 year | 1 to 3 years | > 3 years |
|------------------------------------|--------------------------------------|------------------|------------------|-----------------|
| Non Current Borrowings | 11,701.74 | - | 10,550.90 | 1,150.84 |
| Non Current Lease Liability | 1,316.97 | - | 918.30 | 398.67 |
| Current Borrowings | 6,542.95 | 6,542.95 | - | - |
| Current Maturities Lease Liability | 625.17 | 625.17 | - | - |
| Trade Payables | 10,990.24 | 10,990.24 | - | - |
| Unclaimed Dividend | 122.74 | 122.74 | - | - |
| Creditors for Capital Expenditure | 701.94 | 701.94 | - | - |
| Payable for Expenses | 717.59 | 717.59 | - | - |
| Payable to Employees | 559.60 | 559.60 | - | - |
| Deposit from Customers | 197.88 | 197.88 | - | - |
| TOTAL | 33,476.82 | 20,458.11 | 11,469.20 | 1,549.51 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(C) Market Risk

I) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The company is engaged in international trade and thereby exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (₹). The Company's risk management policy is to hedge sales and purchases. The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

i) Foreign Currency Risk Exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ In Lakhs, are as follows :-

| | March 31, 2023 | | | March 31, 2022 | | | | | |
|---|----------------|-----------------|----------------|----------------|-------------|------|------|-------|----------|
| | EUR | USD | GBP | EUR | USD | AUD | AED | JPY | GBP |
| Financial Assets | 894.92 | 7,529.61 | 0.00 | 1,650.27 | 12,758.78 | 0.00 | 0.00 | 30.12 | 135.99 |
| Financial Instruments (assets) - Foreign Exchange Forward Contracts (Sell Foreign Currency) | (620.49) | (6,694.20) | (88.19) | (1,620.84) | (10,624.68) | - | - | - | (198.91) |
| Net Exposure to Foreign Currency Risk (Assets) | 274.43 | 835.41 | (88.19) | 29.43 | 2,134.10 | - | - | 30.12 | (62.92) |
| Financial Liabilities | 36.33 | 1,727.13 | 972.65 | 156.50 | 1,671.66 | 0.56 | 4.05 | - | 102.61 |
| Net Exposure to Foreign Currency Risk (Liabilities) | 36.33 | 1,727.13 | 972.65 | 156.50 | 1,671.66 | 0.56 | 4.05 | - | 102.61 |

ii) Sensitivity

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

(₹ In Lakhs)

| | Impact on Profit Before Tax | |
|-------------------------------------|-----------------------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| EUR Sensitivity | | |
| ₹ / EUR - Increase / Decrease by 5% | 11.90 | 6.35 |
| USD Sensitivity | | |
| ₹ / USD - Increase / Decrease by 5% | 44.59 | 23.12 |
| AUD Sensitivity | | |
| ₹ / AUD - Increase / Decrease by 5% | - | 0.03 |
| AED Sensitivity | | |
| ₹ / AED - Increase / Decrease by 5% | - | 0.20 |
| JPY Sensitivity | | |
| ₹ / JPY - Increase / Decrease by 5% | - | 1.51 |
| GBP Sensitivity | | |
| ₹ / GBP - Increase / Decrease by 5% | 53.04 | 8.28 |

* Holding all other variables constant

II) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on financial liabilities such as borrowings, both non - current and current. The Company has not used any interest rate derivatives. The Company is also exposed to interest rate risk on its financial assets that include fixed deposits and liquid investments such as deposits which are part of cash and cash equivalents. Since all these are generally for short durations, the Company believes it has manageable risk for achieving satisfactory returns.

35. CAPITAL MANAGEMENT

a) Risk Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholders value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

b) Dividends

(₹ In Lakhs)

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| (i) Equity shares | | |
| (a) Final dividend paid for the year ended March 31, 2022: ₹ 10/- (March 31, 2021 of ₹ 10/-) per fully paid share | 2,323.24 | 2,323.24 |
| (ii) Dividends not recognised at the end of the reporting period | | |
| The directors have recommended the payment of a final dividend of ₹ 10/- (March 31, 2022 - ₹ 10/-) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | - | - |
| The Dividends declared / paid during the FY 2022-23 (PY 2021-22) are in compliance with Section 123 of the Companies Act, 2013. | | |

36. ANALYTICAL RATIOS

| Sr. No. | Particulars | Numerator | Denominator | As at March 31, 2023 | As at March 31, 2022 | Change |
|---------|---|---|--|-------------------------|-------------------------|--------------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 2.7 | 2.3 | 20% |
| 2 | Debt Equity Ratio | Long Term Debt (Incl. Lease Liabilities) | Total Equity | 0.0 | 0.1 | (40%) [#] |
| 3 | Debt Service Coverage Ratio | PAT + Depreciation + Finance Cost | Finance Cost + Loan Repayments | 2.4 | 3.5 | (32%)* |
| 4 | Return on Equity Ratio | Net Profit After Taxes | Total Equity | 9.0% | 9.8% | (8%) |
| 5 | Inventory Turnover Ratio | Net Sales of Products | Average Inventory | 6.9 | 7.6 | (10%) |
| 6 | Trade Receivable Turnover Ratio | Net Sales of Products | Average Trade Receivables | 44.7 | 33.9 | 32%** |
| 7 | Trade Payables Turnover Ratio | Cost of Purchases | Average Trade Payables | 10.2 | 9.6 | 6% |
| 8 | Net Capital Turnover Ratio | Net Sales of Products | Working Capital (Current Assets - Current Liabilities) | 3.4 | 3.8 | (10%) |
| 9 | Net Profit Ratio | Net Profit | Revenue from Operations | 11.6% | 12.8% | (10.%) |
| 10 | Return on Capital Employed | Earning Before Interest and Taxes | Capital Employed | 12.0% | 13.3% | (10.%) |
| 11 | Return on Investment - Quoted Mutual Fund | Income Generated from Investment in Mutual Fund | Time Weighted Average Cost of Investments | 5.6% | 4.0% | 41% [^] |

* Increase in Loan Repayments Resulted in Decrease in the Ratio.

** Improvement in Trade Receivable Turnover Ratio is on Account of Better Management of Receivables / Credit Policies.

Decrease in Outstanding Borrowings and Increase in Reserves on Account of Profits During the Year Resulted in Reduction in Ratio.

[^] Yield on Mutual Fund Investment Improved on Account of Recent Increase in Debt Market.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

37. RELATIONSHIP WITH STRUCK OFF COMPANIES

(₹ in Lakhs)

| Sr. No. | Name of Struck off Company | Nature of Transaction | Relation with Struck off Company | Transaction During FY 2022-23 / 2021-22 | Balance Outstanding as on 31.03.2023 | Balance Outstanding as on 31.03.2022 |
|---------|----------------------------------|-------------------------------|----------------------------------|---|--------------------------------------|--------------------------------------|
| 1 | Koyali Carbotech Private Limited | Security Deposit | Vendor | - | 0.10 | 0.10 |
| 2 | Other Entities (a) | Subscription to Equity Shares | Equity Shareholder | - | 0.07 | 0.07 |

(a) Details of Other Struck off Companies Holding Shares of the Company as Below:

| Sr. No. | Name of Struck off Company | No. of Shares held as on 31.03.2023 (Paid Up Value ₹10 each) | No. of Shares held as on 31.03.2022 (Paid Up Value ₹10 each) |
|---------|--|--|--|
| 1 | Agents India Limited | 75 | 75 |
| 2 | Pranajali Investments and Trading Co Pvt. Ltd. | 81 | 81 |
| 3 | Shri Brijraj Investments and Estates Private Limited | 105 | 105 |
| 4 | Idafa Investments Private Limited | 50 | 50 |
| 5 | Adarsh Textiles Industries Private Limited | 340 | 340 |

38. PREVIOUS YEAR FIGURES HAVE BEEN RECLASSIFIED/ REGROUPED TO CONFORM TO THE THIS YEAR CLASSIFICATION.

39. APPROVAL OF FINANCIAL STATEMENTS

The Consolidated financial statements of the Group have been authorised for issue by the Board of Directors at their meeting held on May 26, 2023.

| | | | | |
|---|--|--|---|---|
| As per our report of even date | As per our report of even date | For and on behalf of the Board of Directors | | |
| For Manubhai & Shah LLP Chartered Accountants (FRN. 106041W/W100136) | For Kirtane & Pandit LLP Chartered Accountants (FRN. 105215W/W100057) | Dr. S. B. GARWARE Chairman & Managing Director DIN : 00943822 | T. M. PARIKH Director DIN : 00049287 | UDAY V. JOSHI Whole-Time Director DIN : 09753984 |
| LAXMINARAYAN P. YEKKALI Partner M.No. 114753 Mumbai, 26th May, 2023 | ADITYA A. KANETKAR Partner M.No.: 149037 Mumbai, 26th May, 2023 | AWANEESH SRIVASTAVA Company Secretary ICSI M. No. FCS8513 | PRADEEP MEHTA Chief Financial Officer ICAI M. No. 049220 | |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

FORM AOC - 1

Statement pursuant to first provision to Sub-Section (3) of Section 129 of the Companies Act 2013, with rule 5 of the Companies (Accounts) Rules , 2014 in the prescribed FORM AOC - 1 relating to Subsidiary Companies

(₹ In Lakhs)

| Sr. No. | Particulars | Garware Hi-Tech Films International Limited (GHFIL) (100% wholly owned by the Company) | Global Hi-Tech Films Inc. (100% wholly owned by GHFIL) |
|---------|---|--|--|
| | | 2023 | 2023 |
| 1 | Reporting Currency | GBP | USD |
| 2 | Exchange Rate considered at the close of the year | 101.65 | 82.17 |
| 3 | Share Capital | 254.12 | 82.17 |
| 4 | Reserves & Surplus | 3,030.07 | 3,695.26 |
| 5 | Total Assets | 3,513.52 | 8,211.02 |
| 6 | Total Liabilities | 229.34 | 4,433.59 |
| 7 | Investment | 63.07 | 0.00 |
| 8 | Turnover & Other Income | 7,988.62 | 48,424.88 |
| 9 | Profit / (Loss) Before Taxation | 1,342.33 | 2,448.95 |
| 10 | Provision for Taxation | 67.49 | 679.30 |
| 11 | Profit / (Loss) after Taxation | 1,274.84 | 1,769.64 |
| 12 | Dividend Proposed / Paid | 0.00 | 903.87 |
| 13 | Country | U K | U S A |

Notes :

- 1 The final Audited accounts of Garware Hi-Tech Films International Limited are in Great Britain Pounds (GBP) and translated at closing rate as on 31.03.2023 (₹ 101.6475 = 1 GBP)
- 2 The final Audited accounts of Global Hi-Tech Films Inc. are in U S Dollars (USD) and translated at closing rate as on 31.03.2023 (₹ 82.17 = 1 USD)



GARWARE HI-TECH FILMS LIMITED

CIN: L10889MH1957PLC010889

Regd. Office : Naigaon, Post Waluj, Aurangabad - 431 133.

ATTENDANCE SLIP

(To be presented at the entrance)

Name of the Shareholder or Proxy _____

DP ID _____ Folio No. / Client ID _____

I/We hereby record my/our presence at the **66th ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company at Naigaon, Post Waluj, Aurangabad – 431 133 on Wednesday, September 27, 2023 at 11.30 a.m.

Signature of the Member/Proxy

-----✂-----✂-----

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 read with Rule 19(3) of the Companies (Management and Administration) Rules, 2014]



GARWARE HI-TECH FILMS LIMITED

CIN: L10889MH1957PLC010889

Regd. Office : Naigaon, Post Waluj, Aurangabad - 431 133.

Name of the Member(s) : _____
Registered Address : _____
E-mail Id : _____
Folio No./Client ID No./DP ID No. : _____

I / We, being the member(s) of _____ Shares of Garware Hi-Tech Films Limited, hereby appoint

1. Name : _____ E-mail Id : _____
Address : _____ Signature : _____

or failing him/her

2. Name : _____ E-mail Id : _____
Address : _____ Signature : _____

or failing him/her

3. Name : _____ E-mail Id : _____
Address : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 66th Annual General Meeting of the Company, to be held on Wednesday, September 27, 2023 at 11.30 a.m. Registered Office of the Company at Naigaon, Post Waluj, Aurangabad – 431 133 and at any adjournment thereof in respect of such resolutions as are indicated below:

-----><-----><-----

| RESOLUTIONS | Optional* | |
|---|-----------|---------|
| | For | Against |
| Ordinary Business | | |
| 1. Adoption of Audited Standalone and Consolidated Financial Statements for the year ended 31st March, 2023 with Directors and Auditors reports thereon. | | |
| 2. Declaration of dividend on the equity shares for the financial year 2022-23. | | |
| 3. Re-appointment of Ms. Sonia Garware (DIN: 00135995), as a Director who retires by rotation and being eligible offers herself for the reappointment. | | |
| Special Business | | |
| 4. Ratification of the remuneration of Cost Auditors. | | |
| 5. Revision in tenure of Ms. Monika Garware (DIN:00143400), as a Joint Managing Director of the Company. | | |
| 6. Appointment of Mr. Mohan Sitaram Adsul (DIN: 00146752), as a Director in the category of Executive Director as a Whole-Time Director designated as Director-Technical. | | |

Signed this _____ day of _____ 2023

Affix
Revenue
Stamp
Of ₹ 1/-

Signature of shareholder _____

Signature of Proxy holder(s) _____

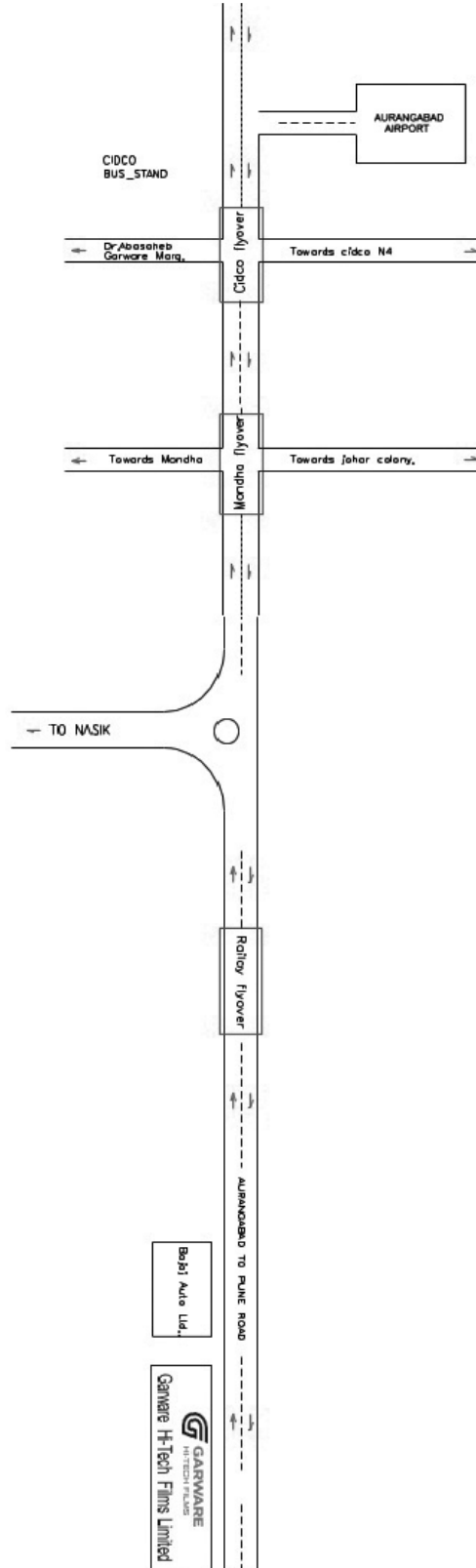
Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 66th Annual General Meeting.
3. *It is optional to put a ' X ' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of members(s) in above box before submission.
5. Appointment of Proxy does not prevent a member from personally attending in person if he/she wishes.
6. In case of joint holder, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Notes

Notes

ROUTE MAP FOR AGM



VENUE: AGM Hall,
Garware Hi-Tech Films Limited
Waluj, Aurangabad.

