



Better Ideas  
in Action

41st Annual Report 2017-2018

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



**GARWARE**  
TECHNICAL FIBRES

# 41st ANNUAL GENERAL MEETING

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

**Time:** 10.30 am

**Venue:**

Auto Cluster Auditorium,  
Auto Cluster Development And  
Research Institute Limited,  
H-Block, Plot No. C-181,  
Off Old Pune-Mumbai Highway,  
Chinchwad, Pune - 411 019,  
Maharashtra, India.

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**GARWARE**  
TECHNICAL FIBRES

## NEW BRAND IDENTITY

### A brighter future with Garware Technical Fibres!

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

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

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

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

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



### From the Chairman's Desk



Dear Shareholders,

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

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

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

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

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

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





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

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

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

As you are aware, more than 40 years ago, my late grandfather, Mr. Abasaheb Garware, founded Garware-Wall Ropes Ltd. with a vision of building an institution of modern India, built on a foundation of excellence in quality, customer focus, innovation and enhancing value to all our stakeholders. The

vision was further built by my father, Mr. Ramesh Garware. We are proud of this legacy and will do everything to protect and build on this valued heritage. But we also recognize that we have evolved as a Company: We have become global, technically advanced, and with presence in many segments. Hence, after intensive research to understand our brand equity, we have decided to modify the way we project ourselves to the outside world, so that it reflects who we are truly. Accordingly, we have decided on a new name, a new logo, and a new positioning statement.

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

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

With warm regards,

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



## Executing a pioneering vision

*Leveraging technical fibre expertise to provide innovative solutions.*

The story of consistent growth and profitability recorded by Garware Technical Fibres Ltd (GTFL) starts with the entrepreneurial vision of its founder, Shri Abasaheb Garware. Recognizing the difficulties faced by end-users of traditional ropes and nets in the Indian shipping and fishing sectors, he diversified from the family's nylon business in the mid-1970s, to provide strong, long-lasting polymer-based solutions. Offering clear benefits such as higher durability and lower cost of operations, the Company's offerings found immediate acceptance. The innovative zeal was sustained with the development of a slew of game-changing products. GTFL was the first company in India to provide high-density polyethylene (HDPE) mono-filament twines for fishing nets; it introduced the use of 8-strand shipping ropes, and established the use of polypropylene multifilament (PPMF)

threads for bag stitching. Shri Abasaheb's legacy was continued in the 1990s by his son, Shri Ramesh Bhalchandra Garware, who spearheaded the company's forays into new application areas. The setting up of a new plant at Wai, near Pune, strengthened the Company's abilities to cater to demand from across the globe with customized solutions that increased customers' profitability. GTFL's mission statement, firmed up in 2008, guides all its efforts and is an integral part of the Company's operations: *Provide Innovative, Application Focused Solutions to Enhance Value of Our Customers Globally.*





## Using core capabilities to expand product portfolio

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

GTFL has leveraged its technological expertise in the engineering of polymers, and its in-house capabilities in areas such as extrusion, knitting, wet processing, fabric weaving, coating, and fabrication, to build a highly diversified product portfolio, which covers several industry segments. The Company is today the manufacturer of multiple types of technical textiles for applications as diverse as deep-sea fishing, global shipping, aquaculture, sports, protected agriculture, environmental protection, infrastructure

development, safe transportation, building construction, and highly specialized defence requirements. End-users range from individual entrepreneurs to large corporations and government agencies. Significantly, in each of the application areas, value-added products constitute a large share of the business, giving the Company the financial muscle to weather unfavourable business cycles in particular segments or geographies, and invest in application-focused research, market development, strengthening of distribution channels, and enhanced customer servicing.





## Investing in technological innovation

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

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

The starting point of the well-honed process for new-product development is a close study of relevant aspects of the business operations of customers, to identify specific areas where technical textiles could reduce costs, improve productivity, reduce downtime, and increase overall profitability. Every year, promising new-product ideas are selected on the basis of clearly defined parameters. The effort then shifts to the Company's R&D laboratory, where design and engineering are finalized with a focus

on the creation of unique solutions. After product specifications are decided, rigorous testing is conducted in-house, in simulated conditions, and at actual application sites. Product performance is also certified through internationally reputed laboratories. The Company's relentless application-focused innovation drive is testified by the filing of more than 20 patents across industry segments.







## Responding to the voice of the customer

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

GTFL's application-focused R&D is driven by deep and continuously maintained customer relations. From small fishermen along India's coastline, to farmers in the interior parts of the country, corporate giants involved in infrastructure projects, and large aquafarmers in Europe and America, the Company is continuously talking to its customers, to understand their operational and profitability challenges, and devise viable solutions. The deep customer relations also enable the Company to identify emerging needs and increase its marketing opportunities. Two-way communication with existing

and potential customers is conducted through a variety of channels including direct interactions, customer meets, participation in large exhibitions, road shows, field visits, product demonstrations, service camps, customers' visits to the company's facilities, and through tie-ups with other agencies. The Company's commitment to respond to the voice of the customer is reflected across its product range, including major recent innovations such as the Garfil range of nets for trawl fishing, Star and Sapphire Excel nets for eco-friendly fish farming, X2 aqua mooring ropes, and monofilament nets for protected cultivation.



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

defined and closely monitored efforts to improve relevant processes. The Company's human capital has been enhanced through lateral induction of new talent and engagements with consultants. Its work environment has been enriched, as testified through high rankings in the Great Place to Work surveys. The net outcome of all these efforts is a cohesive effort to continuously grow, learn and evolve, so that the company is the preferred partner of its customers, and delivers increased value to stakeholders.

