



# GARWARE SYNTHETICS LIMITED

Date: 30<sup>th</sup> June, 2021

To,  
The Corporate Relations Department,  
Bombay Stock Exchange Limited,  
PJ Tower, Dalal Street, Fort,  
Mumbai- 400 001

REGD. OFFICE & FACTORY :  
MANISH TEXTILES INDUSTRIES PREMISES,  
OPP. GOLDEN CHEMICAL, PENKAR PADA,  
POST MIRA, DIST THANE - 401 104.  
CIN: L99999MH1969PLC014371

TEL. : 022-2845 6037 / 2845 7763  
GRAMS : 'GARFLON'  
WEB : www.garwaresyn.com  
E-mail : garware.synthetic@gmail.com

Dear Sir/ Madam,

Ref: - Scrip Code: 514400

**Sub: Outcome of the Board Meeting.**

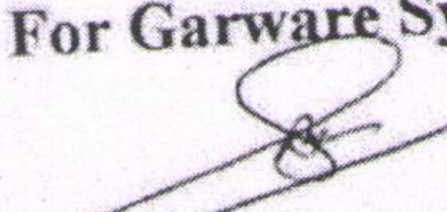
We are pleased to inform the Stock Exchange that the Board of Directors at their meeting held on 30<sup>th</sup> June, 2021 at the registered office of the Company at Manish Textiles, Industrial Premises, Opposite Golden Chemical, Penkar Pada, Mira Road, Thane- 401104 has considered and approved the following:

- The Audited Financial Results along with statement of Assets and Liabilities and Cash flow for the Quarter and year ended on 31<sup>st</sup> March, 2021.
- The Audit Report for the year ended on 31<sup>st</sup> March, 2021.
- Appointment of M/s. S.G. & Associates, Practicing Company Secretaries (COP:5722) as Secretarial Auditor to conduct Secretarial Audit for the year 2021-22.
- Other routine Business with the permission of the Chair.

The Meeting had commenced at 3.00 p.m. and concluded on 5.15 p.m.

Kindly acknowledge the receipt of the same.

Thanking you,  
For Garware Synthetics Limited,

  
Santosh Borkar  
DIN: 03134348  
Director





# GARWARE SYNTHETICS LIMITED

REGD. OFFICE & FACTORY :  
MANISH TEXTILES INDUSTRIES PREMISES,  
OPP. GOLDEN CHEMICAL, PENKAR PADA,  
POST MIRA, DIST THANE - 401 104.  
CIN: L99999MH1969PLC014371

TEL. : 022-2845 6037 / 2845 7763  
GRAMS : 'GARFLON'  
WEB : www.garwaresyn.com  
E-mail : garware.synthetic@gmail.com

## STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH 2021

₹ in lakhs

SR. NO.	PARTICULARS	Quarter Ended			Year Ended	
		31/03/2021	31/12/2020	31/03/2020	31/03/2021	31/03/2020
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	274.41	259.41	223.90	826.60	911.36
II	Other Income	0.09	0.00	0.27	0.11	0.34
III	<b>Total Revenue (I + II)</b>	<b>274.50</b>	<b>259.41</b>	<b>224.17</b>	<b>826.71</b>	<b>911.70</b>
IV	Expenses					
	Cost of material consumed	150.13	144.16	116.12	404.25	494.46
	Purchases of stock-in-trade	0.00	0.00	0.00	0.00	0.13
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6.21)	(22.34)	(4.18)	0.86	8.56
	Employee benefit expenses	43.87	44.30	50.95	146.58	189.13
	Finance costs	21.40	8.04	0.20	43.13	8.54
	Depreciation and Amortization expenses	0.43	0.54	0.65	2.14	2.60
	Other expenses	46.81	58.78	35.59	168.86	189.87
	<b>Total Expenses</b>	<b>256.42</b>	<b>233.48</b>	<b>199.33</b>	<b>765.83</b>	<b>893.29</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>	<b>18.09</b>	<b>25.92</b>	<b>24.85</b>	<b>60.87</b>	<b>18.41</b>
VI	Exceptional items	0.00	0.00	0.00	0.00	0.00
VII	Profit before extraordinary items and tax (V - VI)	18.09	25.92	24.85	60.87	18.41
VIII	Extra ordinary items	0.00	0.00	(47.50)	0.00	0.00
IV	<b>Profit before tax (VII- VIII)</b>	<b>18.09</b>	<b>25.92</b>	<b>72.35</b>	<b>60.87</b>	<b>18.41</b>
X	Tax expenses					
	(1) Current tax	2.57	0.00	7.06	2.57	7.06
	(2) Previous year tax	0.00	0.00	0.31	0.00	0.31
	(3) Deferred tax	0.00	0.00	0.00	0.00	0.00
XI	<b>Profit (Loss) for the period from continuing operations (IV-X)</b>	<b>15.52</b>	<b>25.92</b>	<b>64.98</b>	<b>58.31</b>	<b>11.05</b>
XII	Profit/(loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00
XIII	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	0.00	0.00	0.00	0.00	0.00
XV	Profit (Loss) for the period (XI + XIV)	15.52	25.92	64.98	58.31	11.05
XVI	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax related to items that will not be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	B. (i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	(ii) Income tax related to items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
XVII	Total comprehensive income for the period (XV + XVI) Comprising Profit (Loss) and Other Comprehensive Income for the period	15.52	25.92	64.98	58.31	11.05
XVIII	Paid- up Equity Share Capital (Face value of Rs. 10/- each fully paid-up)	580.89	580.89	580.89	580.89	580.89
XIX	Reserves excluding Revaluation Reserves as per latest Audited Balance Sheet				261.88	261.88



# GARWARE SYNTHETICS LIMITED

REGD. OFFICE & FACTORY  
MANISH TEXTILES INDUSTRIES PREMISES  
OPP GOLDEN CHEMICAL, PENKAR PADA  
POST MIRA, DIST. THANE - 401 104  
'CIN: L99999MH1969PLC014371

TEL 022-2845 6037 / 2845 7763  
GRAMS 'GARFLON'  
WEB www.garwaresyn.com  
E-mail garware.synthetic@gmail.com

XX	i). Earnings per share (before extra ordinary items)					
	a. Basic	0.31	0.45	1.25	1.05	0.32
	b. Diluted	0.31	0.45	1.25	1.05	0.32
XXI	ii). Earnings per share (after extra ordinary items)					
	a. Basic	0.27	0.45	1.12	1.00	0.19
	b. Diluted	0.27	0.45	1.12	1.00	0.19

## STATEMENT OF ASSETS, EQUITY AND LIABILITIES AS AT 31ST MARCH, 2021

₹ in lakhs

Particulars		As at 31st March, 2021 (Audited)	As at 31st March, 2020 (Audited)
<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	1043.70	1044.63
	(b) Financial Assets		
	(i) investments	0.00	0.00
	(ii) loans	15.50	15.50
	(c) non current tax assets (net)	16.27	13.13
	(d) Deferred tax assets (net)	20.78	20.78
	(e) Other non-current assets	7.70	7.73
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	104.73	105.59
	(b) Financial Assets		
	(i) trade receivables	146.86	110.00
	(ii) cash & cash equivalents	3.86	16.26
	(c) Other current assets	1.39	0.10
	<b>Total Assets</b>	<b>1360.79</b>	<b>1333.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>Equity</b>		
	(a) Equity Share Capital	580.89	580.89
	(b) Other Equity	(796.35)	(854.66)
<b>B</b>	<b>Liabilities</b>		
<b>1</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) borrowings	1241.62	1290.95
	(b) Provisions	26.66	33.71
	(c) Other non-current liabilities	2.00	2.00
<b>2</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) trade payables	171.92	183.32
	(ii) other financial liabilities	43.97	18.31
	(b) Other current liabilities	90.08	79.21
	<b>Total Equity and Liabilities</b>	<b>1360.79</b>	<b>1333.72</b>





# GARWARE SYNTHETICS LIMITED

REGD. OFFICE & FACTORY :  
MANISH TEXTILES INDUSTRIES PREMISES,  
OPP. GOLDEN CHEMICAL, PENKAR PADA,  
POST MIRA, DIST THANE - 401 104.  
CIN: L99999MH1969PLC014371

TEL. : 022-2845 6037 / 2845 7763  
GRAMS : 'GARFLON'  
WEB : www.garwaresyn.com  
E-mail : garware.synthetic@gmail.com

## STANDALONE STATEMENT OF CASH FLOW AS AT 31ST MARCH, 2021

₹ in lakhs

Particulars	2020-21	2019-20
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	58.31	18.41
<b>Adjustments for:</b>		
Depreciation and amortisation	2.14	2.60
Liabilities / provisions written back to the extend no longer required	0.00	(0.11)
Finance costs	43.13	8.54
Prior period expense	0.00	0.00
Interest income	(0.08)	(0.16)
Other non-cash charges (specify)	0.00	0.00
Operating profit / (loss) before working capital changes	103.51	29.28
<b>Movements in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	0.86	8.56
Trade receivables	(36.86)	8.25
Other current assets	(1.29)	(0.10)
Other non-current assets	0.03	(0.10)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(11.40)	(17.75)
Other current liabilities	(3.71)	(61.61)
Other Current financial liabilities	0.00	(0.33)
Non Current provisions	(7.05)	(12.44)
	(59.42)	(75.52)
Cash generated from operations	44.09	(46.23)
Net income tax (paid) / refunds	(3.13)	(6.22)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>40.95</b>	<b>(52.46)</b>
<b>B. Cash flow from investing activities</b>		
Fixed Assets Purchased	(1.21)	(0.14)
Interest received	0.08	0.16
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1.14)</b>	<b>0.02</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non current borrowings	(49.33)	48.29
Finance cost	(2.89)	(4.81)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(52.22)</b>	<b>43.47</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(12.40)</b>	<b>(8.96)</b>
Cash and cash equivalents at the beginning of the year	16.26	25.22
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.00	0.00
<b>Cash and cash equivalents at the end of the year</b>	<b>3.86</b>	<b>16.26</b>

GARFLON BRISTLES • GARFLON RODS • GARFLON TUBING • GARFLON FILM • GARFLON FISHING LINE • GARSTRAP





# GARWARE SYNTHETICS LIMITED

REGD OFFICE & FACTORY  
MANISH TEXTILES INDUSTRIES PREMISES  
OPP GOLDEN CHEMICAL, PENKAR PADA  
POST MIRA, DIST THANE - 401 104  
CIN: L99999MH1969PLC014371

TEL 022-2845 6037 / 2845 7763  
GRAMS 'GARFLON'  
WEB www.garwaresyn.com  
E-mail garware.synthetic@gmail.com

* Comprises:		
(a) Cash on hand	1.46	4.21
(b) Balances with banks		
(i) In current accounts	2.39	12.04
	<b>3.86</b>	<b>16.26</b>

#### NOTES:

- 1) The above financial results has been reviewed and recommended by the Audit committee and approved by the Board of Directors at their meeting held on 30th June, 2021. The above results have been subjected to limited review by the statutory auditors of the Company.
- 2) These financial results have been prepared in accordance with (Indian Accounting Standards), Rules, 2015 ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3) The business activity of the company falls within a single primary business segment viz Nylon Bristles, Rods & Tubes, hence there is no other reportable segment as per Ind AS-108 "Operating segments".
- 4) Due to COVID-19 pandemic, operations of the Company and its revenue from manufacturing business for the year have been impacted. Various initiatives, online and offline, measures and action taken by the Company has gradually led to increase in the operations of the Company.
- 5) The figures for the previous periods have been regrouped/reclassified wherever necessary to correctly reflect current quarter's performance.

For Garware Synthetics Limited



Place: Mumbai  
Date: 30/06/2021

  
Santosh B. Borkar  
Executive Director  
DIN: 03134348



Krunal H Shah  
B.com., FCA  
Mob : +91 9870967170

# Krunal H Shah And Associates

## Chartered Accountants

### Independent Auditor's Report

To  
The Members of GARWARE SYNTHETICS LIMITED

#### Report on the standalone Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of M/s. GARWARE SYNTHETICS LIMITED ("the Company") which comprises the Balance Sheet as at 31<sup>st</sup> March 2021, the Statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and Profit and changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

The Company has not made any provision for Gratuity during the year ended 31<sup>st</sup> March 2021. Non provision of Gratuity is not in Compliance with the Indian Accounting Standard 19 (Ind AS-19) on Employee benefits. The impact of profitability if any could not be ascertained.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 qualified opinion.

#### Emphasis on Matters

We draw attention to the following matters:

The Company has not appointed Internal Auditor as required under Section 138 of the Companies Act, 2013. Our opinion is not modified in respect of these matters.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matters	How our audit addressed the key audit matter
<b>Evaluation of uncertain positions related to tax and regulatory matters</b>	
<p>The Company has material uncertain positions related to provident fund regulatory matters and direct and indirect tax matters under disputes that involves significant judgement to determine the possible outcome of these disputes, provisions required, if any, and/or write back of provision in respect of such matters. Refer Note 2(m) "Provisions &amp; Contingencies" for accounting policies, Note 30 in respect of details of Contingent liabilities in the financial Statements.</p>	<p>In view of the significance of the matter we applied following procedures: We have obtained details of tax litigations under various statutes for the year ended 31st March, 2021 from the management. We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters. We have also reviewed the assumptions made by the management as at 31st March, 2021 and evaluated whether any change was required on account of information and updates made available during the year. We verified the appropriateness of the accounting policies disclosures related to provisions and contingencies for sub judice matters and details of contingent liabilities in notes 2(m) and 30 respectively in the financial statements.</p>

#### **Responsibility of Management for the Standalone Financial Statements**

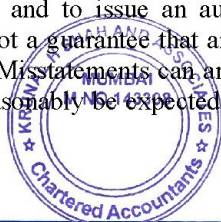
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and 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 of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

#### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.



**Other Matter**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2021**;
- b) In the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of section 164 of Companies Act, 2013.
- 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 A**".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – Refer Note 30 to the financial statements.
  - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.





- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Krunal H. Shah & Associates**  
**Chartered Accountants**  
**Firm Regn.No: 133038W**

*Krunal H. Shah*

**(Krunal H. Shah)**  
**Proprietor**  
**M. No.143308**  
**Place: Mumbai**  
**Date: 30/06/2021**  
**UDIN: 21143308AAAAAE7812**



**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting 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 Synthetics Limited** ('the Company') as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India 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 the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 controls 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, to the best of our information and according to the explanations given to us, 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 March 31, 2021, 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.

**For Krunal H. Shah & Associates**  
**Chartered Accountants**  
**Firm Regn.No: 133038W**

*Krunal H. Shah*

**(Krunal H. Shah)**

**Proprietor**

**M. No. : 143308**

**Place: Mumbai**

**Date: 30/06/2021**

**UDIN: 21143308AAAAAE7812**



**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Garware Synthetics Limited ('the Company')**

**i. In respect of fixed assets**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed Asset.
- (b) As explained to us, Fixed Assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) As explained to us by the management and placing reliance on the certificate issued by the management, the title deeds of immovable properties are held in the name of the company. However the immovable property includes land & Building. The title of the same is under dispute and the case is pending with the court of law.
- (d) In our opinion and according to the information and explanations given to us, no substantial fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.

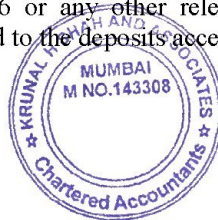
**ii. In respect of inventories**

- (a) As explained to us by the management and as observed by us, the inventory of raw material, finished goods, stores and spares etc. has been physically verified during the year at reasonable intervals. However, no physical verification has been carried out at the year-end due to government imposed lockdown to control Covid-19 pandemic. The inventory values have been taken as per values of recorded in books of accounts just before impose of lockdown. In our opinion, the frequency of physical verification is reasonable having regard to the size and nature of business of the company.
- (b) In our opinion, the procedure for physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of examination of the records of inventory and placing reliance on the certificate issued by the management, we are of the opinion that the company is maintaining proper records of inventory and no material discrepancy was noticed on physical verification of the same.

**iii.** The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.

**iv.** In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security.

**v.** The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



vi. The Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act but such accounts and records have been not so made and maintained as total aggregate turnover of the company from all its production or service is not more than 35 Crore in the preceding financial year.

**vii. In respect of Statutory Dues**

(a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Goods and service tax, Excise Duty and other material statutory dues, as applicable, except Profession Tax with the appropriate authorities in India.

(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, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes are as follows:

Sr No.	Financial Year	Bombay Sales Tax (BST)	Central Sales Tax (CST)	Income Tax	Forum where Dispute is pending
1	2003 - 04	62,22,840	50,98,890	-	Deputy Commissioner of Sales Tax
2	2012 - 13	-	-	14,11,930	Commissioner of Income Tax (Appeal)
3	2017 - 18	-	-	16,33,394	Commissioner of Income Tax (Appeal)

viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

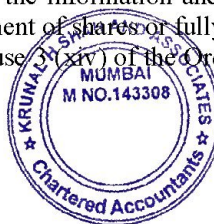
x. Based upon the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

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

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. Based upon the audit procedures performed and the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company and hence not commented upon.



- xv. Based upon the audit procedures performed and the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Krunal H. Shah & Associates**  
**Chartered Accountants**  
**Firm Regn.No: 133038W**



**(Krunal H. Shah)**  
**Proprietor**  
**M. No. : 143308**



**Place: Mumbai**  
**Date: 30/06/2021**  
**UDIN: 21143308AAAAAE7812**



# GARWARE SYNTHETICS LIMITED

Date: 30<sup>th</sup> June, 2021

To,  
Corporate Relationship Department  
Bombay Stock Exchange Limited  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
Mumbai- 400 001

REGD. OFFICE & FACTORY :  
MANISH TEXTILES INDUSTRIES PREMISES,  
OPP. GOLDEN CHEMICAL, PENKAR PADA,  
POST MIRA, DIST THANE - 401 104.  
CIN : U99999MH1969PLC014371

TEL. : 022-2845 6037 / 2845 7763  
GRAMS : 'GARFLON'  
WEB : [www.garwaresyn.com](http://www.garwaresyn.com)  
E-mail : [garware.synthetic@gmail.com](mailto:garware.synthetic@gmail.com)

Scrip Code: 514400

Garware Synthetics Limited

Declaration pursuant to SEBI (Listing Obligation and Disclosure Requirements) (Amendment)  
Regulation, 2016

This is with reference to the Audit Report given by the Statutory Auditors of the Company dated 30<sup>th</sup> June, 2021 for the Quarter and Financial Year ending 31<sup>st</sup> March, 2021, we would like to inform that the Auditors have given an unmodified opinion in their Audit Report for the financial year ending 31<sup>st</sup> March, 2021.

For Garware Synthetics Limited,

  
Santosh Borkar  
DIN: 03134348  
Director

