

**BOARD OF DIRECTORS**

Mr. Sunder K. Moolya	Whole Time Director
Mr. Santosh Borkar	Executive Director
Mr. Ramesh G. Chandorkar	Non-Executive Director
Mr. Kirti B. Doshi	Non-Executive Director

AUDITORS

B. V SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
21-22, Swapna Siddhi,
Akurli Road, Kandivali (East),
Mumbai- 400 101

REGISTERED OFFICE

Manish Textiles Industrial Premises,
Penkar Pada, Mira Road (East) - 401104,
Dist – Thane, Maharashtra.

**REGISTRARS & SHARE
TRANSFER AGENTS**

M/s Mondkar Computers Pvt Ltd
21 Shakil Niwas, Mahakali Caves Road
Andheri (E), Mumbai 400 093

BANKERS

Indian Overseas Bank
Bank of Baroda

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FORTY FIRST ANNUAL GENERAL MEETING

Day: Monday Date: 20th of September, 2010 Time: 09.00 A.M.

Venue: Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra.

ATTENTION

Shareholders please note that pursuant to recent changes in applicable laws and regulations, in order to receive and participate in all corporate actions of the Company, you are requested to:

- Inform our Registrar, if not already done earlier, for updating details of your PAN number. Non-submission of PAN number is a cause of rejection especially by shareholders holding securities in physical form.
- Inform your Registrar, to reactivate your account for credit actions. Frozen Demat Accounts may lead to non-credit /delayed credit of securities allotted to your account.
- Update your address with Registrar to ensure timely receipt of shareholder communication.

NOTICE of the 41st Annual General Meeting of GARWARE SYNTHETICS LIMITED.

NOTICE is hereby given that the 41st Annual General Meeting of the Members of **GARWARE SYNTHETICS LIMITED** will be held on 20th of September, 2010 at 9.00 A.M. at Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as on March 31, 2010 and Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kirti B. Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.
4. To consider, discuss and decide upon any other matter with the permission of the Chair.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. UNDER THE COMPANIES ACT, 1956, VOTING BY A SHOW OF HANDS UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON OR BY PROXY, HOLDING ATLEAST ONE-TENTH OF THE TOTAL SHARES ENTITLED TO VOTE ON THE RESOLUTION OR BY THOSE HOLDING PAID-UP CAPITAL OF AT LEAST RS. 50,000/-. A PROXY SHALL NOT VOTE EXCEPT ON A POLL.
2. In order to be effective, the instrument appointing the proxy must be deposited at the registered office of the Company not later than 48 hours prior to the scheduled time of commencement of the meeting.
3. Members/Proxies are requested to bring to the meeting the Attendance slip duly filled in along with their copy of this Annual Report.
4. The Register of Members of the Company shall remain closed from 13th September 2010 to 20th September ,2010 (both days inclusive) for the purpose of Annual General Meeting.
5. Consequent upon introduction of Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them, if not already done. Members desirous of making nominations are requested to send their requests in Form no. 2B (which will be made available on request) to the Company's Registrar and Share Transfer Agent in



case the shares are held in physical form and to the Depository Participants in case the shares are held in electronic form.

6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries in writing to the Compliance Officer at least seven days before the date of the meeting so that the information required may be made available at the meeting.
7. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrars and Share Transfer Agent to facilitate better service:
 - a) any change in their addresses; and
 - b) Shares held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

For and on behalf of the Board
For Garware Synthetics Limited

Place : Mumbai
Date : 19th August , 2010

Sunder K. Moolya
Director

DIRECTORS' REPORT

TO
THE MEMBERS,
GARWARE SYNTHETICS LIMITED

Your Directors have pleasure in presenting the 41st Annual Report and the Balance Sheet as at 31st March 2010.

BUSINESS REVIEW:

During the year Company earned net loss of Rs.3.47 Crores as against loss of Rs.0.48 Crores during the previous year. On the cost fronts the company has rationalized various overheads.

FINANCIAL RESULTS:

Your Directors present hereunder the 41st Annual Report on the Business and operations of the Company along with audited statement of accounts of your Company for the financial year ended 31st March, 2010. The financial results are summarized as under:

(Rs. in Lakhs)

Particulars	2009-10	2008-09
Sales Turnover for the period	416.84	427.67
Profit / (Loss) for the year before providing Depreciation & Financial Charges	14.60	(43.89)
Less : 1) Depreciation	1.99	2.65
2) Financial Charges	0.15	0.99
Profit / (Loss) for the year	12.46	(47.53)
Prior year adjustment (Net)	359.09	0.54
Fringe Benefit Tax	-	-
Loss brought forward from last year	(1720.47)	(1672.40)
Balance of Loss carried to Balance Sheet	(2067.09)	(1720.47)

DIVIDEND:

In view of the past accumulated losses suffered by your Company and inadequate profits during the year, Directors regret their inability to recommend dividend during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied consistently and judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the Loss of the Company for the year under review;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
4. The Directors have prepared the annual accounts for the financial year 31st March, 2010 on a going concern basis.

DEPOSITS:

The Company has not accepted any deposit Under Section 58A of the Companies Act, 1956

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, Shri Kirti B. Doshi, Director of the Company retire by rotation at the for coming Annual General Meeting and being eligible, offers oneself for re-appointment. The Board commends their re-appointment by the members at the forthcoming Annual General Meeting.

None of the Directors are disqualified from being appointed as directors as specified in section 274 (1)(g) of the Companies Act, 1956, as amended.

AUDITORS:

M/s. B. V. Shah & Associates, Chartered Accountants, Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The Company has obtained an eligibility certificate from them if re-appointed it would be in accordance with the prescribed limits specified under section 224(1-B) of the Companies Act, 1956.

CORPORATE GOVERNANCE:

As per Clause 49 of Listing Agreement, a separate section containing the Report on Corporate Governance together with the certificate on the compliance with the conditions of corporate governance issued by practicing Chartered Accountant are appended hereto and they form part of this Annual Report.



EQUITY SHARES OF COMPANY SUSPENDED FROM BSE:

Due to Non-Compliance of Listing Agreement of Bombay Stock Exchange and non payment of Listing Fees Equity Scripts of Company are suspended from trading through Stock Exchange from the Financial Year 2002-03.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE:

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo forms part of this report (Annexure 'A')

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956:

No employees were employed throughout the year under review. Therefore, the particulars required under Section 217(2A) of the Companies Act, 1956 and the rules framed thereunder are not furnished herewith.

FOR AND ON BEHALF OF THE BOARD

Sunder K. Moolya
Director

Santosh Borkar
Director

Place: Mumbai

Date: 19th August, 2010

ANNEXURE FORMING PART OF DIRECTORS' REPORT

Information as per section 217 (1) (e) read with the companies (Disclosure of particulars in the report of board of Directors) Rules 1988 and forming part of the Directors' report for the year ended 30th June, 2009.

A) CONSERVATION OF ENERGY
POWER AND FUEL CONSUMPTION

Sr. No.	Particulars	Current Year 2009-10	Previous Year 2008-09
1	Electricity Units KWH (Lakhs)	4.67	5.96
2	Value in Rs. (Lakhs)	40.3	48.20

CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Particulars	Current Year 2009-10	Previous Year 2008-09
	Cost per Unit (Rs.)	8.63	8.13
	Consumption per ton of Production (Rs.)	29,416	29,030

B) RESEARCH AND DEVELOPMENT (R & D) :

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

The R & D efforts of the Company are directed towards Process development, cost reduction, energy conservation, efficiency improvement and quality up gradation.

b. Benefits derived as a result of the above R & D:

- i) Increase in productivity, improvement in quality and material utilization.
- ii) Reduction in manufacturing cost.

c. Future plan of action:

Continuation of the present work in R & D for introduction of new Products and processes improvement in the existing products.

C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

Efforts are being made towards Technology adaptation and innovation. The Company at present does not have any formal technical collaboration.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO :

Sr. No.	Particulars	Current Year 2009-10 (in Rs.)	Previous Year 2008-09 (in Rs.)
1	Foreign Exchange Earnings	Nil	Nil
2	Foreign Exchange Outgoings	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis Report form a part of the Annual Report of the Company. It indicates the Company's movement in the external environment Vis - a -Vis its own strengths and resources.

INDUSTRY STRUCTURE AND DEVELOPMENT:

Garware Synthetics Ltd manufactures wide range of bristles made from Nylon 6, 66, 610, PBT, Polypropylene, which finds extensive application in various Brush Industries. Recently, company has developed nylon sutures, which was currently imported into our country. These sutures are used mainly for medical purpose. The management is trying its best to improve the working of the Company.

OPPORTUNITIES AND THREATS:

Your company has got good demand for its products due to high quality standards. The company can produce almost 570 MT per year if work at its full capacity. However, the company is not producing the sufficient quantity of products due to the scarcity of the Working Capital. At the same time, many potential markets are untapped due to the shortage of raw material. In spite of all odds, the company is still enjoying the reputation on grounds of quality.

Our raw materials are petro-based products. In the current year also oil prices remained all time high. This has resulted in increasing the raw material prices considerably. As the market could not absorb all the raw material prices, resulted into loss of sale and company's profit margin.

Your management is of the opinion that the following determining factors of Opportunities and Threats, would play a vital role in case of your company:

Factor for Opportunity:

1. Additional production capacity to meet the market demand and achieve economies of scale.
2. Use of latest technology to facilitate further reduction in wastages and improvement in quality.
3. The company has brand equity and a reputation in the industry for producing quality products, its continuous service and customer care.
4. The company is a pioneer in plastic industry.

Factor for Threats:

1. Your company faces competition from the unorganized sector in the industry.
2. Your company faces adversity due to volatile raw material prices.
3. Your company suffers from continuous decline in the margins.
4. Our State is currently suffering from huge amount of power shortage. Due to the power-cutting all over State, company suffered huge amount of production loss during the current year. The same trend will continue in the next year also as the State is not having adequate manufacturing capacity.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has a compact organization Structure which helps it run business operation smoothly. The Company has adequate internal control system, commensurate with the size and nature of its operations. Audit Committee, the details of which has been provided in the Corporate Governance Report has been entrusted with detailed terms of reference to review and look into proper recording of transactions and preparation of financial statement. One of the important functions of the Audit Committee is to review the adequacy of internal control systems and compliance thereof.



HUMAN RESOURCE DEVELOPMENT :

The inter-personal relations of the employees have been very cordial throughout the year.

CAUTIONARY STATEMENT :

Your company is facing a financial crunch and because of the same your company cannot fulfill huge demand from domestic as well as international market. At the same time due to shortage of working capital funds the continuity of the production breaks frequently resulting into heavy wastage. All This may resulted into diversion of our customers to our competitors.

FOR AND ON BEHALF OF THE BOARD

Sunder K. Moolya
Director

Santosh Borkar
Director

Place : Mumbai
Date : 19th August , 2010

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment of values. Good Governance practices stem from the quality and mindset of the organisation. It has been a constant endeavour on the part of the Company to achieve excellence in Corporate Governance.

Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realising and enhancing shareholders' values. The Company's philosophy on the code of Corporate Governance is tuned to these aspects and to the philosophy of Garware Synthetics, which is:

- (i) to ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company;
- (ii) to ensure that the decision making process is fair and transparent;
- (iii) to ensure the fullest commitment of the Management and the Board for the maximisation of shareholder value;
- (iv) to ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct and
- (v) to ensure that the Company follows globally recognised corporate governance practices.

2. Board of Directors ('Board'):

Composition of the Board

The Company has optimum combination of executive and Non-Executive Directors. The Board comprises of 4 Directors of whom 2 are Independent Director and 2 are Executive Directors. The Chairman of the Board is an Executive Director and promoter of the Company. The composition of the Board of Directors of the Company is in accordance with the provisions of Clause 49 of the Listing Agreement.

During the Financial Year, there has been no change among the Board of Directors of the Company.

Composition of Board and category of Directors are as follows:

Sr. No.	Name of Director	Designation
1	Shri Sunder K Moolya	Whole Time Director
2	Shri Santosh Borkar	Executive Director
3	Shri Ramesh G Chandorkar	Independent & Non-Executive Director
4	Shri Kirti B Doshi	Independent & Non-Executive Director

Board Meetings

The Board of Directors met 5 times during the year as required and gap between two Board Meetings does not exceed Four Months. Meetings of the Board of Directors are scheduled well in advance and held at the Company's Registered Office. The notice confirming the meeting and the detailed agenda are sent well in advance to all the Directors.

There were Five (5) Board Meetings held during the financial year ended 31st March, 2010, namely on 22-07-2009, 08-10-2009, 18-12-2009, 09-02-2010 and 22-03-2010 respectively.

Board Meeting and Attendance

Attendance of each Director at the Board of Directors' Meetings and the last Annual General Meeting and the number of other Directorship and Chairmanship/Membership of Board Committees (as on 31st March 2010):

S r. N o.	Name of the Director	Categ ory *	Designati on	Boar d Meeti ngs atten ded	Attend ance at the last AGM	No. of Directorship in other Boards # [excluding Garware Synthetics Limited]		No. of Chairmanship / Membership in other Board Committees [Excluding Garware Synthetics Limited] ##	
						Publ ic	Priva te	Chairma nship	Membe rship
1.	Shri Sunder K Moolya	ED	Director	5	YES	--	3	--	2
2.	Shri Santosh Borkar	ED	Director	4	YES	--	--	--	--
3.	Shri Ramesh G Chandorkar	NEID	Director	3	YES	--	--	1	1
4.	Shri Kirti B Doshi	NEID	Director	5	YES	--	--	1	1

- ED – Executive Director
- NEID – Non-Executive & Independent Director

In Indian Companies, excluding Section 25 Companies

In Audit, Recruitment & Remuneration and Share Transfer & Shareholders' / Investors' Grievance' Committee of Indian Companies

None of Directors of the Board serves as member of more than ten committees nor is Chairman of more than five committees across all Companies in which he is Director.

“Committees” considered for this purpose are those specified in Clause 49 of Listing Agreement i.e. Audit Committee and Shareholders or Investors Grievance Committee.

Details of Director being re-appointed:

As per the Companies Act, 1956 two third of the directors are liable to retire by rotation. One third of these retiring directors are required to retire every year by rotation and if eligible, these directors qualify for re-appointment.

In accordance with Claus 49 of Listing Agreement, Shri. Kirti B Doshi retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

3. Board Committees:

To enable better and more focussed attention on the affairs of the Company, the Board delegates particular matters to Committees of the Board set up for the purpose. These Committees prepare the groundwork for decision making and report at the subsequent Board Meeting.

(i) Audit Committee:

The Audit Committee of the Company comprises of 3 Directors was formed in October, 2002 and has been reconstituted over the years as per the legal requirements from time to time. It consists of Two (2) Non-Executive Directors as on 31st March, 2010.

The Audit Committee also invites at its meetings, senior executives including the Statutory Auditors of the Company. The representatives of the auditors are also invited to the meetings..

Terms of Reference

The Audit Committee, inter alia, reviews and reports to the Board on the following:

- Scope of Internal Audit
- Efficiency and effectiveness of financial operation
- Safeguard of assets and adequacy of provisions of all liabilities
- Compliance with legal and statutory requirements
- Periodical and yearly financial results of the Company before submission to the Board.
- Appointment and remuneration of Statutory and Internal auditors

The powers and terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement.

The Chairman of the Audit Committee attends the Annual General Meeting of the Company.

Composition and attendance during the financial year ended 31st March, 2010:

The Committee met Four (4) times during the year under review. The said meetings were held on 22-07-2009, 08-10-2009, 15-01-2010 and 25-03-2010 respectively.

Sr. No	Name of Director	Designation	Category *	No. of meetings attended
1	Shri. Ramesh G Chandorkar	Chairman	NEID	4
2	Shri Kirti B Doshi	Member	NEID	3
3	Shri Santosh Borkar	Member	Director	4
4	Shri Bharat V Shah	Auditor	Permanent Invitee	Nil

- ED – Executive Director
- NEID – Non-Executive & Independent Director
- C – Chairman

REMUNERATION TO DIRECTORS
Details of Remuneration to all the Directors for the financial year ended 31st March, 2010

Executive Director

Name of Director	Salary (Rs.)	Benefits (Rs.)	PF Contribution (Rs.)	Total (Rs.)
Shri Sunder K Moolya	126800	61740	13820	202360
Shri Santosh Borkar	125700	--	7560	133260
Total (Rs.)	252500	61740	21380	335620

(iii) Share Transfer & Shareholders' / Investors' Grievance Committee:

The Board of Directors of the Company Constitutes Investor Grievance Committee and comprises of Two (2) Non-Executive Independent Directors to approve transfer of shares, splitting and consolidation of shares and issue of duplicate share certificates.

Composition of the Committee and attendance during the financial year ended 31st March, 2010:

Pursuant to Clause 49(VI) of the Listing Agreement, the Committee has met two (2) times.

Sr. No.	Name of the Director	Designation	Category *	No. of meetings attended
1	Shri Kirti B Doshi	Chairman	NEID	2
2	Shri Ramesh G Chandorkar	Member	NEID	2
3	Shri Santosh Borkar	Member	ED	2

- ED – Executive Director
- NEID – Non-Executive & Independent Director
- MD - Managing Director
- C – Chairman

Name and Designation of Compliance Officer:

Mr.Santosh Borkar, Compliance Officer

Number of shareholders complaints/ Correspondence received so far/ Number not solved to the satisfaction of shareholders/ Number of pending share transfers:

I. Correspondence Construed as Complaints

Sr. No.	Nature of Complaint/ Query	Received	Resolved	Pending
(1)	Inquiry of dematerialisation of shares	8	8	NIL
(2)	Name correction	3	3	NIL
(3)	Change of address	12	12	NIL
(4)	ECS/ Mandate Registration	0	0	NIL
(5)	Split/ Consolidation/Renewal/ Duplicate issue of share certificates	0	0	NIL
(6)	Request for nomination forms	2	2	NIL
(7)	Tax exemption forms received / updated	5	5	NIL
(8)	Transmission of Securities	0	0	NIL
(9)	Exchange/ Sub-division of old shares	13	13	NIL
(10)	Dividend/ interest queries including request for changes on live warrants	11	11	NIL
(11)	Document registration	10	10	NIL
(12)	Others (Miscellaneous)	27	27	NIL

4. Other Qualitative Information:

(i) Internal Policies / Codes adopted :

The Company has devised various internal policies for administering and controlling the information being dispersed through the organisational hierarchy. These include the Information Systems Security Policy, Policy on Prevention of Insider Trading and Anti Money Laundering Policy. Moreover, the Company has formulated a Policy on Ethics and Integrity, which is binding on all the employees of the Company.

The policy on Prevention of Insider Trading is based on the model Policy devised by SEBI (Securities and Exchange Board of India) under SEBI (Prevention of Insider Trading) Regulations, 1992 as amended on 20th February, 2002 while the Policy on Ethics and Integrity puts down in detail the ethical values for each and every employee of the organisation. Other policies viz. Information Systems Security Policy and Anti Money Laundering Policy lay down the internal control procedures in the areas of information systems and money transactions, respectively.

The Company has also formulated a Code of Conduct for the Board of Directors and Senior Management of the Company. An affirmation of the Managing Director regarding compliance with the Code of Conduct by all the Directors and Senior Management Personnel of the Company is annexed to this report.

5. Annual General Meetings:

Location and time where last three Annual General Meetings held:

Location	Date	Time
Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra	8 th December, 2007	9.00 A.M
Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra	20 th December, 2008	9.00 A.M
Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra	07 th December, 2009	9.00 A.M.

6. Disclosures:

- i) The Company has yet not complied with all the requirements of regulatory authorities on capital markets and therefore scripts of Company has been suspended from BSE.
- ii) The Company has formulated a Policy on Ethics and Integrity, which is binding on all the employees of the Company and acts as a Whistleblower Policy and no personnel has been denied access to the Audit Committee.



7. General Shareholder information:

Annual General Meeting	: 41 st Annual General Meeting
Date	: 20th September, 2010
Time	: 9.00 A.M
Venue	: Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra
Financial Year	: 1 st July 2009 to 31 st March, 2010.
Book Closure	: 13th September 2010 to 20th September 2010 (both days inclusive)
Dividend payment date	: NA
Registrar & Transfer Agents	: Mondkar Computers Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai - 400 093
	Tel No.: 91-22-25792724 Fax No.: 91-22-25793003

Share Transfer System:

Share Transfer is normally affected within a maximum period of 30 days from the date of receipt, if all the required documentation is submitted. All share transfers are approved by the Share Transfer & Shareholders'/ Investors' Grievance Committee which meets every fortnight.

I. (a) Distribution of Equity shareholding (as on 31st March, 2010):

Range of Holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 TO 5000	15535	99.910	2340717	42.183
5001 TO 10000	0	0.000	0	0
10001 TO 20000	3	0.019	38000	0.685
20001 TO 30000	0	0.000	0	0
30001 TO 40000	0	0.000	0	0
40001 TO 50000	1	0.006	48600	0.876
50001 TO 100000	3	0.019	262800	4.736
GREATER THAN 100000	7	0.045	2858783	51.520
TOTAL	15730	100.000	5548900	100.000

(b) Categories of Shareholders (as on 31st March, 2010):

Sr.No.	Shares held by	No. of shares held	Percentage of Shareholding
A	Promoter's Holding		
1	Promoters		
	- Indian Promoters	2580283	46.501
	- Foreign Promoters	0	0.000
2	Persons acting in concert #	0	0.000
	Sub - Total	2580283	46.501
B	Non-Promoters Holding	0	0.000
3	Institutional Investors	0	0.000
a.	Mutual funds and UTI	0	0.000
b.	Banks, Financial Institutions, Insurance Companies	400	0.007
	(Central/State Govt. Institutions / Non Govt. Inst.)		
c.	FII's	0	0.000
	Sub – Total	400	0.007
4	Others		
a.	Private Corporate Bodies	651817	11.747
b.	Indian Public	2160600	38.937
c.	NRI's/OCB's	155800	2.808
d.	Any Other	0	0.000
	Sub – Total	2968217	53.492
	Grand Total : 5548900	5548900	100.000
	Total Foreign shareholding	155800	2.808

BY ORDER OF THE BOARD
GARWARE SYNTHETICS LIMITED

Mr. Sunder K. Moolya
Director
MUMBAI
Dated: 19th August, 2010

Mr. Santosh B. Borkar
Director



MANAGING DIRECTOR'S CERTIFICATION

**To,
The Board of the Directors,
Garware Synthetics Limited**

We hereby certify to the Board that;

- A.** We have reviewed the Financial Statements and the Cash Flow Statements for the year 2009- 2010 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue or misleading statements nor does it omits any material fact.
 - (ii) These statements together present a true and fair view of Companies affair 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 2009-2010 which are fraudulent, illegal or violative of the Company's code of conduct.
- C.** We accept the responsibility for establishing and maintaining the internal controls for the Financial Reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps we have taken or proposed to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit Committee:
- (i) Significant changes in internal controls over financial reporting during the year 2009-2010.
 - (ii) Significant changes in the accounting policies during the year 2009-2010 and that the same have been incorporated in the notes to financial statements; and
 - (iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the Management or an Employee having a significant role in Companies internal control system over financial reporting.

FOR GARWARE SYNTHETICS LIMITED

Sunder K. Moolya
Director

Santosh B. Borkar
Director

Place : Mumbai
Date : 19th August , 2010



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE
Certificate of Compliance of Corporate Governance as per Clause 49 of the Listing Agreement
with the Stock Exchanges.

To the Members of
GARWARE SYNTHETICS LIMITED.

We have examined the Compliance of conditions of Corporate Governance by **GARWARE SYNTHETICS LIMITED** (hereinafter referred to as "the Company") for the year ended on 30th March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, subject to the following:

1. The results of all the Three quarters have not been submitted to the Stock Exchanges.
2. Non publication of quarterly results in the English and Regional language newspapers.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

FOR B. V. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

BHARAT V. SHAH
PROPRIETOR
M. NO.: 040210
Mumbai
19/08/2010

AUDITORS' REPORT

**To,
The Members of
M/S GARWARE SYNTHETICS LIMITED.**

1. We have audited Balance Sheet of GARWARE SYNTHETICS LIMITED as at 31st March, 2010 and also the annexed Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books of account.
 - c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub section (3c) of Section 211 of the Companies Act, 1956.



- e) As per the information and explanation given to us, *all the Directors of the Company are disqualified from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.*

5. We further report that -

- a) The Accounts have been prepared on 'going concern' basis as explained in the Note no.1 of Schedule Q.
- b) Subject to Para (a) above, we are of the opinion, that to the best of our information and according to the explanation given to us the accounts read together with the accounting policies and the notes thereon, give information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- c) In the case of Balance Sheet of the State of affairs of the Company as at 31.03.2010 and
- d) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- e) In so far as it relates to the Cash Flow Statement of the Cash Flow for the year ended on that date.

For B.V.Shah & Associates
Chartered Accountants

Bharat V. Shah
Proprietor
M No. 040210

Place : Mumbai
Date : 19/08/2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF GARWARE SYNTHETICS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.

1. In respect of its fixed assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodic manner, which in our opinion is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification. However the fixed assets include land & Development. The title of the same is under dispute and the case is pending with the court of law.
- c. The Company has not disposed off any substantial part of fixed assets that would affect the going concern status of the Company.

2. In respect of its inventories:

- a. The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- b. The procedure of 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. The company has maintained proper records of inventory. As explained to us, the discrepancies noticed in physical verification of the stock as compared to book records were not material and the same have been properly dealt with in the books of accounts.

3. In respect of loans covered under Section 301 of the Companies Act, 1956.

- a. As per the information and explanation given to us and the records produced to us for our verification, the company has granted/taken interest-free loans, to a Company listed in the register maintained under Section 301 and also to directors in which no stipulation has been made as to repayment of principal.
- b. The Company has not taken any loans, secured or unsecured, during the current financial year from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- c. The loan given by the Company are prima facie prejudicial to the interest of the Company.
- d. There are overdue amount to the extent of Rs. 3,53,957/-.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventories, fixed assets and with regard to sale of goods. As per the information given to us, no major weaknesses in the internal controls have been identified by the management during the year. During the course of our audit, nothing had come to our notice that may suggest a major weakness in the internal control systems of the company;
5. In respect of transactions covered under Section 301 of the Companies Act, 1956.
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/- (Rupees Five Lakhs Only) or more in respect of any party.
6. During the year the Company has not accepted any deposits under the provisions of Section 58 A, 58 AA of the Companies Act 1956 and the Rules framed there under.
7. The Company has Internal Audit system, which in our opinion is commensurate with the size and nature of its business.
8. As per the explanation given to us, the company has not prepared the Cost records pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the year 2006-2007
9. **In respect of statutory dues:**
 - a. According to the information and explanations given to us, undisputed statutory dues including Provident Fund, E.S.I.C., Profession Tax, Investor Education and Protection Fund, Income Tax, TDS, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it have not been regularly deposited with the appropriate authorities.
 - b. According to the information and explanation given to us, undisputed amounts payable in respect of income tax, wealth tax, customs duty, excise duty and cess and various other authorities were in arrears as at 31.03.2010 for a period of more than six months from the date they became payable is **Rs.282.71 lakhs**.

- c. According to the information and explanation given to us, there are no dues to sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute, except the cases give below :

Sr. No	Name of the Statute	Nature of dues	Amount of Dispute (Net) (In Lakhs)	Forum where dispute is pending
1	Sales Tax	Sales Tax	4.21	Deputy Commissioner of Sales Tax

10. In our opinion, the accumulated losses are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered in the audit and also in the immediately preceding financial year.
11. The Company has defaulted in repayment of dues to a financial institutions and bank. The Company has not issued any Debentures.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society therefore the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. As per the information and explanation given to us the Company has given guarantees for loan taken from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the company. However, the said loan is defaulted.
16. The Company has not raised any new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on long term basis have been used for short term investment and funds raised on short term basis have been used for short term purposes except to the extent of accumulated losses.



18. According to the information and explanations given to us, the Company has not made preferential allotment of equity and preference shares to companies covered in the register maintained under Section 301 of the Companies Act 1956.
19. The Company has not issued any debenture during the year.
20. The Company has not raised any money by public issue during the year.
21. As per the information and explanations given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.

For B.V. Shah & Associates
Chartered Accountants

Bharat V. Shah
Proprietor
M No. 040210

Place : Mumbai
Date : 19/08/2010

BALANCE SHEET AS AT 31st MARCH, 2010			
	SCH	2009-10	2008-09
		(Rs)	(Rs)
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
(a) Share Capital	A	55489000	55489000
(b) Reserves & Surplus	B	99907909	99907909
Total		155396909	155396909
Loan Funds			
(a) Secured Loans	C	43944504	48444504
(b) Unsecured Loans	D	64215210	64152863
Total		263556623	267994276
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
(a) Gross Block	E	167640842	195209233
(b) Less : Depreciation		(59369973)	(86551846)
(c) Net Block		108270869	108657387
Investments			
	F	9000750	9000750
Current Assets, Loans & Advances			
(a) Inventories	G	1920605	1249028
(b) Sundry Debtors	H	2013150	45131346
(c) Cash & Bank Balances	I	1472186	1621148
(d) Loans & Advances	J	2849693	6537456
		8255634	54538978
Less : Current Liabilities & Provisions			
	K	68680016	76249711
		68680016	76249711
Net Current Assets			
		(60424382)	(21710733)
Debit Balances in Profit & Loss Account			
	L	206709386	172046872
Total		263556623	267994276

Significant Accounting Policies

Q

Notes to the Accounts

R

As per our report of even date

For B.V.SHAH & ASSOCIATES
Chartered Accountants
For and on behalf of the Board
BHARAT V. SHAH
Proprietor
M.No.: 040210
Place: Mumbai
Date: 19th August, 2010
SUNDER K. MOOLYA
Director
SANTOSH B. BORKAR
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010			
	SCH	2009-10	2008-09
		(Rs)	(Rs)
INCOME			
Sales & Services	M	38584276	42767496
Other Income	N	3,099,297	-
Total		41683573	42767496
EXPENDITURE			
Manufacturing & Other Expenses	O	40223460	47156513
Depreciation	E	199092	265454
Financial Expenses	P	14500	99000
Total		40437052	47520967
Profit/(Loss) for the year		1246521	(4753471)
Less: Provision for tax			
Less: Prior year Adjustment (Net)		35,909,035	53750
Profit/(Loss) after Tax		(34662514)	(4807221)
Balance Brought Forward from Previous Year		(172046872)	(167239651)
Balance carried to Schedule L		(206709386)	(172046872)

As per our report of even date

For B.V.SHAH & ASSOCIATES
 Chartered Accountants

For and on behalf of the Board
BHARAT V. SHAH
 Propreitor
 M.No.: 040210
 Place: Mumbai
 Date: 19th August, 2010

SUNDER K. MOOLYA
 Director

SANTOSH B. BORKAR
 Director

SCHEDULE - A	2009-10	2008-09
	(Rs)	(Rs)
SHARE CAPITAL		
Authorised		
99,50,000 (Previous year 99,50,000) Equity Shares of Rs 10/- each	99500000	99500000
5,000 13.5% Non Cumulative Redeemable Preference Shares of Rs 100/- each	500000	500000
Total	100000000	100000000
Issued, Subscribed & Paid up		
55,48,900 (Previous year 55,48,900) Equity Share of Rs 10/- each fully paid-up	55489000	55489000
Total	55489000	55489000
SCHEDULE - B		
RESERVES & SURPLUS		
Capital Reseve	87182309	87182309
Share Premium	11669500	11669500
Investment Allowance Reserve	1056100	1056100
Total	99907909	99907909
SCHEDULE - C		
SECURED LOANS		
Bills Discounted	5490728	5490728
Cash Credit	26181376	30681376
Packing Credit	572400	572400
(Secured by hypothecation of raw material, work-in-progress, finished goods & book-debts.)		
Loan from Bank	11700000	11700000
Total	43944504	48444504

SCHEDULE -D	2009-10	2008-09
	(Rs)	(Rs)
UNSECURED LOANS		
Inter-Corporate Loans	6500000	6500000
Bills Payable	1175000	2220000
Loan From Directors	3770560	3737060
Loan From Others	52769650	51695803
Total	64215210	64152863
SCHEDULE -F		
INVESTMENTS		
Long term Investments		
(Other than Trade)		
Unquoted		
North Bombay Central Co-operative Consumer		
Wholesale & Retail Stores Limited		
25 (P.Y. 25) Equity shares of Rs. 10/- each		
fully paid up	250	250
Nihal Cast Nylon Pvt. Ltd.		
90000 (P.Y. 90000) Equity Shares of Rs.100/- each		
fully paid up.	9000000	9000000
Raghuvanshi Co-op Bank Ltd.		
20 (P.Y.20) Equity Shares of Rs.25/- each fully paid up	500	500
Total	9000750	9000750
SCHEDULE - G		
INVENTORIES		
[As taken, valued and certified by the Management]		
Stores & Spares (At Cost)	327400	341200
Raw Materials (At Cost)	114900	114900
Work-In-Progress	301,900	266,000
Finished Goods (At Cost or Net Realisable value	1176405	526928
whichever is lower)		
Total	1920605	1249028

SCHEDULE - H	2009-10	2008-09
	(Rs)	(Rs)
DEBTORS :- (Unsecured, Considered goods)		
Debts Outstanding for:		
More than six months	-	22377997
Others	2013150	22753349
Total	2013150	45131346
SCHEDULE - I		
CASH & BANK BALANCES		
Cash in Hand	35998	40190
Bank Balances with schedule banks :		
In Current Account	532417	677187
In Margin Deposit	902771	902771
In P.O. Savings A/c	1000	1000
Total	1472186	1621148
SCHEDULE - J		
LOANS & ADVANCES		
[Unsecured, considered goods]		
(a) Advances Recoverable in cash or in kind or for value to be received	2775367	2710236
(b) Deposit with Excise Authorities	18026	2668854
(c) Other Trades/Security Deposit	56300	1158366
Total	2849693	6537456
SCHEDULE - K		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors for Goods	25516304	32854834
Add: Other Liabilities	43072235	43303400
Total	68588539	76158234
Advances from Customers	91477	91477
Total	68680016	76249711
SCHEDULE - L		
DEBIT BALANCE OF PROFIT & LOSS ACCOUNT		
Balance of Loss / (Profit) from P&L A/c	172046872	167239651
Add : Loss for current year	34662514	4807221
Balance in Loss / (Profit) Account Carried to B/S	206709386	172046872

SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE - M	2009-10	2008-09
	(Rs)	(Rs)
SALES & SERVICES		
Sales (net of returns)	38584276	42767496
Total	38584276	42767496
SCHEDULE - N		
OTHER INCOME		
Misc. Income	3099297	-
Total	3099297	-
SCHEDULE - O		
MANUFACTURING & OTHER EXPENSES		
Consumption of Raw Material		
Opening Stock	114900	854845
Add : Purchases	22540341	24764554
Total	22655241	25619399
Less : Closing Stock	114900	114900
Total	22540341	25504499
Consumption of Stores & Spares		
Opening Stock	341200	390290
Add : Purchases	966981	723198
Total	1308181	1113488
Less : Closing Stock	327400	341200
Total	980781	772288
Excise Duty Paid	2916819	2934499
Power, Water & Fuel Charges	4172023	5239543
Processing Charges	-	-
Sub -Total 'A'	30609964	34450829
EMPLOYEE EXPENSES		
Salary, Wages and Allowances	5684203	7350566
Staff Welfare Expenses	6919	17408
Contribution to P.F./ Superannuation/Gratuity etc.	487352	615468
Sub -Total 'B'	6178474	7983442

	2009-10	2008-09
	(Rs)	(Rs)
ADMINISTRATIVE, SELLING & GENERAL EXPENSES		
Advertisement And Sales Promotion Expenses	230975	95790
Rent, Rates and Taxes	1412500	1114000
Insurance	-	-
Repairs & Maintainance	68923	129702
Freight and Forwarding Charges	236216	258360
Audit Fees	66180	66180
Legal & professional Expenses	452325	368637
Travelling and Conveyance	57201	75701
Commission and Discount on Sales	113170	588589
Service Charges	-	-
Telephone Charges	109833	183876
Printing & Statinery	13909	22744
Motor Car Expenses	30950	36850
Watch & Ward Expenses	90000	90500
Custom Duty & Clearing Charges	-	-
Other Expenses	1238217	1569782
Sub -Total 'C'	4120399	4600711
(Accretion to) Depletion of Stock of finished goods and work in progress):		
Add : Opening Stock		
Work in Progress	266000	176900
Finished goods	526928	737559
	792928	914459
Less : Closing Stock		
Work in Progress	301900	266000
Finished goods	1176405	526,928
	1478305	792928
Sub -Total 'D'	(685377)	121531
Total (A+B+C+D)	40223460	47156513
SCHEDULE -P		
FINANCIAL EXPENSES		
Interest on Loans	14500	99000
Total	14500	99000



GARWARE SYNTHETICS LIMITED

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SCHEDULE 'E' FIXED ASSETS

TYPE OF ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 30-06-09 1	Addition / (Deduction) 2	As at 31-03-10 (1+2)=3	As at 30-06-09 4	During the Year 5	On Assets Sold Transferred 6	As at 31-03-10 (4+5) -6 7	As at 31-03-10 3 - 7 8	As at 30-06-09 1 - 4 9
Freehold Land	100000000	-	100000000	-	-	-	-	100000000	100000000
Leasehold Land	995561	-	995561	-	-	-	-	995561	995561
Building	7123859	-	7123859	3916879	178453	-	4095332	3028527	3206980
Plant and Machinery	57730030	-	57730030	53760021	0	-	53760021	3970009	3970009
Furniture and Fixtures	134528	-	134528	89546	7786	-	97332	37196	44982
Electrical Fittings	513075	-	513075	327058	12853	-	339911	173164	186017
Vehicles	0	-	0	0	-	-	0	0	0
Office Equipments	1143789	-	1143789	1077377	-	-	1077377	66412	66412
TOTAL	167640842	-	167640842	59170881	199092	-	59369973	108270869	108469961
Previous Year	195209233	-	195209233	86286392	265454	-	86551846	108657387	108922841

SCHEDULE- Q**SIGNIFICANT ACCOUNTING POLICIES:**

1. **METHOD OF ACCOUNTING:** The Company maintains its accounts on accrual basis.
2. **PROVISION OF CONTINGENT LIABILITIES:** Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes (if any).
3. **FIXED ASSETS:** Fixed Assets are stated at original cost of acquisition and installation less Depreciation.
4. **DEPRECIATION:** Depreciation on fixed assets is provided on straight line method at the rate and in the manner prescribed in Schedules XIV of the Companies act, 1956.
 - On written down value method on all assets purchased before 01.04.78
 - On Straight line method on the original cost and additions on revaluation for all assets purchased after 31.03.78
 - Depreciation on addition of assets is calculated on pro-rata basis.
5. **INVESTMENTS:** Long Term Investments are stated at cost. Provision for diminution in the value of the investments is made, only if such a decline is other than of a temporary nature in the opinion of the management.
6. **INVENTORY :** Inventories are valued as under :
 - Raw Materials, Packing Materials, Stores & Spares are valued at cost on FIFO basis after making provision for obsolescence & un-serviceability.
 - STOCK - IN – PROCESS is valued at direct cost.
 - FINISHED GOODS at lower of cost or net realisable value. Cost comprises Material cost, cost of conversion, other expenses incurred to bring the inventories to their current condition and location.
7. **TREATMENT OF RETIREMENT BENEFITS:** During the year no provision are made in the books of accounts for the Retirement benefits.
8. **SALES:** Sales and purchases are net of VAT and CST.
9. The preparation of financial statement in conformity with generally accepted accounting principles requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known /materialized.

10. Interest and other borrowing costs whether on specific or general borrowings relating to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.
11. In view of accounting standard 22, the incidence of deferred tax liability on the company for the year under audit is NIL.
12. Figures of the previous year have been regrouped, and reclassified and rounded off wherever necessary to conform to the current year's figures.
13. Revaluation of plant & machinery and building has been made during the year ended 31st March, 1992 on the basis of valuation report submitted by Mr. V.S. Pandit. The increase in value of these assets amounting to Rs. 14.79 Crores has been credited to the Capital Reserve.

SCHEDULE- R

NOTES FORMING PART OF THE ACCOUNTS:

1. Contingent Liability not provided for:

- The Company has provided corporate guarantee for loan taken by others, the terms & conditions whereof are prima facie prejudicial to the interest of the company. The said loan is defaulted by the company.
- Bank of Baroda and Indian Overseas Bank has filed a Suit in Debt Recovery Tribunal for recovery of advances granted by them. However One Time Settlement has been negotiated and 30% of Settlement amount has already deposited with the Bank. However no provision has been made in the books for the interest on both these borrowings.

2. SEGEMENT REPORTING:

Geographical Segment

Company's entire business is conducted within India but there are no separate reportable geographical segments.

- 3. Related party Disclosures :** No any transaction has taken place during the year with related parties.
- 4.** The balances of Sundry Debtors, Creditors and advances are subject to confirmation. Adjustment including provision/write off if any, required in accounts will be made on final reconciliation and/or settlement.
- 5.** No provision has been made for tax in the absence of taxable profit.
- 6.** In the absence of adequate information regarding the SSI Creditors, the Company is unable to give full particulars as required by Notification No. GSR - 376 (E) dated 22nd May 2002 issued by the Department of Company Affairs, Ministry of Law & Justice and Company Affairs.
- 7.** Aggregate Managerial Remuneration under Section 198 of the Companies Act,1956 paid or provided for during the year to the Managing Director and other directors is Rs.3,30,372 /- (P.Y. Rs.4,32,720/-).
- 8.** In view of absence of adequate profits in terms of Section 349 and 309 of the Companies Act, 1956 commission is not payable to the Managing Director.
- 9.** Remuneration paid to Auditor during the Current Year is Rs. 66180/- (P.Y. Rs. 66180/-).
- 10.** Unless otherwise stated, In the opinion of the Board of Directors, the current assets, loans & advances are approximately of the value if realised in the ordinary course of business. The provisions for all known liabilities made are adequate and are neither short nor in excess of the amount reasonably necessary.
- 11.** Balances amounting to Rs. 12,88,557/- (P.Y. 16,21,148/-) with various banks are subject to confirmation and reconciliation (if any).

11. Figures in Brackets in the Notes forming part of the accounts relate to the previous year.
12. Previous year figures have been re-grouped/re-arranged wherever necessary to make them comparable with current year figures.

ADDITIONAL INFORMATION PERSUANT TO THE PROVISIONS OF SCHEDULE VI TO THE COMPANIES ACT 1956

13. LICENCED / INSTALLED CAPACITY AND PRODUCTION

Particulars	<u>UNITS</u>	Licensed <u>Capacity</u>	Installed * <u>Capacity</u>	<u>Production</u> (Net of <u>Wastages</u>)
Nylon Products	MT	1620	578	139.2
Figure for Previous Year	MT	1620	578	166

14. TURNOVER

PRODUCTS	<u>UNITS</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
Nylon Products	MT	137.8	3,85,84,276
Figure for Previous Year	MT	165	4,27,67,496

15. STOCK

PRODUCTS	UNITS	FINISHED GOODS		FINISHED GOODS	
		AS AT 31/03/10		AS AT 30/06/09	
		QTY	VALUE	QTY	VALUE
			(RS.)		(RS.)
1. Nylon Products					
Opening stocks		1.289	5,26,928	2.298	7,37,559
Closing stock		4.269	11,76,945	1.289	5,26,928

16. Value of Raw Materials/ Packing Materials Consumed

Particulars		Amount		Amount
	Quantity	Current Year	Quantity	Previous Year
Raw Material	152.1	2,55,40,361	175.82	2,55,04,499
Stores & Spares		7,72,288		6,26,333

As per our report of even date
For B.V.SHAH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

Bharat V. Shah
Proprietor
M. No. 040210

Sunder K. Moolya
Director

Santosh B. Borkar
Director

Place: Mumbai
Date: 19th August, 2010

Cash Flow Statement for the period from July 2009 to March 2010

	PARTICULARS	YEAR ENDED 31st March 2010		YEAR ENDED 30th June 2009	
		Rs.	Rs.	Rs.	Rs.
A)	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>				
	Net profit before tax & extra ordinary items		1,246,521		(4,753,471)
	<u>Adjustments for</u>				
	Depreciation	199,092		265,454	
	Sundry Balance written (back)/off	-		-	
	Miscellaneous Income	-		-	
	Interest charged	14500		99000	
			213592		364454
	Operating profit before working capital changes		1460113		(4389017)
	<u>Adjustments for</u>				
	Trade and other receivables	46805959		(608761)	
	Inventories	(671577)		910566	
	Trade Payables	(7569695)	38564687	3978843	4280648
	Cash flow before Extra-Ordinary items		40024800		(108369)
	Extra-Ordinary items-prior period adj. (net)		(35721609)		0
	Net cash from Operating Activities		4303191		(108369)
B)	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>				
	Purchase of Fixed Assets	-		-	
	Miscellaneous Income	-		-	
	Net cash used in Investing Activities		-		-
C)	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>				
	Proceeds form long term / short term borrowings	(4437653)		(1890919)	
	Interest and Financial Charges Paid	(14500)		(99000)	
	Sundry Balance Written back	-		-	
	Net Cash used in Financing Activities		(4452153)		(1989919)
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		(148962)		(2098288)
	CASH & CASH EQUIVALENTS AT THE BEGINNING (opening balance)	1621148		3719436	
	CASH & CASH EQUIVALENTS AT THE END (closing balance)	1472186	148962	1621148	2098288

Notes to Cash Flow Statement for the year ended March, 2010

Particulars	31.03.2010	30.06.2009
1 Cash & Bank Balance		
Cash in Hand	35998	40190
Bank Balances With Scheduled Bank:		
In Current Account	532417	677187
In Margin Deposit Account	902771	902771
P.O. Saving A/c	1000	1000
Total	1472186	1621148

2 The above Cash Flow Statement has been prepared under the 'Indirect Method' as Set out Accounting Standard - 3 issued by the Institute of Chartered Accountants of India.

3 Previous Year's figures has been regrouped/rearranged to confirm to those of the Current Year's

As per our report of even date

For B.V.SHAH & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

BHARAT V. SHAH
(Proprietor)
M.No.: 040210
Place: Mumbai
Date: 19th August, 2010

SUNDAR K. MOOLYA
Director

SANTOSH BORKAR
Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1) Registration Details:**

Registration no.	14371	State Code	11
Balance Sheet	31-Mar-10		

2) Capital Raised during year: (Amount in Rs. lacs)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

3) Position of Mobilisation & Development of Funds

Total Liabilities	263556623	Total asstes	263556623
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Sources of Funds

Paid-up Capital	55489000	Reserves & Surplus	99907909
Secured Loans	43944504		

Application of Funds

Net Fixed Assets	108270869	Investments	9000750
Net Current Assets	(60424382)	Accumulated Losses	206709386

4) Performance of Company

Turnover & Other Income	41683573	Total Expenditure	40437052
Prior Year Adjustment	35909035		
Profit/(Loss) Before Tax	(34662514)	Profit/(Loss) After Tax	(34662514)
Fringe Benefit Tax	-		
Earning Per Share in Rs.	-	Dividend Rate	Nil

5) Generic Names Of Three Principal Products/Services Of Company

Item Code No.	540210	Product Description	Nylon Bristles
Item Code No.	39172101	Product description	Nylon Tubings
Item Code No.	391601009	Product Description	Nylon Rods

As per our Repor of even date
M/s B.V.Shah & Associates
Chartered Accountants

For and Behalf of the Board of Directors.

Bharat V. Shah
Proprietor

Sundar K. Moolya
Director

Santosh B. Borkar
Director

PLACE : MUMBAI
Date: 19th August, 2010



GARWARE SYNTHETICS LIMITED

Registered Office: Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) – 401104.

ATTENDANCE SLIP

Forty First Annual General Meeting scheduled on Monday 20th September, 2010 at 9.00 A.M. at Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra.
(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

NAME & ADDRESS OF THE SHAREHOLDER

L/F No.....

No. of Shares :

.....
.....
.....
.....

I, hereby record my presence at the 41st ANNUAL GENERAL MEETING of the Company scheduled on Monday 20th September, 2010 at 9.00 A.M. at Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

.....
If Shareholder, please sign here

.....
If Proxy, please sign here.

NOTE: The copy of Annual Report may please be brought at the meeting hall.

------(TEAR HERE)-----

GARWARE SYNTHETICS LIMITED

Registered Office: Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) – 401104.

PROXY FORM

L.F. No.

I/We..... of being a member/members of GARWARE SYNTHETICS LIMITED hereby appoint of or failing him/her of as my/our proxy to vote for me/us on behalf at the 41st Annual General Meeting of the Company to be held on 20th September, 2010 at 9.00 A.M. at Manish Textiles Industrial Premises, Penkar Pada, Mira Road (East) - 401104, Dist – Thane, Maharashtra.

as witness my/our hand(s) this day of 2010.

(Signature of the Shareholder)

Affix
Rupee 1/-
Revenue
Stamp

Note: The Proxy must be returned so as to reach the Registered office of the Company not less than 48 hours before the time of holding the aforesaid meeting.