



GARWARE SYNTHETICS LIMITED

CIN: L99999MH1969PLC014371

49TH

ANNUAL REPORT

2017- 2018

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sunder K. Moolya	Whole Time Director
Mr. Santosh Borkar	Executive Director
Mr. Ramesh G. Chandorkar	Non- Executive Director (Independent Director)
Mr. Kirtikumar B. Doshi	Non- Executive Director (Independent Director)
Mrs. Kavita S. Pawar	Non- Executive Director (Independent Director)

AUDITORS

MEHUL HEMANI & ASSOCIATES (CHARTERED ACCOUNTANTS)

Shop No. 3, Anand Bhuvan,
Shivaji Park, Road No. 4,
Dadar (W), Mumbai-400028.

REGISTRARS AND SHARE TRANSFER AGENTS

UNIVERSAL CAPITAL SECURITIES PRIVATE LIMITED

21, Shakil Niwas, Mahakali Caves Road,
Andheri (E), Mumbai-400 093

REGISTERED OFFICE

Manish Textiles Industrial Premises,
Opposite Golden Chemical,
Penkar Pada, Mira Road (East)-401104
Dist - Thane, Maharashtra

BANKERS

Bank of Baroda
Indian Overseas Bank
ICICI Bank



NOTICE

Notice is hereby given that the 49th Annual General Meeting of the members of Garware Synthetics Limited will be held at Radha Krishna Hall, Ram Industrial Estate, Behind Samrat Hotel, W. E. Highway, Dahisar Checknaka, Mira Road, Dist. Thane: 401104 on Friday, 28th September, 2018 at 09.30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018 and Statement of Profit and Loss for the year ended on that date, together with the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Sunder Kocha Moolya, (DIN: 02926064), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Statutory Auditor to fill Casual vacancy:
To appoint Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification, as **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provision of Section 139(8) and other applicable provisions, if any, of companies act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), **M/s. Krunal H. Shah and Associates**, Chartered Accountants, having (**Registration No. 133038W**), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of **M/s. Mehul Hemani & Associates**, Chartered Accountants, (**Membership No. 156124**).”

“RESOLVED FURTHER THAT M/s. Krunal H. Shah and Associates, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from the Conclusion of this Annual General Meeting and that they shall hold the office of the Statutory Auditors until the conclusion of the 54th Annual General Meeting to be held in the year 2023 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors.”

“RESOLVED FURTHER THAT any one of the Directors of the company be and are hereby severally authorized to digitally sign necessary e-Forms and to do all such acts, deeds and things which are necessary and incidental in order to give effect to this resolution.”

**By order of board of directors,
Garware Synthetics Limited**

Date: 14th August, 2018

Place: Mumbai

Registered office:

Manish Textiles Industrial Premises
Opposite Golden Chemical, Penkar Pada,
Mira Road, Thane: 401104
CIN: L99999MH1969PLC014371

**Sunder Kocha Moolya
(Whole Time Director)
DIN: 02926064**

**IMPORTANT NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **Forty-Eight Hours** before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Pursuant to the provision of Section 91 of Companies Act 2013, the register of members and share transfer books will remain closed from **22nd September, 2018 to 28th September, 2018** (both days inclusive).
4. Additional information in respect of Directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice
5. Members desirous of obtaining any information as regards accounts and operations of the Company are requested to address their queries to the Registered Office of the Company in writing at least seven days in advance before the date of the Meeting, to enable the Company to keep the necessary information ready.
6. Members are requested to bring their copy of Annual Report to the Meeting.
7. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the Meeting.
8. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
9. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

10. PROCESS FOR MEMBERS OPTING FOR E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/ her/it discretion, subject to compliance with the instructions prescribed below:



The Procedure / Instructions for e-voting are as under:

- (i) The voting period begins on **Tuesday i.e. 25th September, 2018 at 09.00 A.M and ends on Thursday, 27th September, 2018 at 5.00 P.M.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21st September, 2018** cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders/Members
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • For demat shareholders, Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. • For physical shareholders, please use the first two letters of your name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> • Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.



- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "Garware Synthetics Limited" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
11. Mr. Suhas Ganpule, a Practicing Company Secretary, (Membership No. 12122; Certificate of Practice No. 5722) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
12. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
13. The Results shall be declared on the date of AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be made available for inspection by the members of the Company at the Registered Office of the Company between 11.00 A.M. and 5.00 P.M. on all days except Saturday, Sunday and public holidays and also available to the Bombay stock exchange.

**By order of board of directors,
Garware Synthetics Limited**

Date: 14th August, 2018

Place: Mumbai

Registered office:

Manish Textiles Industrial Premises
Opposite Golden Chemical, Penkar Pada,
Mira Road, Thane: 401104
CIN: L99999MH1969PLC014371

**Sunder Kocha Moolya
(Whole Time Director)
DIN: 02926064**

**Explanatory statement pursuant to section 102 of the companies act, 2013****Item no. 3**

M/s. **Mehul Hemani & Associates**, Chartered Accountants (ICAI Membership No. 156124) have tendered their resignation from the position of Statutory Auditor of Garware Synthetics Limited form the financial year 2018-19, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013 ("Act"). Casual vacancy caused by the resignation of auditor can be filled by the shareholders in General Meeting within three months from the date of recommendation of the Board of Directors of the Company. The Board of Directors of the Company recommended that **M/s. Krunal H. Shah and Associates**, Chartered Accountants (ICAI Registration no. 143308) be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Mehul Hemani & Associates, Chartered Accountants.

M/s. Krunal H. Shah and Associates, Chartered Accountants (ICAI Registration no. 143308) have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. Accordingly, Ordinary Resolution is submitted to the meeting for the consideration and approval of members. None of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.

**By order of board of directors,
Garware Synthetics Limited**

**Sunder Kocha Moolya
Whole-Time Director
DIN: 02926064**

Date: 14th August, 2018

Place: Mumbai

CIN: L29130MH1985PLC035747

**Registered office: Manish Textiles Industrial Premises,
Opposite Golden Chemical, Penkar Pada, Mira Road – 401104**

**Details of Director seeking Re-appointment at the Annual general Meeting**

As details require under regulation 36 of SEBI (LODR) regulation, 2015 of particulars of Director who shall be appoint or re-appoint at annual general meeting is below.

Particulars	Mr. SUNDER KOCHA MOOLYA
Date of Birth	10/02/1951
Date of appointment	02/05/2001
Qualification	B. A.
Expertise in specific functional areas	Production and Marketing
Directorship held in other public companies	Nil
Membership/chairmanship of other public companies	Nil
Number of share held in the company	100 shares

**DIRECTOR'S REPORT**

To
The Members,
Garware Synthetics Limited

Your Directors have pleasure in presenting their 49th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

FINANCIAL RESULTS:

PARTICULARS	(Amount in ₹)	
	2017-2018	2016-2017
Revenue from operation	9,60,17,171	8,53,53,186
Other Income	24,724	28,26,259
Profit/ (Loss) for the year before providing Depreciation & Financial Charges	49,72,397	70,29,722
Less: Depreciation	2,22,550	1,88,486
Financial Charges	9,01,027	15,78,163
Profit/(Loss) Before Exceptional Items and Tax	38,48,820	52,63,073
Exceptional Items and Extraordinary Item	--	--
Profit Before Tax	38,48,820	52,63,073
Current Tax:	--	--
Current tax relating to prior years	2,89,961	6,25,001
Deferred Tax	1,13,460	(48,850)
Profit After Tax	34,45,399	46,86,922

BUSINESS REVIEW:

The Company achieved the Revenue from Operations of Rs. 9,60,17,171 during the financial year ended on 31st March, 2018 as against Rs. 8,53,53,186 achieved during the previous year ended on 31st March, 2017.

During the year Company earned Net Profit of Rs. **34,45,399** as against Net Profit of Rs. **46,86,922** during the previous year ended on 31st March, 2017.

DIVIDEND:

With a view to strengthen the financial position of the Company and for the future growth of the Company your Directors did not recommend any dividend for its shareholders.

DEPOSITS:

Your Company has not accepted deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year 2017-2018.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Venture or Associate Company as per the provisions of Companies Act, 2013.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of loans, guarantees and investments made / given by the Company in the year 2017 – 2018 as per section 186 of the Companies Act, 2013 has been disclosed in the note to accounts of Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

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

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY TRANSACTION:

The Particular of contracts and arrangements entered into by the company with related parties as referred section 188 of companies Act, 2013 and Rules made thereunder, are on arms lengths basis and are mentioned in **Annexure II** to Directors report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and all assets and resources are acquired economically, used efficiently and adequately protected.

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

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo forms part of this report and is **Annexure-I**.

EMPLOYEES RELATIONS:

During the year under review, your Company enjoyed cordial relationship with employees at all levels.

DIRECTORS:**Appointment:**

None of the Director has been appointed during the year 2017 – 2018.

Cessation:

None of the Directors has been ceased from their office during the year 2017 – 2018.



Retirement by rotation:

Mr. Sunder Moolya and Mr. Santosh Borkar, Executive Directors, are liable to retire by rotation at the ensuing AGM, pursuant to section 152 and other applicable provision, if any, of the Companies Act, 2013, the article of association of the Company and being eligible have offered themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed for the approval of the shareholders of the Company at the ensuing AGM. The brief resume of the Director recommend their re-appointment as Executive Director of the Company.

As above discussion Mr. Sunder Moolya (DIN: 02926064) is eligible for retire by rotation at the ensuing AGM, he hold office as long time as compared to Mr. Santosh Borkar. Therefore he shall be eligible for retire by rotation and also be re-appointment.

None of the Directors are disqualified from being appointed as specified in Section 164 of the Companies Act, 2013 as amended.

Declaration by an Independent Director(s) and Re- Appointment:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of Companies Act, 2013 read with Rules and Regulation 16(1)(b) of SEBI (Listing Obligation and disclosure requirements) Regulation, 2015 with the Stock Exchanges.

None of the Directors except Ms. Kavita Pawar are disqualified from being appointed as Director as specified in Section 164 of the Companies Act, 2013 and Rules made thereunder, Ms. Kavita Pawar shall continue to act as Independent Director in the Company till the continuance of her tenure i.e to the year 2019-2020 as per Section 164(2) of Companies Act, 2013 and will not be eligible for reappointed of second tenure as Independent Director.

Formal Annual Evaluation:

In terms of the provisions of the Act, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee (NRC).

Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

As the Company does not fall under the Class of Companies as prescribed under Section 135 of Companies Act, 2013 and Rules made thereunder, therefore the provisions related to Corporate Social Responsibility is not applicable to the Company.

Therefore, Company is not liable to contribute towards Corporate Social Responsibility.

PERFORMANCE EVALUATION:

Pursuant to the provision of the companies act, 2013 read with rules thereunder, regulation 17(10) of the listing regulations and circular issued by SEBI dated 5th January, 2017 with respect to guidance note on board evaluation, the evaluation of the annual performance of the Director/board/Committees was carried out for the Financial year 2017-2018.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors during the year and the gap between to Board meeting did not exceed one Hundred and twenty days. The date on said meeting held as following.

Sr. No.	Date of Board meeting Held	No. of Directors Present during the Meeting.
1.	30.05.2017	5
2.	18.08.2017	5
3.	08.11.2017	5
4.	14.02.2018	5

AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee which has been formed in pursuance of Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Section 177 of the Companies Act, 2013.

The Primary objective of the committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting.

Terms of Reference:

1. Approving and implementing the audit procedures and techniques.
2. Reviewing audit reports of both statutory and internal auditors with auditors and management.
3. Reviewing financial reporting systems, internal control systems and control procedures.
4. Ensuring compliance with regulatory guidelines.
5. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. Examination of the financial statement and the auditors' report thereon;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers and related matters.
13. Establishment and monitoring of the Vigil Mechanism/Whistle Blower Policy.

Any other duties/terms of reference for the Audit Committee which are incidental/necessary for the fulfillment of the above mentioned terms of reference would be deemed to be under the purview of the Audit Committee.

- Details of the composition and attendance of Members of the Audit Committee during the year 2018 are as follows:

Four Audit Committee Meetings were held during the year as follows:

30th May, 2017, 12th August, 2017, 08th November, 2017 and 14th February, 2018.

The Following are the members of the Audit Committee:

Sr. No.	Name of Director	Designation	Category	No. of Meetings	
				Held	Attended
1.	Mr. Ramesh G Chandorkar	Chairman	Non- Executive Independent Director	4	4
2.	Mrs. Kavita Pawar	Member	Non Executive Independent Director	4	4
3.	Mr. Kirti B Doshi	Member	Non- Executive Independent Director	4	4

There were no changes in composition of Audit committee; it remained the same as last year.

NOMINATION AND REMUNERATION COMMITTEE:

The purpose of this committee of the Board of Directors ('the Board') shall be to discharge the Board's responsibilities related to nomination and remuneration of the Company's executive/non-executive directors.

The Committee has the overall responsibility of approving and evaluating the nomination and remuneration plans, policies and programs for executive /non-executive directors.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- 1) The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every directors performance.
- 2) The Committee shall formulate the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board, policy relating to the remuneration for the directors, key managerial personnel and other employees.
- 3) Devise a policy on Board Diversity.
- 4) Formulate criteria for evaluation of Independent Directors and the Board.

Two Nomination and Remuneration Committee meeting were held during the year on 18th August, 2017 and 14th February, 2018.

Composition of Nomination and Remuneration Committee is as under:

Name of Director	Executive/ Non- Executive	Member/ Chairman
Mr. Kirtikumar Doshi	Non-Executive	Chairman
Mr. Ramesh Chandorkar	Non-Executive	Member
Mrs. Kavita Pawar	Non-Executive	Member

There were no changes in composition of Nomination and remuneration Committee, it remained the same.

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Committee has the mandate to review and redress shareholder grievances including complaints related to non-receipt of securities/share certificates, non-receipt of balance sheet, non-receipt of declared dividends etc.

The committee reviews shareholders complaints and resolution thereof. The Committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system.

Four Stakeholders Relationship Committee meetings were held during the year on – 30.05.2017, 18.08.2017, 08.11.2017, 14.02.2018.

Composition of Stakeholders Relationship Committee is as under:

Name of Director	Executive/ Non-Executive	Member/ Chairman
Mr. Ramesh Gopal Chandorkar	Non- Executive	Chairman
Mr. Kirtikumar Bhailal Doshi	Non- Executive	Member
Mrs. Kavita Pawar	Non- Executive	Member

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The Directors have selected such accounting policies and applied them consistently and made 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 financial year and of the profit of the Company for the year under review;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the accounts for the financial year ended 31st March, 2018 on a going concern basis. The Directors are very much hopeful that the Company's performance will improve in the forth coming financial years.
- v) The Directors had laid down internal financial controls to be followed by Company and that such internal financial controls are adequate and were operating effectively.
- vi) The Director had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.



SHARE CAPITAL:

The Authorized Share Capital of the Company is Rs. 9,95,00,000 (Rupees Nine Crores Ninety Five Lakhs Only) divided into Equity share capital of 99,50,000 (Ninety Nine Lakhs Fifty Thousand Only) aggregating to Rs. 9,95,00,000 (Nine Crores Ninety Five Lakhs Only) and 5,000 (Five Thousand) 13.5% Non-Cumulative Redeemable Preference share of Rs. 100 (One Hundred) aggregating to Rs. 5,00,000 (Rupees Fifty Lakhs Only).

The paid up capital of the Company is Rs. 5,80,89,000 (Rupees Five Crores Eighty Lakhs Eighty Nine Thousand Only) Divided into 58,08,900 (Fifty Eight Lakhs Eight thousand Nine Hundred) Equity Shares of Rs. 10 (Ten) each.

During the year 2018 - 2019 there was no change in Share capital and the Company has not made any issue of equity shares with differential voting Rights, Sweat Equity Shares and Employee Stock Option.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KMP AND PARTICULAR OF EMPLOYEES:

The remuneration paid to Directors and Key Managerial Personnel are in accordance with the Nomination and Remuneration Policy formulated in accordance with section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

The information required under section 197 of the Companies Act, 2013 in respect of Director/employees of the company is set out in **Annexure IV** of this Annual Report.

WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**MANAGERIAL REMUNERATION:**

The Disclosure pursuant to Rule 5 (1) of the Companies (Appointment of Managerial Personnel) 2014 is as follows:

Name of the Director	Amount of remuneration to Directors	Percentage increase in the remuneration	Ratio of remuneration of each Director / to median remuneration of employees
Mr. Sunder Moolya	4,94,000	20.85%	3.836
Mr. Santosh Borkar	3,60,000	5.34%	2.795

1. The Independent Directors do not receive any remuneration except sitting fees.
2. There was change in the remuneration of any Director other than Key Managerial Personnel or Director.
3. The percentage decrease in the median remuneration of the employees in the financial Year was 12.85 %
4. As on 31st March 2018 there were a total of 77 employees on the roll of the Company.
5. It is affirmed that the remuneration is as per the remuneration policy of the company.
6. None of the employee of the Company was in receipt of the remuneration (throughout the financial year or part thereof) as per Rule 5(2) of the Companies (Appointment of Managerial Personnel) 2014.

The Company does not have any Holding or Subsidiary Company and Associate Company as per Companies Act, 2013 and Rules made thereunder.

AUDITORS:

M/s. Krunal H. Shah & Associates, Chartered Accountants, is been Appointed as Statutory Auditors of the Company to fill in the casual vacancy caused by resignation of M/s. Mehul Hemani & Associates, for period of 5 years i.e. from conclusion of the 49th Annual General Meeting until the conclusion of 54th Annual general meeting of the Company. The Company has obtained an eligibility certificate from them of their appointment it would be in accordance with the prescribed limits specified under section 141 of the Companies Act, 2013.

STATUTORY AUDIT REPORT:

The Report of the statutory Auditors along with the notes to schedule is enclosed to this report.

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors of the company has appointed **M/s. S. G. and Associates, Practicing Company Secretaries** (Mumbai) to undertake the Secretarial Audit of the Company for the Financial Year 2017-2018. The Secretarial Audit report i.e. Form MR-3 is **Annexure III** to this report. The secretarial audit report contained following observations and remarks:



The company not appointed Company secretary and Chief financial officer as required under section 203 of companies act, 2013.

Further, The Company has not appointed internal auditor as per section 138 Companies Act, 2013.

Company has not maintained website as per Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per secretarial audit report, the Board of Director has taken note of the same and is searching for suitable candidate for right position in the Company.

EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return i.e. Form MGT-9 is forming the part of this Annual Report and is **Annexure IV** to Directors report.

RISK MANAGEMENT POLICY:

The company has framed a risk management policy and the same is available on the website of the Company. The Company believes that risk should be managed and monitored on a continuous basis. As a result, the Company has designed a dynamic risk management framework to allow managing risks effectively and efficiently, enabling both short term and long term strategic and business objectives to be met.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the year on the operations of the Company, as required under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is provided in a separate section and forms a part of this Annual Report.

CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance Report is not applicable to the Company as it does not fall under the criteria of Paid up Share Capital of Rs. 10 Crore and Turnover of Rs. 25 Crores.

LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to BSE where the Company's shares are listed.



ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

**For and on behalf of the Board
For Garware Synthetics Limited,**

**Date: 14.08.2018
Place: Mumbai**

**Sunder. K. Moolya
Whole Time Director
DIN: 02926064**

**Santosh Borkar
Director
DIN: 03134348**

**ANNEXURE-I TO DIRECTORS' REPORT**

Particulars required under the Companies (Disclosure of particulars in the report of Board of Director(s) Rules), 1988.

Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo forms are as follows:

CONSERVATION OF ENERGY**Power & Fuel Consumption**

Sr. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
1	Electricity Units KWH (Lakhs)	8.07	8.17
2	Value in Rs. (Lakhs)	80.89	83.04

Consumption per unit of production

Sr. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
1	Cost per Unit (₹)	24.87	26.77
2	Consumption per ton of Production (₹)	24870	26769

RESEARCH & DEVELOPMENT:

During the year, the Board of Directors has not conducted any Research & Development activity.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sr. No.	Particulars	Current Year 2017-18	Previous Year 2016-17
1	Foreign Exchange Earning	NIL	NIL
2	Foreign Exchange Outgoings	NIL	NIL

**For and on behalf of the Board
For Garware Synthetics Limited,**

Date: 14.08.2018
Place: Mumbai

Sunder. K. Moolya
Whole Time Director
DIN: 02926064

Santosh Borkar
Director
DIN: 03134348



**ANNEXURE – II
FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms length transaction under third provision thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

S N	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first provision to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

Particular			Duration of Contract / Arrangement / Transaction	Amount	Date on Passing Board Resolution / Special Resolution
Name of Related party	Nature of Relation	Name of Transaction			
Sunder Moolya	Director	Remuneration	Monthly	494000	30/05/2017
Santosh Borkar	Director	Remuneration	Monthly	360000	30/05/2017
Garware Synthetics Bristles Employees Provident Fund	Promoter of the Company	Post employment benefit Plan	NA	421000	30/05/2017
Garware Finance Corporation Limited	Entity controlled by person having control over reporting entity	Loan Received	NA	571575	30/05/2017

**For and on behalf of the Board
For Garware Synthetics Limited,**

Date: 14.08.2017
Place: Mumbai

**Sunder. K. Moolya
Whole Time Director
DIN: 02926064**

**Santosh Borkar
Director
DIN: 03134348**

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

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**Secretarial Audit Report
For the Financial Year ended 31st March, 2018**

**To,
The Members,
Garware Synthetics Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garware Synthetics Limited** (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and
 - b. Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The securities and exchange board of India (Listing obligation and disclosures requirement) regulation, 2015.



We further stated that there were no events /actions in pursuant of the following regulations and guidelines prescribed under the securities and exchange board of India Act, 1992(SEBI Act)

- (1) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (2) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (3) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (4) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (5) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (6) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- v. Other laws applicable to the Company as per the representations made by the Company. We have also examined compliance with the applicable clauses of the following:
- a. The Factories Act, 1948.
 - b. The Payment of Wages Act, 1936.
 - c. The Minimum Wages Act, 1948.
 - d. The Employees' State Insurance Act, 1948.
 - e. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
 - f. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

The Company has not appointed Company secretary and chief Finance officer as required under Section 203 of the Companies Act, 2013.

The Company has not appointed Internal Auditor as required under Section 138 of the Companies Act, 2013.

The Company has not updated its Website as per Regulation 46 of SEBI (LODR) Regulation, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

- (i) Public / Rights issue of shares / debentures / sweat equity.
- (ii) Buy-Back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction etc
- (v) Foreign technical collaborations

This Report is to be read with our letter of even date which is annexed as **Annexure-A** and Forms an integral part of this Report.

**For S.G. and Associates,
Company Secretaries**

**Suhas Ganpule,
Proprietor,
Membership No: 12122
C. P No: 5722**

**Date: 14.08.2018
Place: Mumbai**



ANNEXURE A

To,
The Members,
Garware Synthetics Limited,
Mumbai.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report 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.
7. We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

For SG & Associates

(Suhas S. Ganpule)
Practising Company Secretary
Proprietor
Membership No. 12122
CP No. 5722

Date: 14th August, 2018
Place: Mumbai



ANNEXURE IV

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:	L99999MH1969PLC014371
Registration Date [DDMMYY]	01/09/1969
Name of the Company	Garware Synthetics Limited
Category of the Company	Company Limited by Shares
Address of the Registered office and contact details:	Manish Textiles Industrial Premises, Opposite Golden Chemical, Penkar Pada, Mira Road, Mumbai - 401104 022-28457763
Whether listed company: YES	Bombay Stock Exchange Limited (BSE Limited)
Name, Address and Contact details of Registrar and Transfer Agent:	Universal Capital Securities Pvt. Ltd 21, Shakil Niwas, Near Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Tel.: 022 - 28207203 – 05 Email: info@unisec.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC code of the product / service	% to total turnover of the company
1	Garflon Nylon Bristles	24304	75.95%
2	Garflon Nylon Bushes & Rods	25201	23.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
NOT APPLICABLE			

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-APRIL-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2659282	--	2659282	45.78	2659282	--	2659282	45.78	--
b) Central Govt	--	--				--			--
c) State Govt(s)	--	--				--			--
d) Bodies Corp.	--	--				--			--
e) Banks / FI	--	--				--			--
f) Any other	--	--				--			--
Total shareholding of Promoter (A)	2659282	--	2659282	45.78	2659282	--	2659282	45.78	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	400	--	400	0.01	400	--	400	0.01	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	400	--	400	0.01	400	--	400	0.01	--
2. Non-Institutions									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	408141	11117	419258	7.21	386919	11117	398036	6.85	(0.36)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	868176	1266122	2134298	36.74	859197	1277038	2136235	36.78	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	218213	75616	293829	5.06	260874	48600	309474	5.33	0.27
c) Others (specify)	193833	108000	301833	5.20	198473	107000	305473	5.26	0.06
Sub-total (B)(2):-	1688363	1460855	3149218	54.21	1705463	1443755	3149218	54.21	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1688763	1460855	3149618	54.22	1705863	1443755	3149618	54.22	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	4348045	1460855	5808900	100	4365145	1443755	5808900	100	--

ii) Shareholding of Promoter :

SN	Shareholder's Name	Shareholding at the beginning of the year (1 st April, 2017)			Shareholding at the end of the year (31 st March, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anita Garware	122700	2.11	89.65	122700	2.11	89.65	--
2	Nihal C. Garware	2274682	39.16	6.59	2274682	39.16	6.59	--
3	Sushma A. Garware	124500	2.14	--	124500	2.14	--	--
4	Monika Garware Modi	12600	0.22	--	12600	0.22	--	--
5	Shashikant B. Garware	124800	2.15	--	124800	2.15	--	--
TOTAL		2659282	45.78	--	2534782	43.64	--	(2.14)

iii) Change in Promoters' Shareholding :

Sn	Shareholders name	Shareholding		Date	Increase / (Decrease) in shareholding	Reason	Cumulative shareholding during the year (01.04.2017 to 31.03.2018)	
		No of shares at beginning (01.04.2017)	% of shares of the Company				No. of shares	% of total shares of the Company
--	--	--	--	--	--	--	--	--

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Name of the Share Holders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Niche Financial Services Pvt Ltd	226785	3.90	226785	3.90
2.	Vayu Ramesh Garware	90084	1.55	90084	1.55
3.	Diya Garware	87600	1.51	87600	1.51
4.	Shashvat Investments Consultancy and Pro. 8	87600	1.51	87600	1.51
5.	Aditya Ashok Garware	87600	1.51	87600	1.51
6.	Ramit Rajinder Bharadwaj	40529	0.70	58188	1.00
7.	Jaideep Chandrakant Garware	48600	0.84	48600	0.84
8.	Bhavin Thakkar (HUF)	40350	0.69	40350	0.69
9.	Manoj Daga	16002	0.28	25002	0.43

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Sunder K. Moolya				
	At the beginning of the year	100	0.00		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	100	0.00		
2.	Mr. Ramesh G. Chandorker				
	At the beginning of the year	200	0.00	--	--
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the end of the year	200	0.00		
3.	Mr. Santosh B. Borkar				
	At the beginning of the year	200	0.00		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	--	--	--	--
	At the end of the year	200	0.00	--	--
	TOTAL	500	0.00		

vi) INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	42676538	1500000	44176538
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	42676538	1500000	44176538
Change in Indebtedness during the financial year				
* Addition	--	571575	0	571575
* Reduction	--	--	--	--
Net Change	--	571575	0	571575
Indebtedness at the end of the financial year				
i) Principal Amount	--	43248113	1500000	44748113
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	43248113	1500000	44748113

i) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Particulars	Total Amount
		Sunder k. Moolya	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,94,000	4,94,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (Bonus)	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify...	-- --	--
5	Others, please specify	--	--
	Total (A)	4,94,000	4,94,000

B. Remuneration to other Directors

SN	Particulars of Remuneration	Ramesh Chandorkar	Kirit Kumar Doshi	Kavita Pawar
1.	Independent Directors			
	Fee for attending board committee meetings	15,000	15,000	20,000
	Commission			
	Others, please specify			
	Total (1)	15,000	15,000	20,000
2.	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (2)			
	Total (B)=(1+2)	15,000	15,000	20,000
	Total Managerial Remuneration	50,000		

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

SN	Particulars of Remuneration	Key Managerial Personnel
		Santosh Borkar(Executive Director)
1.	Gross salary	3,60,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-

2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	-
	others, specify...	-
5.	Others, please specify	-
	Total	3,60,000
	Ceiling Limit as per Act	

ii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
COMPANY					
Penalty			NIL		
Punishment					
Compounding					
DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

**For and on behalf of the Board
For Garware Synthetics Limited,**

**Date: 14.08.2018
Place: Mumbai**

**Sunder. K. Moolya
Whole Time Director
DIN: 02926064**

**Santosh Borkar
Director
DIN: 03134348**



MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to schedule V of the SEBI (LODR) Regulation, 2015, 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 Limited 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 scarcity of the Working Capital. At the same time, many potential markets are untapped due to 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 reduces company 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.

GST

While the Indian Manufacturing industry for our company product relation is expected to be good in 2017, Tax rate will be reduced as compared to current rate, Thus no majored impact arise Company production, Market scenario might be same in future after GST implication.

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 huge amount of power shortage. Due to the power- cutting in company factory established, the Company suffered amount of production loss during the current year and the same trend will continue in the next year also as the area of production is not having adequate power generating capacity

**INTERNAL CONTROL SYSTEM 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 RESOURCES DEVELOPMENT:

The inter- personal relations of the employees have been very cordial throughout the year. The Company has constituted an Internal Complaints Committee (ICC) pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Sexual Harassment Act).

CAUTIONARY STATEMENT:

Your Company is facing a financial crunch and because of same your company can not 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 result into diversion of our customers to our competitors.

**For and on behalf of the Board
For Garware Synthetics Limited,**

**Date: 14.08.2018
Place: Mumbai**

**Sunder. K. Moolya
Whole Time Director
DIN: 02926064**

**Santosh Borkar
Director
DIN: 03134348**



CODE OF CONDUCT DECLARATION

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that-

The Company has obtained from all members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year 31st March, 2018

**By Order of the Board of Directors,
Garware Synthetics Limited,**

**Sunder Kocha Moolya
Whole-Time Director
DIN: 02926064**

Date: 14.08.2018

Place: Mumbai



WHOLE TIME DIRECTORS CERTIFICATION

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

We hereby certify to the Board that;

- A. We have received the Financial Statements and the Cash Flow Statements for the year 2017-2018 and that to the best of our knowledge and belief :
- i. These statements do not contain any materially untrue or misleading statements nor omits any material fact.
 - ii. These statements together present a true and fair view of Companies affairs and are in Compliance with existing Accounting Standards, Applicable Laws and Regulations.
- B. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year 2017-2018 which are fraudulent, illegal or violative of the Company 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 system 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 a internal control, 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 Audit Committee:
1. Significant changes in the internal control over financial report during the year 2017-2018
 2. Significant changes in the accounting policies during the year 2017-2018 and that the same have been incorporated in the notes to the financial statements and
 3. Instances of significant fraud, if any of which we have become aware, and involvement therein if any, of the Management or an Employee having significant role in Companies internal control system over a financial reporting.

**By Order of the Board of Directors,
Garware Synthetics Limited,**

**Sunder Kocha Moolya
Whole-Time Director
DIN: 02926064**

**Date: 14.08.2018
Place: Mumbai**



INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF GARWARE SYNTHETICS LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **GARWARE SYNTHETICS LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order issued under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2018**;
- 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.

Emphasis on Matters

The Company has not appointed Company Secretary and Chief Finance Officer as required under Section 203 of the Companies Act, 2013.

Further, 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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further 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 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 those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and 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 applicable Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on **March 31, 2018**, and taken on record by the Board of Directors, none of the directors is disqualified as on **March 31, 2018**, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Independent Auditors' 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 as at **March 31, 2018** on its Financial Position on its Financial Statements as mentioned in Note 26.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.



- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure B' a statement on the matters Specified in paragraphs 3 and 4 of the Order.

For Mehul Hemani & Associates
Chartered Accountants
Firm Registration Number: 140577W

Mehul Hemani
Proprietor
M. No. : 156124
Place: Mumbai
Date: 30/05/2018

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, 2018 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Mehul Hemani & Associates
Chartered Accountants
Firm Registration Number: 140577W

Mehul Hemani
Proprietor
M. No. : 156124
Place: Mumbai
Date: 30/05/2018

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 and specifically at the year-end by the management. 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. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.

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, 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	2001 - 02	34,80,294	7,70,246	-	Deputy Commissioner of Sales Tax
2	2002 - 03	33,16,840	11,15,852	-	Deputy Commissioner of Sales Tax
3	2003 - 04	62,22,840	50,98,890	-	Deputy Commissioner of Sales Tax
4	2004 - 05	19,48,300	9,46,532	-	Deputy Commissioner of Sales Tax
5	2011 - 12	-	-	23,35,540	Income Tax Appellate Tribunal
6	2012 - 13	-	-	14,11,930	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 3 (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 Mehul Hemani & Associates
Chartered Accountants
Firm Registration Number: 140577W

Mehul Hemani
Proprietor
M. No. : 156124
Place: Mumbai
Date: 30/05/2018

BALANCE SHEET AS AT MARCH 31, 2018
Amount in ₹

PARTICULARS		Note No.	2017-18	2016-17
I	ASSETS			
1	Non - Current Assets			
	(a) Property, Plant and Equipment	1	104,967,413	104,198,038
	(b) Financial Assets			
	Investments	2	250	250
	Loans	3	1,168,310	824,280
	(c) Deferred Tax Asset (Net)	4	2,078,062	2,191,522
	(d) Other Non Current Assets	5	426,599	1,087,117
			108,640,634	108,301,207
2	Current Assets			
	(a) Inventories	6	11,924,249	11,484,995
	(b) Financial Assets			
	Trade Receivables	7	12,991,495	8,928,754
	Cash and Cash Equivalents	8	2,290,334	960,207
			27,206,079	21,373,957
	TOTAL		135,846,712	129,675,163
II	EQUITY AND LIABILITIES			
A	Equity			
	(a) Equity Share Capital	9	58,089,000	58,089,000
	(b) Other Equity	10	(72,822,125)	(76,267,526)
			(14,733,125)	(18,178,526)
B	Liabilities			
1	Non - Current Liabilities			
	(a) Financial Liabilities			
	Borrowings	11	44,748,113	44,176,538
	(b) Provisions	12	2,509,962	3,356,962
	(c) Other Non - Current Liabilities	13	46,616,824	46,616,824
			93,874,899	94,150,324
2	Current Liabilities			
	(a) Financial Liabilities			
	Trade payables	14	32,959,464	28,416,187
	(b) Provisions	15	9,983,398	11,084,002
	(c) Other Current Liabilities	16	13,762,077	14,203,176
			56,704,939	53,703,365
	TOTAL		135,846,712	129,675,163

Significant Accounting Policies (Annexure I)
See accompanying notes forming part of the financial statements

In terms of our report attached.

For Mehul Hemani & Associates
Chartered Accountants
For and on behalf of the Board of Directors
Mehul Hemani
Proprietor
Sunder Moolya
Whole Time Director
DIN: 02926064
Santosh Borkar
Executive Director
DIN: 03134348

 Place : Mumbai
 Date : 30/05/2018

 Place : Mumbai
 Date : 30/05/2018

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018
Amount in ₹

PARTICULARS		Note No.	2017-18	2016-17
I	Revenue From Operations (Gross)	17	96,017,171	85,353,186
II	Other Income (Includes Prior Period Items)	18	24,724	2,826,259
III	Total Revenue (I + II)		96,041,895	88,179,445
IV	Expenses			
	(a) Cost of Materials Consumed	19	51,316,377	43,418,057
	(b) Purchases of Stock-in-Trade		-	-
	(c) Changes in Inventories	20	635,730	51,101
	(d) Employee Benefits Expense	21	15,648,137	15,485,540
	(e) Finance Costs	22	901,027	1,578,163
	(f) Depreciation and Amortisation Expenses	1	222,550	188,486
	(g) Other Expenses	23	23,469,254	22,195,024
	Total Expenses (IV)		92,193,075	82,916,372
V	Profit before Exceptional and tax (III - IV)		3,848,820	5,263,073
VI	Exceptional Items		-	-
VII	Profit Before Tax (V - VI)		3,848,820	5,263,073
VIII	Tax Expense:			
	(a) Current Tax		-	-
	(b) Current tax relating to prior years		289,961	625,001
	(c) Deferred Tax		113,460	(48,850)
IX	Profit for the Year (VII - VIII)		3,445,399	4,686,922
X	Other Comprehensive Income		-	-
XI	Total Comprehensive Income (IX + X)		3,445,399	4,686,922
XII	Earnings per Equity Share	24		
	(a) Basic			
	(i) Continuing operations		0.59	0.84
	(ii) Total operations		0.59	0.84
	(b) Diluted			
	(i) Continuing operations		0.59	0.84
	(ii) Total operations		0.59	0.84

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Mehul Hemani & Associates
Chartered Accountants
For and on behalf of the Board of Directors
Mehul Hemani
Proprietor
Sunder Moolya
Whole Time Director
DIN: 02926064
Santosh Borkar
Executive Director
DIN: 03134348

 Place : Mumbai
 Date : 30/05/2018

 Place : Mumbai
 Date : 30/05/2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018
A. Equity Share Capital
(Amount in ₹)

Balance at the beginning of the reporting period i.e. 31st March 2017	Changes in equity share capital during the year 2017-2018	Balance at the end of the reporting period i.e. 31st March 2018
58,089,000	-	58,089,000

B. Other Equity
(Amount in ₹)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	Investment Allowance Reserve	Profit and Loss Account	
Balance at the beginning of the reporting period i.e. 1st April 2017	87,182,309	25,132,000	1,056,100	(189,637,933)	(76,267,524)
Total Comprehensive Income for the Year	-	-	-	3,445,399	3,445,399
Balance at the end of the reporting period i.e. 31st March 2018	87,182,309	25,132,000	1,056,100	(186,192,534)	(72,822,125)

In terms of our report attached.		
For Mehul Hemani & Associates	For and on behalf of the Board of Directors	
Chartered Accountants		
	Sunder Moolya	Santosh Borkar
Mehul Hemani	Whole Time Director	Executive Director
Proprietor	DIN: 02926064	DIN: 03134348
Place : Mumbai	Place : Mumbai	
Date : 30/05/2018	Date : 30/05/2018	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
(Amount in ₹)

Particulars	2017-18	2016-17
A. <u>Cash flow from operating activities</u>		
Net Profit before tax	3,848,820	5,263,073
<u>Adjustments for:</u>		
Depreciation and amortisation	222,550	188,486
Liabilities / provisions no longer required written back	-	(1,585,583)
Finance costs	857,477	1,561,439
Interest income	(15,455)	(14,759)
Operating profit / (loss) before working capital changes	4,913,392	5,412,657
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(439,254)	(3,216,547)
Trade receivables	(4,062,741)	507,576
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	4,543,277	1,319,793
Other current liabilities	(441,099)	124,571
Short-term provisions	(1,100,604)	(610,816)
Long-term provisions	(847,000)	(267,000)
	(2,347,421)	(2,142,423)
Cash generated from operations	2,565,971	3,270,234
Net income tax (paid) / refunds	289,961	625,001
Net cash flow from / (used in) operating activities (A)	2,276,010	2,645,233
B. <u>Cash flow from investing activities</u>		
Fixed Assets Purchased		
- Purchased	(991,925)	(44,495)
Interest received		
- Others	15,455	14,759
Amounts received from Long Term Loans & Advances	316,488	761,251
Net cash flow from / (used in) investing activities (B)	(659,982)	731,515
C. <u>Cash flow from financing activities</u>		
Proceeds from long-term borrowings	571,575	-
Repayment of long-term borrowings	-	(1,040,678)
Finance cost	(857,477)	(1,561,439)
Net cash flow from / (used in) financing activities (C)	(285,901)	(2,602,115)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1,330,127	774,633
Cash and cash equivalents at the beginning of the year	960,207	185,574
Cash and cash equivalents at the end of the year	2,290,334	960,207
* Comprises:		
(a) Cash on hand	584,041	411,952
(b) Balances with banks		
(i) In current accounts	1,706,294	548,255
	2,290,334	960,207



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.
- (iii) Figures for the P.Y. have been regrouped wherever necessary to conform to the C.Y. classification.

In terms of our report attached.

For Mehul Hemani & Associates
Chartered Accountants

For and on behalf of the Board of Directors

Mehul Hemani
Proprietor

Sunder Moolya
Whole Time Director
DIN: 02926064

Santosh Borkar
Executive Director
DIN: 03134348

Place: Mumbai
Date: 30/05/2018

Place: Mumbai
Date: 30/05/2018

NOTES FORMING PART OF FINANCIAL STATEMENT
Note 1 Property, Plant and Equipment

Sr. No.	Particulars	Gross Block			Depreciation			Net Block	
		As on 01.04.2017 ₹	Addition / (Deletion) ₹	As on 31.03.2018 ₹	As on 01.04.2017 ₹	For the year ₹	As on 31.03.2018 ₹	As on 31.03.2017 ₹	
(0)	Tangible Assets								
1	Land	100,995,561	-	100,995,561	-	-	100,995,561	100,995,561	
2	Building	7,123,859	-	7,123,859	5,186,583	46,502	1,890,774	1,937,276	
3	Plant & Machinery	5,304,402	581,689	5,886,091	4,280,821	120,216	1,485,055	1,023,582	
4	Furniture & Fixtures	69,900	296,611	366,511	18,409	7,208	340,894	51,491	
5	Office Equipments	141,036	15,625	156,661	77,341	22,317	57,003	63,696	
6	Electrical Installations	171,550	98,000	269,550	45,117	26,307	198,126	126,433	
	Total	113,806,308	991,925	114,798,233	9,608,270	222,550	104,967,413	104,198,038	
	Previous Year	113,761,813	44,495	113,806,308	9,419,784	188,486	104,198,037	104,342,029	

Note:

a) Depreciation is calculated as per Schedule II of Companies Act, 2013.

b) The Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

NOTES FORMING PART OF FINANCIAL STATEMENT

Particulars	Amount in ₹	
	2017-18	2016-17
Note 2 Non-Current Investments		
Investments (At cost):		
(a) Other non-current investments (<i>Unquoted</i>)	250	250
	250	250
Note 3 Loans		
(a) Security deposits		
(i) Secured, considered good	762,687	768,987
(b) Loans and advances to related parties		
(i) Unsecured, considered good	55,000	55,000
(c) Other loans and advances		
(i) Unsecured, considered good	350,623	293
	1,168,310	824,280
Note 4 Deferred Tax Assets		
Opening Balance	2,191,522	2,142,672
<u>Tax effect of items constituting deferred tax liability</u>		
1. Employer ESIC Contribution	103,311	-
2. On difference between Depreciation as per book and as per IT act.	51,292	2,413
	(154,602)	(2,413)
<u>Tax effect of items constituting deferred tax assets</u>		
Disallowances under Section 40(a)(i) 43B of the Income Tax Act, 1961		
1. Profession Tax	41,142	51,263
	41,142	51,263
Closing Balance	2,078,062	2,191,522
Note 5 Other Non - Current Assets		
(a) Balances with government authorities (Unsecured, considered good)		
(i) CENVAT credit receivable	-	557,225
(ii) VAT credit receivable	-	103,410
(iii) Tax Deducted at Sources	426,599	426,482
	426,599	1,087,117
Note 6 Inventories		
(a) Raw materials	6,772,268	5,697,284
(b) Work-in-progress	1,048,776	817,753
(c) Finished goods	2,460,275	3,777,028
(d) Stores and spares	1,642,930	1,192,930
	11,924,249	11,484,995
Note 7 Trade receivables		
Other Trade receivables (Unsecured, considered good)	12,991,495	8,928,754
	12,991,495	8,928,754
Note 8 Cash and Cash Equivalents		
(a) Cash on hand	584,041	411,952
(b) Balances with banks (In current accounts)	1,706,294	548,255
	2,290,334	960,207

NOTES FORMING PART OF FINANCIAL STATEMENT

Particulars	2017-18		2016-17	
	Number of shares	₹	Number of shares	₹
Note 9 Equity Share Capital				
(a) Authorised Share Capital				
Equity shares of ₹ 10/- each	9,950,000	99,500,000	9,950,000	99,500,000
13.5 % Non Cumulative Redeemable preference shares of ₹100/- each	5,000	500,000	5,000	500,000
	9,955,000	100,000,000	9,955,000	100,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10/- each	5,808,900	58,089,000	5,808,900	58,089,000
Total	5,808,900	58,089,000	5,808,900	58,089,000

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	2017-18		2016-17	
	Number of shares	₹	Number of shares	₹
(a) Equity Shares				
Opening Balance	5,808,900	58,089,000	5,808,900	58,089,000
<u>Changes made during the year</u>				
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes	-	-	-	-
Closing Balance	5,808,900	58,089,000	5,808,900	58,089,000

Note: The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. In The event of liquidation, the equity shareholders are eligible to receive the remaining assets if the company, after distribution of all preferential amount, in proportion of their shareholding.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	2017-18	2016-17
	Number of shares held	Number of shares held
Equity shares with voting rights		
Nihal C. Garware	2,274,682	2,274,682
Total	2,274,682	2,274,682

NOTES FORMING PART OF FINANCIAL STATEMENT

Particulars	Amount in ₹	
	2017-18	2016-17
Note 10 Other Equity		
(a) Capital reserve		
Opening balance	87,182,309	87,182,309
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	87,182,309	87,182,309
(b) Securities premium account		
Opening balance	25,132,000	25,132,000
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	25,132,000	25,132,000
(c) Investment allowance reserve		
Opening balance	1,056,100	1,056,100
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	1,056,100	1,056,100
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(189,637,933)	(194,324,857)
Add: Profit / (Loss) for the year	3,445,399	4,686,922
Closing balance	(186,192,534)	(189,637,935)
	(72,822,125)	(76,267,526)
Note 11 Borrowings		
(a) Term loans from other parties		
Unsecured	7,574,745	7,574,745
(b) Deposits from related parties		
Unsecured	1,500,000	1,500,000
(c) Loans and advances from related parties		
Unsecured	19,975,868	19,404,293
(d) Other loans and advances		
Unsecured	15,697,500	15,697,500
	44,748,113	44,176,538
Note 12 Provisions - Non Current		
(a) Provision for employee benefits:		
(i) Provision for gratuity	2,509,962	3,356,962
	2,509,962	3,356,962
Note 13 Other Non - Current Liabilities		
(a) Others:		
(i) Trade / security deposits received	200,003	200,003
(ii) Others	3,037,784	3,037,784
(iii) Advances on legal matter of Property	43,379,037	43,379,037
	46,616,824	46,616,824

NOTES FORMING PART OF FINANCIAL STATEMENT

Particulars	Amount in ₹	
	2017-18	2016-17
Note 14 Trade Payables		
Trade payables:		
Others	32,959,464	28,416,186
	32,959,464	28,416,186
Note 15 Provisions - Current		
(a) Provision for employee benefits:		
(i) Salary and Reimbursements	1,049,390	1,134,113
(ii) Contribution to PF	8,868,008	9,175,388
	9,917,398	10,309,501
(b) Provision - Others:		
(i) Provision for tax	-	680,000
(ii) Provision - others	66,000	94,500
	66,000	774,500
	9,983,398	11,084,001
Note 16 Other Current Liabilities		
(a) <u>Other payables</u>		
(i) Statutory remittances (Contributions to ESIC, Professional Tax, VAT, GST, TDS etc.)	13,762,077	14,203,176
	13,762,077	14,203,176
Note 17 Revenue from Operations		
a) Sale of products	96,017,171	85,353,186
	96,017,171	85,353,186
Note 18 Other Income		
Liabilities / provisions no longer required written back	3,571	1,585,583
Prior period items (net)	-	819,219
Interest Received-Other	15,455	14,759
Miscellaneous Income	5,698	9,236
Speculation Profit on sale of shares	-	397,463
	24,724	2,826,259
Note 19 Cost of Materials Consumed		
Opening stock	5,697,284	2,429,635
Add: Purchases	52,391,361	46,685,705
Less: Closing stock	6,772,268	5,697,284
Cost of material consumed	51,316,377	43,418,057
Material consumed comprises:		
Raw Material Purchase	52,391,361	46,685,705
	52,391,361	46,685,705
Note 20 Changes in Inventories of Finished goods, Work-in-Progress and Stock- in-Trade		
<u>Inventories at the end of the year:</u>		
Finished goods	2,460,275	3,777,028
Work-in-progress	1,048,776	817,753
Stores & Spares	1,642,930	1,192,930
	5,151,981	5,787,711

NOTES FORMING PART OF FINANCIAL STATEMENT
Amount in ₹

Particulars	2017-18	2016-17
<u>Inventories at the beginning of the year:</u>		
Finished goods	3,777,028	3,651,432
Work-in-progress	817,753	994,450
Stores & Spares	1,192,930	1,192,930
	5,787,711	5,838,813
Net (increase) / decrease	635,730	51,101
Note 21 Employee Benefits Expenses		
Salaries and wages	13,187,958	13,350,889
Contributions to provident Fund and other funds	1,743,463	1,453,120
Staff welfare expenses	716,715	681,531
	15,648,137	15,485,540
Note 22 Finance Costs		
a) Interest expense on:		
(i) Others	901,027	1,578,163
	901,027	1,578,163
Note 23 Other Expenses		
Auditor's Remuneration (Refer note below)	90,000	90,000
Consumption of stores and spare parts	723,086	345,630
Donation	2,000	17,100
Power and fuel	8,089,239	8,303,760
Rent (Refer note below)	3,626,000	3,408,000
Repairs and maintenance - Machinery	351,501	333,086
Repairs and maintenance - Others	188,951	26,976
Insurance	-	5,772
Rates and taxes (excluding taxes on income)	31,500	149,451
Prior period items (net)	77,853	146,097
Miscellaneous expenses		
Jobwork	3,201,360	2,916,480
Factory Expenses	43,586	449,449
Communication	127,720	136,224
Travelling and conveyance	250,090	215,112
Printing and stationery	84,119	105,187
Freight and forwarding	1,246,208	719,146
Sales commission	927,058	1,017,618
Business promotion	183,301	163,983
Legal and professional Charges	460,422	1,025,187
Other Miscellaneous expenses	3,765,260	2,620,766
	23,469,254	22,195,024
Note 23.1 - Details of Auditor's Remuneration is as follows:		
Statutory audit fees	50,000	50,000
Tax audit fees	40,000	40,000
	90,000	90,000

NOTES FORMING PART OF FINANCIAL STATEMENT

Particulars	Amount in ₹	
	2017-18	2016-17
Note 23.2 - Operating Lease		
The company had paid compensation for use of premises. These payments are recognized in the profit & loss account on the basis of periodic debit notes raised by the lessors. The specified disclosure in respect of this agreement is given below		
Lease payments recognized in profit and loss account	3,626,000	3,408,000
Total of future minimum lease payments in the following period (excluding tax):		
- not later than one year	2,891,400	3,626,000
- later than one year and not later than five years	-	2,891,400
Note 24 - Earning Per Share		
24.1 Earnings per share		
<u>Basic</u>		
24.2 Continuing operations		
Net profit / (loss) for the year from continuing operations	3,445,399	4,686,922
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	3,445,399	4,686,922
Earnings per share from continuing operations - Basic	0.59	0.84
24.3 Total operations		
Net profit / (loss) for the year	3,445,399	4,686,922
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders		
Earnings per share - Basic	0.59	0.84

Note 25- Related Party Disclosure (As identified by the Management & with whom transactions are carried out.)

25.1 Names of related parties & their relationship with the Reporting Entity
(a) Key management personnel

- (a) Sunder Moolya
- (b) Santosh Borkar

(b) Enterprises owned or significantly influenced by key management personnel or their relatives.

- (a) Tyson Marketing Private Limited
- (b) Garflon Marketing (India) Private Limited

(c) Entities controlled by person having control over reporting entity.

- (a) Garware Finance Corporation Limited
- (b) CBG Trading Private Limited
- (c) Garware Construction Limited

(d) Post Employment Benefit Plan

- (a) Garware Synthetics Bristles Employees Provident Fund

NOTES FORMING PART OF FINANCIAL STATEMENT
25.2 Transactions carried out with the related parties mentioned above in ordinary course of business

No.	Particulars	Key Management Personnel		Enterprises owned or significantly influenced by key management personnel		Entities controlled by person having control over reporting entity		Post Employment Benefit Plan		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
A	Transaction										
1	Directors Remuneration	494000	398000	-	-	-	-	-	-	494000	398000
2	Employee Benefit Expense	360000	333750	-	-	-	-	2625000	2204000	2985000	2537750
3	Loan Received	-	-	-	-	9197500	11472500	-	-	9197500	11472500
4	Loan Repaid	-	-	-	559012	8625925	11954166	-	-	8625925	12513178
B	Outstanding Balances										
1	Receivables	-	-	-	-	1550000	1550000	-	-	1550000	1550000
2	Payables	-	-	2382193	2382193	20643675	20072100	-	-	23025868	22454293

Note: i) No amounts pertaining to related parties have been provided for as doubtful debts. Further, no amounts have either been written off or written back during the year.

ii) Above transactions does not includes Re-imbursement of expenses

Note 26 - Contingent Liabilities

The Company's pending litigations comprise of claims against the Company primarily by the proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2018.

Particulars	2017-18	2016-17
	Contingent liabilities and commitments (to the extent not provided for)	
Income Tax Related	3,747,470	6,940,480
Sales Tax Related	22,899,794	22,899,794

Note 27 - Disclosure under MSMED Act, 2006

The disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has not been given since classification with respect to MSME and others is not available and hence not given herein above.



NOTES FORMING PART OF FINANCIAL STATEMENT**CORPORATE INFORMATION**

Garware Synthetics Limited is a company limited by shares, incorporated and domiciled in India. The Company is primarily engaged in business of manufacturing wide range of bristles made from Nylon.

Annexure I**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**

(Annexed to and forming part of financial statements for the year ended 31st March, 2018)

BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on the historical cost basis. The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements.

1.1 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

1.2 Inventories

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. Finished Goods and Work in Progress is recognised at lower of cost or net realizable value. Cost comprises Material cost, cost of conversion, other expenses incurred to bring the inventories to their current condition and location.

1.3 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.



All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to IndAS:

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.4 Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

1.5 Investments

Long-term investments are stated at cost less provision for diminution in value, other than temporary. Current investments are stated at the lower of cost and fair value.

1.6 Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Company pays gratuity to the employees, which are accounted on the basis of liability accrued.

1.7 Borrowing Costs

The company has not incurred any borrowing cost during the year.



1.8 Earnings per Share

Basic earnings per share are computed by dividing the profit after tax by the number of equity shares outstanding during the year. Since there are no dilutive potential equity shares, diluted earnings per share is computed in the manner same as used for basic earnings per share.

1.9 Taxes on Income

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognized in other comprehensive income or equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.10 Impairment of Assets

The carrying amounts of assets / cash generating units are reviewed at each Balance Sheet date to assess whether there is any indication of impairment based on internal / external factors. After review of this year, no impairment is recognized, as there was no necessity.

1.11 Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

1.12 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and bank balances in current account.

1.13 Segment Reporting

Geographical Segment

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

1.14 Related Party Disclosure

The Company has entered into transaction with related parties during the current year; however the terms are not prejudicial to the interest of the company.

1.15 Lease

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of Ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.16 FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Deemed cost:

Ind AS 101 permits a first - time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de - commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A.3 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.



1.17 Other Notes

- i. Previous year figures are regrouped wherever necessary to make them comparable with the figures of the current year.
- ii. Balances of loans/advances/ sundry creditors, debtors and fixed assets are subject to reconciliations, confirmation and adjustment, if any.
- iii. In the opinion of Board of Directors the Current Assets, Loans and advances are stated at net realizable value in the ordinary course of business.
- iv. In case of few creditors, actual liability does not arise during the year since it has been paid off in the past years and therefore company has written back the same during the year.
- v. Certain legal cases are pending with the court of law, the quantum of the same is not ascertainable. However, the management is of the opinion that, decision of the court will be in favor of the company.
- vi. 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 and Justice and Company Affairs.
- vii. As there is no Managing Director in the company, hence terms of Section 197 and 198 of the Companies Act, 2013 are not applicable to the Company.
- viii. Unless otherwise stated, in the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value if realized 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.
- ix. Figures in Brackets in the Notes forming part of the accounts relate to the previous year.

**For and on behalf of the Board
For Garware Synthetics Limited,**

**Sunder. K. Moolya
Whole Time Director
DIN: 02926064**

**Santosh Borkar
Director
DIN: 03134348**

**Place: Mumbai
Date: 30/05/2018**



GARWARE SYNTHETICS LIMITED

CIN: L99999MH1969PLC014371

**Registered Office Address: Manish Textiles Industrial Premises,
Opposite Golden Chemical, Penkar Pada, Mira Road – 401104**

Email: garware.synthetic@gmail.com

ATTENDANCE SLIP

49th Annual General Meeting on Friday, 28th September, 2018 at 09.30 A.M

Registered Folio No./ DP ID/Client ID	
No. of Shares	
Name and address of the Member(s)	
Joint Holder 1 Joint Holder 2	

Serial No. 1

I/We hereby record my/our presence at the 49th Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at B Radha Krishna Hall, Ram Industrial Estate, Behind Samrat Hotel, W. E. Highway, Dahisar Checknaka, Mira Road.

.....
Member's/Proxy's name in Block Letters

.....
Member's/Proxy's Signature

**Please hand it over at the Attendance Verification Counter at the entrance of the meeting hall.
Members are requested to bring their copies of the Annual Report to the AGM**

Note: Please read carefully the instructions given in the Notice for voting through the e-voting platform. The voting period begins on 25th September, 2018 at 09.00 A.M and ends on 27th September, 2018 05.00 P.M (IST). The voting module shall be disabled by CDSL for voting thereafter.

EVSN (Electronic Voting Sequence Number)	*Default PAN
180901035	

*Only Member who have not updated their PAN with Company / Depository Participant shall use default PAN in the Pan Field.



GARWARE SYNTHETICS LIMITED

CIN: L99999MH1969PLC014371

**Registered Office Address: Manish Textiles Industrial Premises,
Opposite Golden Chemical, Penkar Pada, Mira Road – 401104**

PROXY FORM

Name of the Member(s) :
Registered address :
E-mail Id :
Folio No./Client ID No:
DP ID :

I/We, being the member (s) of shares of the above named Company, hereby appoint:

1.

Name			
Address			
E-mail ID		Signature:	

or failing him

2.

Name			
Address			
E-mail ID		Signature:	

or failing him

3.

Name			
Address			
E-mail ID		Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting, to be held on **Friday, 28th September, 2018 at Radha Krishna Hall, Ram Industrial Estate, Behind Samrat Hotel, W. E. Highway, Dahisar Checknaka, Mira Road** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.:

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March 2018 and Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunder Kocho Moolya (DIN: 02926064), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Krunal H. Shah & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 54th Annual General Meeting.

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.