

# JAYESH DADIA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

422, Arun Chambers, Tardeo, Mumbai - 400034. Tel.: +91-22-66602417 / 66601056 Fax : +91-22-66602418  
E-mail: info@jdaca.com Website : www.jdaca.com

## INDEPENDENT AUDITORS' REPORT

To the Members of GARWARE SYNTHETICS LIMITED  
Report on the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of M/s. Garware Synthetics Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2022, and the statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view, in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind As") and the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.



## Emphasis on Matters

We draw attention to the following matters:

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
<b>Evaluation of uncertain positions related to tax and regulatory matters</b>	
<p>The Company has material uncertain positions related to and direct tax matters under disputes that involves significant judgment to determine the possible outcome of these disputes, provisions required, if any, and/or write back of provision in respect of such matters.</p> <p>Refer accounting policies for "Provisions &amp; Contingencies" as given in the notes.</p>	<p>In view of the significance of the matter we applied following procedures:</p> <p>We have obtained details of tax litigations under Income Tax Act for as on 31st March, 2022 from the management.</p> <p>We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes.</p> <p>We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in Income tax matters.</p> <p>We have also reviewed the assumptions made by the management as at 31st March, 2022 and evaluated whether any change was required on account of information and updates made available during the year.</p> <p>We verified the appropriateness of the accounting policies disclosures related to provisions and contingencies for sub judice matters and details of contingent liabilities in notes respectively in the financial statements.</p>

## Information other than the financial statements & Auditor's report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality & qualitative factors in (i) planning the scope of our audit and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"



- g. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer notes to the standalone Ind AS financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

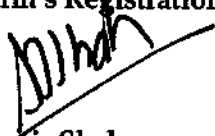
(iv) (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.

For Jayesh Dadia & Associates LLP  
Chartered Accountants  
Firm's Registration No. 121142W/W100122

  
Sanir Shah  
Partner  
Membership No. 124298



Place of Signature: Mumbai  
Date: 19<sup>th</sup> July, 2022  
UDIN: 22124298ANGANG1077

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## Annexure "A" to the Auditors' Report

**Report on Companies (Auditor's Report) Order, 2020 ('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')**

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31<sup>st</sup> March, 2022

In our opinion and to the best our information and according to the explanations provided to us by the Company and based on our examination of the books of account in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use-assets.
- (B) The Company does not own any intangible assets as at the year ended 31<sup>st</sup> March, 2022. Accordingly, comment under this clause has not been given.
- (b) A substantial portion of the Property, Plant & Equipment has been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanation given to us, the title in respect of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under Property, Plant & Equipment, is not held in the name of the Company as at the balance sheet date and is under dispute. The same is subject to resolution of dispute by the adjudicating authority.
- (d) The Company has not revalued any of its the Property, Plant & Equipment (including right-of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and the rules made thereunder.





- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management, except for stock in transit. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) The Company has not made investments in companies, firms, Limited Liability partnerships or other parties but granted unsecured loan to related party during the year, in respect of which:
- (a) The Company has not provided any loans or advances in the nature of loans or guarantees or securities to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) In our opinion, the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The Company has not provided any loans or advances in the nature of loans to any other entity during the year, and hence reporting under clause 3(iii)(c) of the Order is not applicable.
- (d) The Company has not provided any loans or advances in the nature of loans to any other entity during the year, and hence reporting under clause 3(iii)(d) of the Order is not applicable.
- (e) The Company has not granted any loans which have fallen due during the year, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has granted loans repayable on demand or advances to related parties. The details are as under. (₹ in lacs)



	All Parties	Promoters	Related Parties
<b>Aggregate amount of loans/advances in nature of loans</b>			
Repayable on demand (A)	15.50	0	15.50
Agreement does not specify any terms or period of repayment (B)	0	0	0
<b>Total (A) + (B)</b>	<b>15.50</b>	<b>0</b>	<b>15.50</b>
Percentage of loans/ advances in nature of loans to the total loans	100%	-	100%

- (iv) In our opinion and according to information and explanation given to us the company has neither granted any loans or provided any guarantee nor made any investments. Therefore provisions of clause 3(iv) Of the order is not applicable.
- (v) The Company has not accepted any deposits or amounts deemed to be deposits during the year. Therefore reporting under clause 3(v) of the Order is not applicable.
- (vi) In our opinion and according to information and explanation given to us, the Central Government has prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act but such accounts and records have been not so made and maintained as total aggregate turnover of the company from all its production or service is not more than ₹ 35 Crore in the preceding financial year.
- (vii) In respect of statutory dues:
- (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods & Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities. There were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2022 for a period of more than 6 months from the date they became payable, except Profession Tax with the appropriate authorities in India.



(b) Details of disputed statutory dues referred to in Clause (a) above which have not been deposited or partially deposited as on 31<sup>st</sup> March, 2022 are as follows:

Name of the Statute	Nature of Dues	Amount disputed (₹ in Lacs)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14.12	2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	16.33	2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	0.15	2019-20	Commissioner of Income Tax (Appeal)

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of loans or in the payment of interest thereon to lenders during the year. The outstanding loans taken from other lenders other than financial institution amounting to Rs. 11.58 crores are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. It is further represented by the management of company that, these loans and interest thereon have not been demanded for repayment during the year.

In respect of, loan from financial institution amounting to Rs. 0.41 crore, the payment of principal and interest is as per the stipulated terms and conditions.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to information and explanation given to us, the term loan was applied for the purpose for which it was obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company does not hold investments in any subsidiary, associate or joint ventures as defined under Companies Act, 2013. Hence reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.



- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer including debt instruments during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules, 2014 with the central government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) In our opinion and based on our examination, though the company is required to have an internal audit system under section 138 of the Act, it does not have the same established for the year.
- (xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) & (b) In our opinion, the Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) & (b) of the Order is not applicable.
- (c) & (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & (d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



- (xviii) There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion provisions of section 135(5) of the Act are not applicable to the company for the financial year covered by our report. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

**For Jayesh Dadia & Associates LLP**  
**Chartered Accountants**  
**Firm's Registration No. 121142W / W100122**



**Sanjay Shah**  
**Partner**  
**Membership No. 124298**



**Place of Signature: Mumbai**  
**Date: 19<sup>th</sup> July, 2022**  
**UDIN: 22124298ANGANG1077**

# JAYESH DADIA & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

422, Arun Chambers, Tardeo, Mumbai - 400034. Tel.: +91-22-66602417 / 66601056 Fax : +91-22-66602418  
E-mail: info@jdaca.com Website : www.jdaca.com

## Annexure - B to the Independent Auditor's Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.**

### Opinion

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of Garware Synthetics Limited ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, 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.

### 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding



of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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**

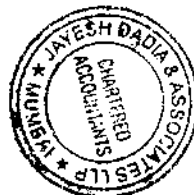
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Jayesh Dadia & Associates LLP  
Chartered Accountants  
Firm's Registration No. 121142W/W100122

  
Samir Shah  
Partner  
Membership No. 124298



Place of Signature: Mumbai  
Date: 19<sup>th</sup> July, 2022  
UDIN: 22124298ANGANG1077



# GARWARE SYNTHETICS LIMITED



REGD. OFFICE & FACTORY : Manish Textiles  
Industries Premises, Opp. Golden Chemical, Penkar Pada,  
Post Mira, Dist. Thane - 401 104.  
TEL. : +91-22-2845 6037 / 2845 7763  
GRAMS : 'GARFLON'  
WEB : www.garwaresyn.com  
E-MAIL : garware.synthetic@gmail.com  
CIN : L99999MH1969PLC014371

## STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31ST MARCH, 2022

₹ in lakhs

SR. NO.	PARTICULARS	Quarter Ended			Year Ended	
		31/03/2022	31/12/2021	31/03/2021	Mar 2022	Mar 2021
		Audited	Unaudited	Audited	Audited	Audited
I	Revenue from operations	344.45	362.27	274.41	1,270.13	826.60
II	Other Income	33.33	0.04	0.09	33.41	0.11
III	<b>Total Revenue (I + II)</b>	<b>377.78</b>	<b>362.31</b>	<b>274.50</b>	<b>1,303.54</b>	<b>826.71</b>
IV	Expenses					
	Cost of material consumed	199.69	207.97	150.13	722.82	404.25
	Purchases of stock-in-trade	-	-	-	-	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	3.49	2.97	(6.21)	(5.58)	0.86
	Employee benefit expenses	53.04	48.05	43.87	190.57	146.58
	Finance costs	32.44	10.21	21.40	59.14	43.13
	Depreciation and Amortization expenses	23.01	2.13	0.43	26.39	2.14
	Other expenses	52.85	72.37	46.81	248.50	168.86
	Provision for Impairment of Asset	17.16	-	-	17.16	-
	<b>Total Expenses</b>	<b>381.67</b>	<b>343.71</b>	<b>256.42</b>	<b>1,259.00</b>	<b>765.83</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>	<b>(3.89)</b>	<b>18.60</b>	<b>18.09</b>	<b>44.54</b>	<b>60.87</b>
VI	Exceptional items	(11.15)	-	-	(11.15)	-
VII	Profit before extraordinary items and tax (V - VI)	7.26	18.60	18.09	55.68	60.87
VIII	Extra ordinary items	-	-	-	-	-
IV	<b>Profit before tax (VII- VIII)</b>	<b>7.26</b>	<b>18.60</b>	<b>18.09</b>	<b>55.68</b>	<b>60.87</b>
X	Tax expenses					
	(1) Current tax	10.00	-	2.57	10.00	2.57
	(2) Previous year tax	0.62	-	-	0.62	-
	(3) Deferred tax	22.04	-	-	22.04	-
XI	<b>Profit (Loss) for the period from continuing operations (IV-X)</b>	<b>(25.40)</b>	<b>18.60</b>	<b>15.52</b>	<b>23.02</b>	<b>58.31</b>
XII	Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV	<b>Profit (Loss) for the period (XI + XIV)</b>	<b>(25.40)</b>	<b>18.60</b>	<b>15.52</b>	<b>23.02</b>	<b>58.31</b>
XVI	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	64.10	-	-	64.10	-
	(ii) Income tax related to items that will not be reclassified to profit or loss	-	-	-	-	-
	B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax related to items that will be reclassified to profit or loss	-	-	-	-	-
XVII	<b>Total comprehensive income for the period (XV - XVI) Comprising Profit (Loss) and Other Comprehensive Income for the period</b>	<b>(89.50)</b>	<b>18.60</b>	<b>15.52</b>	<b>(41.08)</b>	<b>58.31</b>
XVIII	Paid- up Equity Share Capital (Face value of Rs. 10/- each fully paid-up)	580.89	580.89	580.89	580.89	580.89
XIX	Reserves excluding Revaluation Reserves as per latest Audited Balance Sheet	-	-	-	261.88	261.88
XX	i. Earnings per share (before extra ordinary items)					
	a. Basic	0.12	0.32	0.31	0.96	1.05
	b. Diluted	0.12	0.32	0.31	0.96	1.05
XXI	ii. Earnings per share (after extra ordinary items)					
	a. Basic	(0.44)	0.32	0.27	0.40	1.00
	b. Diluted	(0.44)	0.32	0.27	0.40	1.00







# GARWARE SYNTHETICS LIMITED



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GRAMS : 'GARFLON'  
WEB : www.garwaresyn.com  
E-MAIL : garware.synthetic@gmail.com  
CIN : L99999MH1969PLC014371

## STATEMENT OF ASSETS, EQUITY AND LIABILITIES AS AT 31ST MARCH, 2022

		₹ in lakhs	
Particulars		As at 31st March, 2022 (Audited)	As at 31st March, 2021 (Audited)
<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	1,352.81	1,043.70
	(b) Financial Assets		
	(i) investments	-	-
	(ii) loans	15.50	15.50
	(c) Deferred tax assets (net)	-	20.78
	(d) Other non-current assets	39.20	34.00
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	103.46	104.73
	(b) Financial Assets		
	(i) trade receivables	168.25	146.86
	(ii) cash & cash equivalents	13.15	3.86
	(c) Other current assets	0.11	1.29
	<b>Total Assets</b>	<b>1,692.48</b>	<b>1,370.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>Equity</b>		
	(a) Equity Share Capital	580.89	580.89
	(b) Other Equity	(837.42)	(796.35)
<b>B</b>	<b>Liabilities</b>		
<b>1</b>	<b>Non-current liabilities</b>		
	(a) Financial Liabilities		
	(i) borrowings	32.83	-
	(ii) other financial liabilities	244.79	-
	(b) Provisions	86.81	26.66
	(c) Deferred Tax liabilities (Net)	1.26	-
	(d) Other non-current liabilities	0.50	2.00
<b>2</b>	<b>Current liabilities</b>		
	(a) Financial Liabilities		
	(i) borrowings	1,165.87	1,241.62
	(ii) trade payables	226.93	171.92
	(iii) other financial liabilities	98.04	43.97
	(b) Other current liabilities	71.44	90.08
	(c) Provisions	20.54	9.93
	<b>Total Equity and Liabilities</b>	<b>1,692.48</b>	<b>1,370.72</b>

## STANDALONE STATEMENT OF CASH FLOW AS AT 31ST MARCH, 2022

		₹ in lakhs	
Particulars		As at 31st March, 2022 (Audited)	As at 31st March, 2021 (Audited)
<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before tax		55.680	60.87
<b>Adjustments for:</b>			
Depreciation and amortisation		26.390	2.14
Provision for impairment		17.160	-
Provision for Gratuity		5.800	-
Gratuity paid		(9.750)	-





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Borrowings Written back	(30.420)	-
Finance costs	59.140	43.13
Interest income	(0.180)	(0.08)
Discount Received	(0.020)	-
Investments w/off	-	-
Lease Rent paid	(15.670)	-
Operating profit / (loss) before working capital changes	108.14	106.08
<b>Movements in working capital:</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	1.28	0.86
Trade receivables	(21.39)	(36.86)
Other current assets	1.18	(1.29)
Other non-current assets	(5.20)	0.03
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	55.01	(11.40)
Other current liabilities	(18.64)	(3.71)
Other Current financial liabilities	14.14	-
Other non-current liabilities	(1.50)	-
Non Current provisions	-	(7.05)
	24.89	(59.42)
Cash generated from operations	133.03	46.65
Net income tax (paid) / refunds	-	(5.70)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>133.03</b>	<b>40.95</b>
<b>B. Cash flow from investing activities</b>		
Fixed Assets Purchased	(63.79)	(1.21)
Interest received	0.18	0.08
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(63.61)</b>	<b>(1.14)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non current borrowings	32.830	-
Proceeds from current borrowings	(45.330)	(49.33)
Finance cost	(47.64)	(2.89)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(60.13)</b>	<b>(52.22)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>9.29</b>	<b>(12.40)</b>
Cash and cash equivalents at the beginning of the year	3.86	16.26
<b>Cash and cash equivalents at the end of the year</b>	<b>13.15</b>	<b>3.86</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
<b>Cash and cash equivalents at the end of the year *</b>		
* Comprises:		
(a) Cash on hand	1.32	1.46
(b) Balances with banks		
(i) In current accounts	11.83	2.39
	<b>13.15</b>	<b>3.86</b>

#### NOTES:

- 1) The above financial results has been reviewed and recommended by the Audit committee and approved by the Board of Directors at their meeting held on 19/07/2022. The above results have been subjected to limited review by the statutory auditors of the Company.
- 2) These financial results have been prepared in accordance with (Indian Accounting Standards), Rules, 2015 ('Ind AS') as prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and polices to the extent applicable and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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- 3) The business activity of the company falls within a single primary business segment viz Nylon Bristles, Rods & Tubes, hence there is no other reportable segment as per Ind AS-108 "Operating segments".
- 4) The figures for the previous periods have been regrouped/reclassified wherever necessary to correctly reflect current quarter's performance.

Place: Mumbai  
Date: 19/07/2022



For Garware Synthetics Limited

Sunder K. Moolya  
Director  
02926064