

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GARWARE ENVIRONMENTAL SERVICES PRIVATE LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of GARWARE ENVIRONMENTAL SERVICES PVT LTD., ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, and its profit, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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, the Board of Directors 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 the Board of Directors 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 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure 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 so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position
 - ii. the Company did not have any long-term contracts except derivative contracts for which the Company has made adequate provision for material foreseeable losses as required under the provisions of Ind AS.

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

For PATKI & SOMAN
Chartered Accountants
Firm Reg. No.107830W

Sd/-

SHRIPAD S KULKARNI
Partner
M. No. 121287
Place : Pune
Date : 27-05-2021
UDIN: 21121287AAAANU8819

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the Financial Statements for the year ended 31st March, 2021, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) According to the information and explanation given by to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) During the Financial year 2020-21, the Company was not having any inventory, hence sub-clause (a), (b) and (c) are not applicable.
- iii) The company has not granted unsecured loans to company covered in the register maintained under section 189 of the Act.
- iv) As per information and records given to us, provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security have been complied with by the Company. The Company has not given any guarantees as per the provisions of Section 185 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits in terms of the provisions of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 as amended and no order under the aforesaid sections has been passed by the Company Law Board or the National Company Law Tribunal in this regard in respect of the Company.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2011 read with Companies (Cost Records and Audit) Amendment Rules, 2011 prescribed by Central Government under section 148 of the Companies Act, 2013 for certain products of the Company and are not applicable to the Company.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, service tax, cess and

other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

- b) According to the information and explanations given to us, there are no undisputed amount payable in respect of provident fund, income tax, wealth tax, duty of customs, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
 - c) According to information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute as this clause is not applicable.
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- viii) As per the information and explanation given to us and as per the audited records of the Company, the Company has not defaulted in repayment of dues to a financial institution or bank or government or dues to debenture holders.
 - ix) The Company has not raised any money by way of public issue or taken any term loans, hence, this clause is not applicable.
 - x) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - xi) Section 197 of the Act is not applicable to a Private Company, hence this clause is not applicable.
 - xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. hence, this clause is not applicable.
 - xiii) As per information and records given to us, all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013.
 - xiv) During the year, the Company has not made preferential allotment / private placement of shares or fully or partly convertible debentures hence, this clause is not applicable.
 - xv) According to the information and explanations given by to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

xvi) 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 hence, this clause is not applicable.

**For Patki & Soman,
Chartered Accountants**

Sd/-

**S. S. Kulkarni
(Partner)
M.No.: 121287
FRN: 107830W
Place: Pune
Date: 27-05-2021
UDIN: 21121287AAAANU8819**

ANNEXURE B

Report on the Internal Financial Controls 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 environmental services Pvt Ltd** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended 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. 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 limitations of internal financial controls over financial reporting, including the possibility of collusion or override of controls, material misstatements due to error or fraud may occur and may 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 because of changes in conditions, or that the degree of compliance with the policies or procedures.

Opinion

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 March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Patki & Soman
Chartered Accountants
(Firm's Registration No. 107830W)**

**Sd/-
S.S.Kulkarni
Partner
(Membership No. 121287)
Place: Pune
Date: 27-05-2021
UDIN: 21121287AAAANU8819**

GARWARE ENVIRONMENTAL SERVICES PVT LTD

BALANCESHEET AS AT 31st March 2021

(Figures in Rupees)

Particulars	Notes	31st March, 2021	31st March, 2020
(1) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	3,346	3,732
(b) Financial Assets			
(i) Investments	3	11,305,700	10,356,400
(2) Current assets			
(i) Cash and cash equivalents	4	995,679	1,038,428
(ii) Bank balances other than (i) above	5	3,538,846	3,354,911
(iii) Current Tax Assets (Net)	6	92,392	210,998
Total Assets		15,935,963	14,964,469
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	7	10,000,000	10,000,000
(b) Other Equity	8	5,403,402	4,708,575
LIABILITIES			
Non-current liabilities			
(a) Deferred Tax Liabilities(Net)		238,967	-
Current liabilities			
(a) Other current liabilities	9	293,593	255,893
Total Equity and Liabilities		15,935,963	14,964,469

Notes 1 to 13 form part of the Financial Statements

As per our report of even date

FOR PATKI & SOMAN

Chartered Accountants

Firm Reg. No.: 107830W

For and on behalf of the board

Sd/-

Shripad S Kulkarni
Partner
Membership No.121287
Place: Pune
Date: 27-05-2021

UDIN: 21121287AAAANU8819

Sd/-

V R GARWARE
DIRECTOR
DIN 00092201

Sd/-

S S RAJPATHAK
DIRECTOR
DIN 00040387

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Statement of Profit and Loss for the year ended 31st March 2021

(Figures in Rupees)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
Continuing Operations			
Revenue From Operations			
Other Income			
(i) Interest income	10	200,349	539,971
(ii) Net Gain on Fair Value Changes	11	949,300	356,400
Total Income		1,149,649	896,371
EXPENSES			
Finance costs	12		
Depreciation and amortization expense	2	386	414
Other expenses	13	54,448	244,790
Total expenses		54,834	245,204
Profit/(loss) before tax		1,094,815	651,167
Tax expense:			
(1) Current tax		(161,021)	(124,000)
(2) Deferred tax		(238,967)	-
Profit (Loss) for the period from continuing operations		694,827	527,167
Other Comprehensive Income		-	-
Total Comprehensive Income for the Period		694,827	527,167
Earnings per equity share (for continuing operation):			
Basic		0.69	0.53

Notes 1 to 13 form part of the Financial Statements

As per our report of even date

FOR PATKI & SOMAN
Chartered Accountants
Firm Reg. No.: 107830W

For and on behalf of the board

Sd/-

Shripad S Kulkarni
Partner
Membership No.121287
Place: Pune
Date: 27-05-2021
UDIN: 21121287AAAANU8819

Sd/-

V R GARWARE
DIRECTOR
DIN 00092201

Sd/-

S S RAJPATHAK
DIRECTOR
DIN 00040387

GARWARE ENVIRONMENTAL SERVICES PVT LTD
Cash Flow Statement for the year ended 31st March, 2021

Particulars	Note No.	31-Mar-21	31-Mar-20
I. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		1,094,815	651,167
Adjustments for :			
Depreciation and Amortisation		386	414
Finance Cost		648	1,416
Interest Income		(200,349)	(539,971)
Net Gain on Fair Value Changes		(949,300)	(356,400)
Dividend Income		-	-
(Profit) / Loss on sale of Shares		-	-
Provision for doubtful Debts		-	-
Operating Profit before Working Capital Changes		(53,800)	(243,374)
Trade Receivables, Loans and advances and Other Assets		-	86,930
Inventories		-	-
Trade and Other Payables		37,700	30,920
Cash generated from Operations		(16,100)	(125,524)
Direct Taxes paid		(42,415)	(291,282)
Net cash provided by Operating Activities		(58,515)	(416,806)
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		-	-
Product development costs		-	-
Proceeds from Sale of Property, Plant & Equipment		-	-
(Increase)/ Decrease of investments		(949,300)	(7,195,705)
Interest received		1,149,649	896,371
Dividend received		-	-
Net cash provided by / (used in) Investing Activities		200,349	(6,299,334)
III. CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of Long-Term borrowings		-	-
Proceeds from Long term borrowings		-	-
Finance Cost		(648)	(1,416)
Short-Term Borrowings		-	-
Dividend paid including Dividend distribution tax		-	-
Buyback of Equity Shares		-	-
Net cash from Financing Activities		(648)	(1,416)
Net Increase/ (Decrease) in Cash & Cash Equivalents		141,186	(6,717,556)
Cash & Cash Equivalents (Opening Balance):		4,393,339	11,110,894
Cash & Cash Equivalents (Closing Balance):		4,534,525	4,393,339
Net Increase/ (Decrease) in Cash & Cash Equivalents		141,186	(6,717,556)

Notes to accounts forming part of the Financial Statements
The accompanying notes are an integral part of these financial statements

As per our audit report of even date
For Patki and Soman
Chartered Accountants
Firm Registration No. 107830W

**For & on behalf of the Board of
Directors**

Sd/-
Shripad S Kulkarni
Partner
Membership No. 121287
Place: Pune
Date: 27-05-2021
UDIN: 21121287AAANU8819

Sd/-
V R GARWARE
DIRECTOR
DIN 00092201

Sd/-
S S RAJPATHAK
DIRECTOR
DIN 00040387

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Statement of Changes in Equity for the period ended on 31st March 2021

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
10,000,000	-	10,000,000

Refer Note no. 7

B. Other Equity

Particulars	Profit & Loss Account
Balance at the 01.04.2019	4,181,408
Profit / (Loss) for the year	527,167
Balance at 31.03.2020	4,708,575
Balance at the 01.04.2020	4,708,575
Profit / (Loss) for the year	694,827
Balance at 31.03.2021	5,403,402

Notes 1 to 13 form part of the Financial Statements

As per our report of even date

FOR PATKI & SOMAN
Chartered Accountants
Firm Reg. No.: 107830W

For and on behalf of the board

Sd/-

Shripad S Kulkarni
Partner
Membership No.121287
Place: Pune
Date: 27-05-2021
UDIN: 21121287AAAANU8819

Sd/-

V R GARWARE
DIRECTOR
DIN 00092201

Sd/-

S S RAJPATHAK
DIRECTOR
DIN 00040387

GARWARE ENVIRONMENTAL SERVICES PRIVATE LIMITED

Note 1: Notes forming part of the Financial Statements - Significant Accounting Policies

1. Basis of Preparation

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Historical cost convention

The financial statements have been prepared on a historical cost basis,

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

2. Property, Plant and Equipments

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. 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 recognized 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 company identifies and determines cost of each component/part of the plant and equipment separately, if the component/part has a cost which is significant to the total cost of the plant and equipment and has useful life that is materially different from that of the remaining plant and equipment.

Gains or losses arising from derecognition of tangible property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and loss when the asset is derecognized.

Depreciation in respect of Property, Plant and Equipments is provided on straight line basis in accordance with Schedule II of Companies Act 2013.

3. Financial Instruments

Financial Assets

3.1. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognized using trade date accounting.

3.2. Subsequent measurement

3.2.1. Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.2.2. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3.2.3. Financial assets at fair value through profit or loss (FVTPL)

A financial asset, which is not classified in any of the above categories, is measured through FVTPL.

3.3. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities

3.1. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

3.2. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets:

The impairment provisions for financial assets are based on assumptions about risk of defaults and expected cash loss rates. The company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on companies past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Income Recognition

Interest income

Interest income from debt instruments is recognized using the effective interest rate method.

Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

4. Finance costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to Statement of Profit and Loss.

5. Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money

and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

6. Revenue Recognition

Revenue is recognized to the extent it can be reliably measured and is probable that the economic benefits will flow to the Company.

7. Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

8. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

9. Critical estimates and judgments -

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

GARWARE ENVIRONMENTAL SERVICES PVT LTD**Note no 2 : Schedule of Property, Plant & Equipments as at 31 March 2021**

Particulars	Office Equipments
Gross Carrying amount	
Cost as at 1 April 2019	5,686
Additions	-
Disposal	-
Balance As at 31 March 2020	5 686
Additions	-
Disposal	-
Balance as at 31st March 2021	5 686
Accumulated Depreciation	
Balance as at 1 April 2019	1,540
Additions	414
Disposal	-
Balance As at 31 March 2020	1 954
Additions	386
Disposal	-
Balance as at 31st March 2021	2 340
Net Carrying Amount	
Balance as at 1 April 2020	3 732
Balance as at 31st March 2021	3 346

GARWARE ENVIRONMENTAL SERVICES PVT LTD

Notes forming part of the Accounts for the year ended 31st March 2021

Note: 3 Investments

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	SBI Bonds (FMP-Growth)	11,305,700	10,356,400.00
		11,305,700	10,356,400

Note: 4 Cash and Cash Equivalents

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	Cash In hand	459	1,659
2	Balances with banks (In Current Accounts)	995,220	1,036,769
	Total....	995,679	1,038,428

Note: 5 Bank Balances other than Note 4

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	Fixed Deposit with Bank (Including Interest accrued and receivable)	3,538,846	3,354,911
	Total....	3,538,846	3,354,911

Note: 6 Current Tax (Net)

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	Current Tax Provision for the year	253,413 (161,021)	334,998 (124,000)
	Total....	92,392	210,998

Note : 7 Share Capital

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	AUTHORIZED CAPITAL		
i	50,00,000 Equity Shares of 10/- each (31 March 2018 : 5,00,00,000 equity shares of Rs. 10 each)	500,000,000	500,000,000
	Total....	500,000,000	500,000,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL		
i	10,00,000 Equity Shares of Rs. 10/- each paid up (31 March 2018 : 10,00,000 equity shares of Rs. 10 each)	10,000,000	10,000,000
	Total....	10,000,000	10,000,000

Notes to Accounts :

1 Details of Shareholders holding more than 5% shares in the Company

Equity Shares	31st March, 2021		31st March, 2020	
	%	No.of Shares	%	No.of Shares
Garware Technical Fibres Ltd (Holding Company)	99.99%	999,900	99.99%	999,900

Note 8: Other Equity

Refer Statement of changes in Other Equity

Note : 9 Other Current Liabilities

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	Other payables(including Audit Fees)	293,593	255,893
	Gr.Total	293,593	255,893

Notes to Accounts:

1 Interest received includes Interest on Bond , FD and on Income Tax refund

Note : 10 Other Income

Sr. No	Particulars	31st March, 2021	31st March, 2020
1	Interest Received	200,349	539,971
	Total	200,349	539,971

Note : 11 Net Gain on Fair Value Changes

Sr. No	Particulars		31st March, 2021	31st March, 2020
A	Net gain/-loss on financial instruments measured at fair value through profit or loss			
(i)	On Trading Portfolio - Unrealised gain/-loss on Investments		949,300	356,400
	Total		949,300	356,400

Note : 12 Finance Cost

Sr. No	Particulars		31st March, 2021	31st March, 2020
1	Bank Charges		648	1,416
	Total		648	1,416

Note : 13 Other Expenses

Sr. No	Particulars		31st March, 2021	31st March, 2020
1	Professional Fees		31,300	163,720
2	Audit Fees		20,000	20,000
3	Profession Tax		2,500	2,500
4	Write Off A/c (Reversal of excess Interest)		-	57,154
	Total		53,800	243,374

GARWARE ENVIRONMENTAL SERVICES PVT LTDNotes forming part of the Accounts for the year ended 31.3.2021

14. Contingent Liabilities not provided for - Nil

15. Estimated amount of contract remaining to be executed on capital account (net of advance) and not provided for - Nil.

16. Related Party Transactions - Nil

17. Expenditure in Foreign Currency - Nil

18. Earning in Foreign Exchange- Nil

19. Payment to Auditors

Particulars		2020-21	2019-20
i)	Audit Fees	20,000	20,000
Total		20,000	20,000

20. Tax provision is governed by using tax laws, rules, notifications, circulars, instructions, etc that are enacted as on the balance sheet date.

21. Income Tax Rate Reconciliation

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Enacted income tax rate in India applicable to the Company	22%	22%
Profit before tax	10,94,815	6,51,167
Total income tax expense/(credit)	3,99,988	1,24,000

For PATKI & SOMAN
Chartered Accountants
F.R.No. 107830W

For and on behalf of the board

Sd/-

Sd/-

Sd/-

Shripad S Kulkarni
Partner
M. No. 121287
UDIN: 21121287AAAANU8819
Place: Pune
Date: 27-05-2021

V. R. GARWARE
Director
DIN: 00092201

S. S. RAJPATHAK
Director
DIN 00040387

Notes Forming Part of the Balance Sheet and Statement of Profit & Loss

Transactions with the Related Parties

(I) List of Related Parties and Relationship:

A. Key Management Personnel

Mr. V. R. Garware

B. Enterprises owned or significantly influenced by key management personnel:

- 1 Garware Technical Fibres Ltd.
- 2 Garware Meditech Pvt. Ltd.
- 3 Garware Capital Markets Ltd.
- 4 Manmit Investment & Trading Company Pvt. Ltd.
- 5 Vimlabai Garware Research Institute Pvt. Ltd.
- 6 Sukukar Holdings & Trading Company Pvt. Ltd.
- 7 Sanand Investments and Trading Co. Pvt. Ltd.
- 8 Moonshine Investments & Trading Company Pvt. Ltd.
- 9 Starshine Comtrade Pvt. Ltd.
- 10 VMIR Investments Ltd.
- 11 VRG Investments Ltd.
- 12 Garware Research Institute
- 13 Gurukrupa Comtrade Pvt. Ltd.
- 14 Garware Infrastructure Pvt. Ltd.
- 15 Ramesh Trading Company
- 16 Sunita Trading Company
- 17 VG Trading Company
- 18 VRG Trading Company
- 19 Consolidated Agriculture & Dairy Farming Co. Pvt. Ltd.
- 20 Garware Technical Textile Pvt. Ltd. (w.e.f. 15th October, 2020)
- 21 VRG Business Ventures Pvt. Ltd.
- 22 Vallabhi Tradecom LLP. (w.e.f. 22nd February, 2021)
- 23 Garware Technical Fibres USA Inc.
- 24 Garware Technical Fibres Chile SpA