



# **GARWARE MARINE INDUSTRIES LIMITED**

**42<sup>ND</sup> ANNUAL REPORT  
2019-20**



<b>Board of Directors</b>	Mr. Aditya A. Garware - Chairman Mrs. Shefali S. Bajaj - Non Executive Director Mr. Rajiv S. Khanna - Independent Director Mr. Sanjay V. Chinai - Independent Director Mr. Vikas D. Sadarangani - Independent Director Mr. Shyamsunder V. Atre - Executive Director
<b>Company Secretary</b>	Ms. Pallavi P. Shedge
<b>Chief Financial Officer</b>	Mrs. Vipulata S. Tandel
<b>Bankers</b>	IDBI Bank Ltd. Indian Overseas Bank
<b>Auditors</b>	Messrs. D. Kothary & Co., Chartered Accountant
<b>Registered Office</b>	102, Buildarch Wisteria, 1st Floor, Ram Maruti Road, Dadar (W), Mumbai-400028
<b>CIN</b>	L12235MH1975PLC018481
<b>Registrar &amp; Share Transfer Agent</b>	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059

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## NOTICE

NOTICE is hereby given that the Forty Second Annual General Meeting (AGM) of the Members of Garware Marine Industries Limited will be held on **Friday, 25<sup>th</sup> September, 2020 at 10:00 A.M.**, through two-way Video Conference (VC) / Other Audio Visual Means (OVAM) facility organized by the Company, to transact the following business. The Venue of the AGM shall deemed to be the Registered Office of the Company at 102, Buildarch Wisteria, 1st Floor, Ram Maruti Road, Dadar (West), Mumbai 400028:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2020 and Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Directors' and Auditors' Report thereon;
2. To appoint a Director in place of Mr. Aditya A. Garware (DIN: 00019816), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sanjay V. Chinai (DIN: 00245418), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 15th October, 2020 to 14th October, 2025"

**By Order of the Board of Directors**

Sd/-

**Pallavi P. Shedge**  
Company Secretary

### Registered Office:

102, Buildarch Wisteria,  
1st Floor, Ram Maruti Road,  
Dadar (West), Mumbai-400028  
CIN: L12235MH1975PLC018481

**Date :** 06<sup>th</sup> August, 2020

**Place:** Mumbai

### NOTES:

#### GENERAL INFORMATION

1. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 ('the Act') Secretarial Standard – 2 on General Meetings and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') in respect of the Special Business under Item No. 3 of the accompanying Notice is annexed hereto.
2. The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 22<sup>nd</sup> September, 2020 to Friday, 25<sup>th</sup> September, 2020 (both days inclusive).
3. In view of the ongoing COVID-19 pandemic, the MCA has vide its General Circular No. 20/2020 dated May 05, 2020 read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM only.
4. Since this AGM is being held through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification No.GSR 432(E) dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed for 5 years in the Annual General Meeting held on 28<sup>th</sup> September, 2017.
6. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. In compliance with the MCA Circulars and the Securities and Exchange Board of India ('SEBI') Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 42<sup>nd</sup> AGM along with the Annual Report for Financial Year 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / National Securities Depository Limited and Central Depository Services (India) Limited ('the Depositories').  
A copy of this Notice along with the Annual Report for Financial Year 2019-20 is uploaded on the Company's website [www.garwaremarine.com](http://www.garwaremarine.com) and websites of the Stock Exchanges i.e. The BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of Central Depository Services India Ltd (CDSL) at the link [www.evotingindia.com](http://www.evotingindia.com).
8. In case the shareholder's e-mail ID is already registered with the Company / BIGSHARE SERVICES PRIVATE LIMITED (the Registrar and Transfer Agent) / Depositories, log in details for e-voting shall be sent on the registered e-mail address of the Shareholder.
9. In case the shareholder holding shares in physical mode has not registered his/her e-mail address with the Company/ RTA/ Depositories, he/ she may do so by sending a duly signed request letter to BIGSHARE SERVICES PRIVATE LIMITED, by providing Folio No. and Name of shareholder at (UNIT: Garware Marine Industries Limited), 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (West), Mumbai 400059, Tel: 022 62638200, e-mail: [info@bigshareonline.com](mailto:info@bigshareonline.com).
10. In the case of shares held in Demat mode, the shareholder may contact the Depository Participant ('DP') and register the e-mail address in the Demat account as per the process followed and advised by the DP.
11. A brief profile of the Director retiring by rotation and proposed to be re-appointed at this AGM, nature of his expertise in specific functional areas, names of companies in which he holds Directorship and Membership/Chairmanship of Board Committee(s), shareholding and relationship between Directors inter se as stipulated under Regulation 36 of SEBI Listing Regulations and other requisite information as per Clause 1.2.5 of Secretarial Standards – 2 on General Meetings are provided in Annexure - A to this Notice.
12. Relevant documents as required by law and referred to in the accompanying Notice shall be available for inspection through electronic mode. Members may write to the Company at [investorredressal@garwaremarine.com](mailto:investorredressal@garwaremarine.com) for inspection of the said documents.  
The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM, upon Log-in to CDSL e-voting system at [www.evotingindia.com](http://www.evotingindia.com).
13. With effect from April 01, 2019, in terms of SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not being processed unless the securities are held in the dematerialized form with the depositories. Therefore, Members holding shares in physical form are requested to dematerialize shares held in physical form at the earliest available opportunity.
14. SEBI has mandated the submission of Permanent Account Number (PAN) by every securities market participant. Members holding shares in electronic form are therefore requested to submit their PAN to the DP with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to BIGSHARE SERVICES PRIVATE LIMITED.
15. Members are advised to avail the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of the Act. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to BIGSHARE SERVICES PRIVATE LIMITED. Members holding shares in dematerialized form may contact their respective DP for availing this facility.
16. Mr. S.M. Korde, Practicing Company Secretary (Membership No. ACS 563 & C.P No.1079) is appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
18. The results along with the report of the Scrutinizer shall be placed on the website of the Company [www.garwaremarine.com](http://www.garwaremarine.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited. The Scrutinizer's decision on the validity of the votes cast through E-voting shall be final.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- I. The Company has fixed Thursday, 17th September, 2020, as the cut-off date for determining voting right of shareholders entitled to participate in the e-voting process. In this regard, Member's Demat account /folio number has been enrolled by the Company for your participation in e-voting on the resolutions proposed by the Company on the e-voting system. The e-voting module shall be disabled by CDSL for voting thereafter.



The remote e-voting facility will be available during the following period:

<b>Commencement of e-voting</b>	<b>Tuesday, 22<sup>nd</sup> September, 2020 at 10.00 a.m.</b>
<b>End of e voting</b>	<b>Thursday, 24<sup>th</sup> September, 2020 at 5.00 p.m.</b>

- II. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- III. Click on "Shareholders" module.

- IV. Now enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- V. Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

- VI. If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	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. <ul style="list-style-type: none"><li>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).</li></ul>

- VIII. After entering these details appropriately, click on "SUBMIT" tab.

- IX. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- X. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- XI. Click on the EVSN for the relevant GARWARE MARINE INDUSTRIES LIMITED on which you choose to vote.

- XII. 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.

- XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- XIV. 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.

- XV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- XVI. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- XVII. 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.

- XVIII. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) by email to Company's Registrar and Transfer Agents (RTA), BIGSHARE SERVICES PRIVATE LIMITED at lawoo@bigshareonline.com (Contact person: Mr. Lawoo Keluskar).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy), AADHAR (self-attested scanned copy) to Company's Registrar and Transfer Agents, BIGSHARE SERVICES PRIVATE LIMITED at lawoo@bigshareonline.com (Contact person: Mr. Lawoo Keluskar).
3. The company/ RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at [www.evotingindia.com](http://www.evotingindia.com) under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investorredressal@garwaremarine.com](mailto:investorredressal@garwaremarine.com).
6. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investorredressal@garwaremarine.com](mailto:investorredressal@garwaremarine.com). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**XIX. Note for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.



- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorredressal@garwaremarine.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatla Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“ACT”)**

### **Item No.3**

Mr. Sanjay V. Chinai is an Independent Non-Executive Director of the Company. He joined the Board of Directors of the Company in 15th October, 2015. Pursuant to the Act, Mr. Chinai, was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 14th October, 2020, by the Members of the Company in the 38th AGM held on 30th September, 2016. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Chinai, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 15th October, 2020 to 14th October, 2025.

Mr. Chinai is a commerce graduate and is a Director in Taurus Trading Private Limited, Ocean Span Shipping Co. Limited and Catalyst India Private Limited. He has been actively involved in the business of Power sector, representing international power companies in India and Travel - life style space.

Mr. Chinai hold NIL Equity Shares in the Company.

In the opinion of the Board, Mr. Chinai fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chinai as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to eligibility and re-appointment of Mr. Chinai as an Independent Director for another term of five consecutive years with effect from 15th October, 2020 to 14th October, 2025, for the approval by the shareholders of the Company.

The brief profile of Mr. Chinai as per requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS2) are given in ANNEXURE A which forms part of this Notice.

Except Mr. Sanjay V. Chinai, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM. Mr. Chinai is not related to any Director of the Company.



**GARWARE MARINE INDUSTRIES LIMITED**42<sup>nd</sup> Annual Report 2019-20**Annexure A**

Details of Directors seeking appointment / re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS2) are as follows:

	<b>Item No. 2</b>	<b>Item No.3</b>
Name	<b>Mr. Aditya A. Garware</b>	<b>Mr. Sanjay V. Chinai</b>
Date of Birth	11/02/1971	27/04/1971
DIN	00019816	00245418
Date of appointment / re-appointment	24/05/1993	15/10/2015
Relationship with other Directors inter-se	Brother of Mrs. Shefali S. Bajaj Non-Executive Director.	-
Qualification	MBA	B.Com.
Experience in specific function area	Industrialist	Businessman
Directorship held in other companies	<ul style="list-style-type: none"> <li>• Global Offshore Services Limited</li> <li>• Garware Goa Nets Limited</li> <li>• Universal Investment Services Private Limited</li> <li>• Shesu Trading And Investment Co. Private Limited</li> <li>• Masu Trading And Investment Company Private Limited</li> <li>• Mauve Trading Company Private Limited</li> <li>• Adsu Trading And Investment Company Private Limited</li> <li>• Garware Offshore International Services Pte. Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Ocean Span Shipping Co. Limited</li> <li>• Taurus Trading Private Limited</li> <li>• Catalyst India Private Limited</li> </ul>
Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	1	Nil
Shareholding, if any, in the Company	2,10,229 No. of Equity Shares.	Nil
Terms and conditions of appointment along with details of remuneration sought to be paid	No remuneration except sitting fees for attending Board and Committee Meetings.	As stated in Explanatory Statement
Remuneration last drawn	Nil	Nil

By Order of the Board of Directors

**SD/-**  
**Pallavi P. Shedge**  
Company Secretary

**Registered Office:**

102, Buildarch Wisteria,  
1st Floor, Ram Maruti Road,  
Dadar (West),  
Mumbai-400028  
CIN: L12235MH1975PLC018481

**Date** : 06<sup>th</sup> August, 2020**Place** : Mumbai

## BOARDS' REPORT

To,

**The Members,**

**Garware Marine Industries Limited**

We present our report on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2020.

➤ **Financial Summary:**

In preparation of the financial statements, the Company has adopted Indian Accounting Standards (IND AS) referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

Particulars	Current Year 31/03/2020 (Amt. in Rs.)	Previous Year 31/03/2019 (Amt. in Rs.)
Revenue from operations (Including other income)	1,13,79,698	1,26,50,278
Less: Expenses	1,04,88,160	1,04,10,923
<b>Profit before Exceptional Items and Tax</b>	<b>8,91,538</b>	<b>22,39,355</b>
Add: Exceptional Item	-	-
<b>Profit before Tax</b>	<b>8,91,538</b>	<b>22,39,355</b>
Less: Tax Expenses		
Current Tax/ MAT	1,03,133	4,70,000
MAT Credit entitlement	(69,481)	(4,31,757)
Deferred tax/ charges	-	-
Prior Period Tax	67,851	21,633
<b>Profit from continuing operations after tax</b>	<b>7,90,034</b>	<b>21,79,479</b>
Loss from discontinued operations	-	-
Tax on discontinued items	-	-
Loss from discontinued items after loss	-	-
<b>Profit / Loss for the year</b>	<b>7,90,034</b>	<b>21,79,479</b>
Other comprehensive income for the year	(1,29,57,874)	(1,44,70,597)
<b>Total comprehensive income for the year</b>	<b>(1,21,67,840)</b>	<b>(1,22,91,118)</b>

➤ **Financial Highlights**

Revenue from operations (including other income) for the year ended 31<sup>st</sup> March, 2020 stood at Rs. 113.80 lakhs as against Rs. 126.50 lakhs for the previous year ended 31<sup>st</sup> March, 2019.

The Net Profit for the year ended 31<sup>st</sup> March, 2020 stood at Rs. 7.90 lakhs as against a profit of Rs. 21.79 lakhs for the previous year Other Comprehensive Income – a Loss – as a result of restatement of investments stood at Rs. 129.58 lakhs as against Rs. 144.71 lakhs respectively.

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates and as on the date of this report.

➤ **Operations**

During the year under review your Company's revenue was generated from vessel repairs.

➤ **Future Outlook**

While the Company was able to maintain normality for the year ended March 2020, and even generated a profit, the outlook for the near term looks bleak in view of recent pandemic and the subsequent shutdown of the Country. Fortunately, presently repair works for Vessels have recommenced and the Company has been able to withstand these difficult times by providing its clients with "24/7" service.

On the medium to long term horizon, the Company is optimistic that our business will have the essential strength to survive this critical situation and appear stronger to move forward in the coming years assuming that the Company's main customer continues to operate vessels and spend on repair and maintenance regularly.

➤ **Dividend**

In view of the insufficient profit and in an attempt to conserve resources for the future, your Directors have not recommended any dividend for the financial year ended 31<sup>st</sup> March, 2020.

➤ **Subsidiary / Wholly Owned Subsidiary**

The Company does not have any Subsidiary or Wholly-owned Subsidiary.

➤ **Loans, Guarantees or Investments**

During the year under review, the Company has not granted any loan, not made any investment nor has it given any guarantee u/s 186 of Companies Act, 2013 and thus required details are not applicable.

➤ **Deposits**

No Deposits covered under Chapter V of the Companies Act, 2013 were invited by the Company from public during the year under review.

➤ **Directors**

The following persons make up the Board of Directors of the Company:

Sr. No.	Name of Director	Designation
1	Mr. Aditya A. Garware (DIN: 00019816)	Chairman, Non-Executive – Non-Independent Director
2	Mrs. Shefali S. Bajaj (DIN: 00149511)	Non-Executive – Non-Independent Director
3	Mr. Rajiv S. Khanna (DIN: 02855080)	Independent Director
4	Mr. Sanjay V. Chinai (DIN: 00245418)	Independent Director
5	Mr. Vikas D. Sadarangani (DIN:07657018)	Independent Director
6	Mr. Shyamsunder V. Atre (DIN: 01893024)	Executive Director

In accordance with the Provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Aditya A. Garware, Director retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment. The Board of Directors recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

➤ **Number of Meetings of the Board**

During the year under review, 4 Board Meetings were duly convened and held on 23<sup>rd</sup> May, 2019, 05<sup>th</sup> August, 2019, 05<sup>th</sup> November, 2019 and 10<sup>th</sup> February, 2020. The details of the said Board Meetings forms part of the Corporate Governance Report.

➤ **Committees of the Board**

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the committees along with their composition and relevant details are provided in the Corporate Governance Report.

➤ **Board Evaluation**

Pursuant to Provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured customized questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, performance of duties, obligations and governance. The performance evaluation of the Chairman, Non-independent Directors and Independent Directors was carried out by all the Directors and the outcome of the same was satisfactory.

➤ **Familiarization Program for Independent Directors**

The Board has informed, from time to time, all the Independent Directors about the status of business and the responsibilities and commitments of the Independent Directors of the Company. Further, at the time of appointment of a new Additional Director (Independent Category) the Board has explained to him / her all the duties, functions and responsibilities of being an Independent Director of the Company. The format of terms and conditions of appointment of Independent Directors is available on the Company's website [www.garwaremarine.com](http://www.garwaremarine.com).

➤ **Key Managerial Personnel**

The following are the Key Managerial Personnel of the Company:

Mr. Shyamsunder V. Atre	Executive Director
Ms. Pallavi P. Shedge	Company Secretary
Mrs. Vipulata S. Tandel	Chief Financial Officer

➤ **Audit Committee**

Pursuant to the Provision of Section 177(8) of the Companies Act, 2013, the Audit Committee has 3 members including 2 Independent Directors as follows:

Sr. No.	Name of the Director & Category	Chairman / Member
1	Mr. Sanjay V. Chinai Independent Director	Chairman
2	Mr. Aditya A. Garware Non-Executive – Non-Independent Director	Member
3	Mr. Vikas D. Sadarangani Independent Director	Member

There were no instances where the Board had not accepted any recommendation of the Audit Committee.

➤ **Nomination & Remuneration Committee**

Pursuant to Section 178 of the Companies Act, 2013, the Board has set up a Nomination & Remuneration Committee and the details of the Committee are stated under Corporate Governance Report Annexed to this Report.

➤ **Stakeholders Relationship Committee**

Pursuant to Section 178 of the Companies Act, 2013, the Board has set up a Stakeholders Relationship Committee and the details of the Committee are stated under Corporate Governance Report Annexed to this Report.

➤ **Policy on Appointment and Remuneration**

The Board of Directors has framed a Policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This Policy also lays down the criteria for selection and appointment of Board Members. The details of the Policy are available on the Company's website www.garwaremarine.com.

➤ **Director's Responsibility Statement**

In accordance with the provisions of Section 134(3) of the Companies Act, 2013 and based on the information provided by the management, your Directors' state that:

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures (save and except as stated in this Directors' Report, if at all) have been made from the same;
- (b) They have selected such Accounting Policies and applied them consistently and made judgments and estimates that are 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 ended on that date;
- (c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the Annual Accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed and that such financial controls are adequate and were operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

➤ **Statutory Auditors and their Report**

The members have approved appointment of Messrs. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W) as Statutory Auditors of the Company for a period of 5 years from the conclusion of 39<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 till the conclusion of 44<sup>th</sup> Annual General Meeting.

There are no Qualifications in the Auditors' Report.

➤ **Personnel**

During the year under review, in order to retain talent, the remuneration, salary / fees has been increased in the case of CFO (KMP), Company Secretary (KMP) and other employees/consultants.

The Board appreciates the support and co-operation of all the employees.

➤ **Internal Financial Control**

The Company has adequate internal financial control with respect to the preparation and presentation of the financial statements. There is no material change(s) and comment(s) affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relates and the date of the Report.

➤ **Significant & Material Order by any Court**

**Suit No.01**

As reported earlier, the Company had filed an application for setting aside the Ex parte Decree dated 15.06.2012 passed by the Hon'ble High Court of Madras and in the matter of Integrated Finance Company Limited (IFCL) the said Hon'ble Court was pleased to set aside the Exparte Decree by an Order dated 04.04.2017 upon condition of deposit of Rs 30 lakh with the Court, which the Company has complied with. The Company has thereafter filed its written statement and also filed an application for dismissal of the suit filed by IFCL on the grounds of limitation.

The Hon'ble High Court of Madras, had declined to entertain the disputes between the parties as "Commercial Suit" as originally argued by IFCL and passed the order in favour of the Company. Thereafter, IFCL had preferred to file an appeal against the same order in the Hon'ble High Court of Madras. Consequent to the appeal filed by IFCL in the High Court of Madras, the Appellate Bench of High Court of Madras has dismissed the said appeal of IFCL and passed the order in favour of the Company as "regular suit".

**Suit No.02**

The Company has also filed a suit for an amount of Rs. 1.93/- cr. together with interest @ 18% against Integrated Finance Company Limited (IFCL) for loss of profit.

The order passed by the Appellate Bench of High Court of Madras in their judgement against the appeal filed by IFCL (as stated above in the second para of Suit No.1) further stated that the facts mentioned in the Suit No.2 are interconnected with Suit No.1 and therefore allows for "joint trials" as "civil suits".

➤ **Risks and area of concern**

Adequate measures have been taken to protect the Company from any potential risks which may affect the existence of the Company and the Board of Directors continuously strives to take utmost care to ensure preservation of interest of all its stakeholders.

➤ **Extract of Annual Return**

The Details forming part of extract of the Annual Return in Form MGT-9 is enclosed as Annexure A to this Report.

➤ **Corporate Governance and Management Discussion and Analysis Report**

The Corporate Governance Report and Management Discussion and Analysis Report along with the Auditors' Statement of its compliances are given separately.

➤ **Related Party Transactions**

The information for related party transactions as required under Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is enclosed as Annexure B to this Report. The Policy on Related Party Transactions is available on the Company's website [www.garwaremarine.com](http://www.garwaremarine.com).

➤ **Secretarial Audit**

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, Mr. Rajkumar R. Tiwari, Practising Company Secretary (CP No. 2400) has been appointed as Secretarial Auditor to conduct Secretarial Audit for the Financial Year 2019-20. The Secretarial Audit Report for the year ended 31st March, 2020 is enclosed as Annexure C to this Report. There are no qualifications in the said report.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

➤ **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

In view of the total shut down of all manufacturing activities, Statement pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 and Companies (Accounts) Rules, 2014 for Conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo is not applicable.

➤ **Human Resources**

The relations with employees continue to be cordial. Your Directors wish to express their appreciation of the services rendered by the devoted employees.

➤ **Details of Salary of Employees**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company and Directors is furnished in Annexure D.

➤ **Vigil Mechanism**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has formulated its Vigil Mechanism, under the Whistle Blower Policy, for its Directors and employees to report genuine concerns. The Whistle Blower Policy of the Company is disclosed on the website of the Company, [www.garwaremarine.com](http://www.garwaremarine.com)

During the Financial Year ended 31<sup>st</sup> March, 2020, no complaint has been received by the Audit Committee from Director(s) or employee(s) of the Company.

➤ **Corporate Social Responsibility (CSR)**

In view of the provisions of Section 135 of the Companies Act, 2013 and the Rules thereunder, the Company was not required to make any contribution towards CSR and thus the required details are "Not Applicable".

➤ **Prevention of Sexual Harassment Policy**

The Company has constituted a Committee pursuant to the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules thereunder. This Committee has been set up to redress complaints under sexual harassment. All employees (permanent, contract and temporary) are covered under the Policy.

During the year under review no complaint was received by the Committee.

➤ **Acknowledgement**

Your Directors express their sincere gratitude to the Employees of the Company who have stood by and supported the Company through these "trying" times".

**For and on behalf of Board**

**Date: 06/08/2020**  
**Place: Mumbai**

Sd/-  
**Aditya A. Garware**  
**Chairman**



**ANNEXURE A  
FORM NO. MGT 9**

**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	L12235MH1975PLC018481
Registration Date	08 <sup>th</sup> August, 1975
Name of the Company	Garware Marine Industries Limited
Category/ subcategory of the Company	Indian Non-government Company
Registered Office address and contact details	102, Buildarch Wisteria, 1 <sup>st</sup> Floor, Ram Maruti Road, Dadar (West), Mumbai – 400 028 Tel: 022 2423 4000 Fax: 022 2436 2764 Email: investorredressal@garwaremarine.com
Whether listed	Listed
Name, address and contact details of Registrar and Transfer Agent	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai 400059 Tel: 022 62638200 Fax: 022 62638299 Email: info@bigshareonline.com Website: www.bigshareonline.com

**II Principal Business activity of the Company:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and description of main Product/ Services	NIC Code of Product/ Service	% of total turnover of the Company
1	Support Services	82990	100

**III Particulars of holding, subsidiary and associate companies: Nil**

**IV Shareholding pattern (Equity Share Capital break-up as percentage of total equity)**

**i. Category-wise shareholding:**

Category of shareholder	No. of shares held at the beginning of the year 01.04.2019				No. of shares held at the end of the year 31.03.2020				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a. Individual	11,05,909	-	11,05,909	19.18	11,05,909	-	11,05,909	19.18	-
b. Cent.Gov.	-	-	-	-	-	-	-	-	-
c. State Gov.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	8,57,089	-	8,57,089	14.86	8,57,089	-	8,57,089	14.86	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
- Group Companies	-	-	-	-	-	-	-	-	-
<b>Total A1</b>	<b>19,62,998</b>	<b>-</b>	<b>19,62,998</b>	<b>34.04</b>	<b>19,62,998</b>	<b>-</b>	<b>19,62,998</b>	<b>34.04</b>	<b>-</b>

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<b>2. Foreign</b>										
a. NRI - Individuals	2,10,229	-	2,10,229	3.65	2,10,229	-	2,10,229	3.65	-	
b. Other – Individuals	-	-	-	-	-	-	-	-	-	
c. Bodies Corp.	-	-	-	-	-	-	-	-	-	
d. Bank / FI	-	-	-	-	-	-	-	-	-	
e. Any other	-	-	-	-	-	-	-	-	-	
<b>Total A2</b>	<b>2,10,229</b>	<b>-</b>	<b>2,10,229</b>	<b>3.65</b>	<b>2,10,229</b>	<b>-</b>	<b>2,10,229</b>	<b>3.65</b>	<b>-</b>	
<b>Total Promoter holding</b>	<b>21,73,227</b>	<b>-</b>	<b>21,73,227</b>	<b>37.69</b>	<b>21,73,227</b>	<b>-</b>	<b>21,73,227</b>	<b>37.69</b>	<b>-</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a. Mutual Funds	-	100	100	0.00	-	100	100	0.00	-	
b. Bank / FI	-	125	125	0.00	-	125	125	0.00	-	
c. Cent.Gov.	-	-	-	-	-	-	-	-	-	
d. State Gov.	3,88,812	-	3,88,812*	6.74	3,88,812	-	3,88,812*	6.74	-	
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f. Insurance Companies	-	-	-	-	-	-	-	-	-	
g. FIs	-	-	-	-	-	-	-	-	-	
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i. Other (Specify)	-	-	-	-	-	-	-	-	-	
<b>Total B1</b>	<b>3,88,812</b>	<b>225</b>	<b>3,89,037</b>	<b>6.74</b>	<b>3,88,812</b>	<b>225</b>	<b>3,89,037</b>	<b>6.74</b>	<b>-</b>	
<b>2. Non-institutions</b>										
a. Bodies Corp.	1,56,955	3,015	1,59,970	2.77	1,55,025	3,015	1,58,040	2.74	-0.03	
i. Indian	-	-	-	-	-	-	-	-	-	
ii. Overseas	-	-	-	-	-	-	-	-	-	
b. Individuals	-	-	-	-	-	-	-	-	-	
i. Individual shareholders holding nominal share capital upto Rs. 1 Lacs	10,60,749	5,57,382	16,18,131	28.06	9,93,420	5,50,389	15,43,809	26.77	-1.29	
i. Individual shareholders holding nominal share capital in excess of Rs. 1 Lacs	12,61,383	-	12,61,383	21.88	10,19,907	-	10,19,907	17.69	-4.19	
c. Others (Specify)										
- HUF	-	-	-	-	3,16,642	-	3,16,642	5.49	5.49	
- NRI	7,273	-	7,273	0.13	7,400	-	7,400	0.13	-	



- Trust	1,57,143	-	1,57,143	2.73	1,57,143	-	1,57,143	2.73	-
- Clearing Member	20	-	20	0.00	979	-	979	0.02	0.02
<b>Total B2</b>	<b>26,43,523</b>	<b>5,60,397</b>	<b>32,03,920</b>	<b>55.57</b>	<b>26,50,516</b>	<b>5,53,404</b>	<b>32,03,920</b>	<b>55.57</b>	-
<b>Total Public holding B1+B2</b>	<b>30,32,335</b>	<b>5,60,622</b>	<b>35,92,957</b>	<b>62.31</b>	<b>30,39,328</b>	<b>5,53,629</b>	<b>35,92,957</b>	<b>62.31</b>	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Total C</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total A+B+C</b>	<b>52,05,562</b>	<b>5,60,622</b>	<b>57,66,184</b>	<b>100.00</b>	<b>52,12,555</b>	<b>5,53,629</b>	<b>57,66,184</b>	<b>100.00</b>	-

\*included 2,48,812 number of unclaimed equity shares transferred to IEPF account of Central Government according to unclaimed dividend record of the FY. 2009-10.

## ii Shareholding of promoters

Sr. No.	Name of share holder	No. of shares held at the beginning of the year 01.04.2019			No. of shares held at the end of the year 31.03.2020			% of change in shareholding 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	Mr. Aditya A. Garware	2,10,229	3.65	-	2,10,229	3.65	-	-
2	Mrs. Shefali S. Bajaj	74,200	1.29	-	74,200	1.29	-	-
3	Mrs. Maneesha S. Shah	55,050	0.95	-	55,050	0.95	-	-
4	Late Chandrakant B. Garware	30,000	0.52	-	30,000	0.52	-	-
5	Mrs. Sushma A. Garware	9,36,090	16.23	-	9,36,090	16.23	-	-
6	A.B. Garware -HUF	4,700	0.08	-	4,700	0.08	-	-
7	Mr. Shashikant B. Garware	4,607	0.08	-	4,607	0.08	-	-
8	Smt. Anita C. Garware	500	0.01	-	500	0.01	-	-
9	Mrs. Sheela S. Garware	381	0.01	-	381	0.01	-	-
10	Mrs. Monika R. Garware Modi	381	0.01	-	381	0.01	-	-
11	Universal Investment Services Private Limited	2,34,755	4.07	-	2,34,755	4.07	-	-
12	Mauve Trading Co. Private Limited	1,48,410	2.57	-	1,48,410	2.57	-	-
13	Global Offshore Services Limited	1,29,330	2.24	-	1,29,330	2.24	-	-
14	Adsu Trading And Investment Co. Private Limited	1,96,586	3.41	-	1,96,586	3.41	-	-
15	Garware Technical Fibres Limited (Erstwhile Garware Wallropes Limited)	50,000	0.87	-	50,000	0.87	-	-
16	Shesu Trading And Investment Co. Private Limited	50,652	0.88	-	50,652	0.88	-	-
17	Garware Capital Markets Limited	30,000	0.52	-	30,000	0.52	-	-
18	Masu Trading And Investment Co. Private Limited	16,556	0.29	-	16,556	0.29	-	-
19	Garware Goa Nets Limited	800	0.01	-	800	0.01	-	-
	<b>Total</b>	<b>21,73,227</b>	<b>37.69</b>	-	<b>21,73,227</b>	<b>37.69</b>	-	-



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iii Change in Promoter's shareholding during the F.Y. 2019-20 - NIL

iv Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of ADRs and GDRs)

Sr. No.	Name of top ten shareholder	Shareholding held at the beginning of the year 01.04.2019		Shareholding held at the end of the year 31.03.2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Shri Krishna Welfare Trust	1,57,143	2.73	1,57,143	2.73
2	Mr. Ketan J. Karani	1,55,883	2.70	1,55,883	2.70
3	Official Liquidator High Court Mumbai	1,40,000	2.43	1,40,000	2.43
4	Poshattiwar Sandeep Vasanttrao HUF	1,33,674	2.31	1,33,674	2.31
5	Mr. Ashish Jain	94,141	1.63	94,139	1.63
6	Mr. Sandeep Vasanttrao Poshattiwar	80,000	1.39	80,000	1.39
7	DSG Ship Services Private Limited	93,089	1.61	71134	1.23
8	Firdaus A. Variava	71,000	1.23	71,000	1.23
9	Naira J. Jejeebhoy	60,000	1.04	60,000	1.04
10	Dilnavaz S. Variava	59,975	1.04	59,975	1.04

v Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No.	Name of Director / KMP	Shareholding held at the beginning of the year 01.04.2019		Shareholding held at the end of the year 31.03.2020	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company
1	Mr. Aditya A. Garware	2,10,229	3.65	2,10,229	3.65
2	Mrs. Shefali S. Bajaj	74,200	1.29	74,200	1.29
3	Mr. Shyamsunder V. Atre - KMP	1,000	0.02	1,000	0.02
4	Mr. Rajiv S. Khanna	100	0.00	100	0.00
5	Mr. Sanjay V. Chinai	-	-	-	-
6	Mr. Vikas D. Sadarangani	-	-	-	-
7	Ms. Pallavi P. Shedge - KMP	2	0.00	2	0.00
8	Mrs. Vipulata S. Tandel - KMP	-	-	-	-

V Indebtedness

Indebtedness of the Company including interest outstanding/ accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-

iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI Remuneration and Sitting Fees of Directors and KMPs**

**A Remuneration to Executive Director - KMP**

		<b>Mr. Shyamsunder V. Atre Executive Director</b>
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount in Rs.</b>
1	Salary	12,93,360
2	Leave Travel Allowance	90,000
3	Medical Allowance	90,000
4	Bonus/ Ex-gratia	-
5	Stock Option	-
6	Sweat Equity	-
7	Commission	-
	- As % profit	-
	- Other	-
8	Others,	-
9	Ceiling as per Act	-
	<b>Total</b>	<b>14,73,360</b>

**B Sitting Fees to Non-executive – Non-independent Directors**

<b>Name of Director</b>	<b>Sitting Fees to attend Board Meeting</b>	<b>Sitting Fees to attend Committee Meeting</b>	<b>Commission</b>	<b>Others</b>	<b>Total</b>
Mr. Aditya A. Garware	29,000	7,500	-	-	<b>36,500</b>
Mrs. Shefali S. Bajaj	14,500	-	-	-	<b>14,500</b>

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### C Sitting Fees to Independent Directors

Name of Director	Sitting Fees to attend Board Meeting	Sitting Fees to attend Committee Meeting	Sitting Fees to attend Independent Directors' Meeting	Total
Mr. Rajiv S. Khanna	29,000	1,500	7,250	<b>37,750</b>
Mr. Sanjay V. Chinai	29,000	7,500	7,250	<b>43,750</b>
Mr. Vikas D. Sadarangani	29,000	6,000	7,250	<b>42,250</b>

### D Remuneration to Company Secretary and Chief Financial Officer (CFO) - KMP

		Ms. Pallavi P. Shedge Company Secretary	Mrs. Vipulata S. Tandel CFO
Sr. No.	Particulars	Amount in Rs.	Amount in Rs.
1	Salary	7,40,286	5,16,440
	a. Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961.	-	-
	b. Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	c. Profit in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-
	<b>Gross Salary</b>		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	- As % or profit	-	-
6	- Other	-	-
7	Others	-	-
	<b>Total</b>	<b>7,40,286</b>	<b>5,16,440</b>

### VII Penalties/ punishment/ compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding of offences	Authority (RD/ NCLT/ Court)	Appeal made, if any, (give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other offences</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



**ANNEXURE B**  
**FORM NO. AOC 2**

**(Pursuant to Clause (h) of Section 134 of the Act and Rule 8(2) of the Companies (Account) Rules, 2014.**

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

1. Details of contracts or arrangements or transactions not at arms-length basis:

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship.	Nil
2	Nature of contracts/ arrangements/ transaction.	Nil
3	Duration of the contracts/ arrangements/ transaction.	Nil
4	Salient terms of the contracts or arrangements or transactions including the value, if any.	Nil
5	Justification for entering into such contracts or arrangements or transactions.	Nil
6	Date of approval by the Board.	Nil
7	Amount paid as advances, if any.	Nil
8	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188.	Nil

2. Details of contracts or arrangements or transactions at arms-length basis:

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship.	Global Offshore Services Limited
2	Nature of contracts/ arrangements/ transaction.	Ship repair service
3	Duration of the contracts/ arrangements/ transaction.	Ongoing
4	Salient terms of the contracts or arrangements or transactions including the value, if any.	As per Agreement
5	Date of approval by the Board.	29 <sup>th</sup> October, 1999

**ANNEXURE C**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020

*(Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014)*

To,  
The Members,  
**Garware Marine Industries Limited**  
102, Buildarch Wisteria, 1st Floor,  
Ram Maruti Road, Dadar - (West),  
Mumbai-400028.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Garware Marine Industries Limited (CIN: L12235MH1975PLC018481)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and compliances- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2020** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") including amendments thereof 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the Audit period)**;
  - d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit period)**;
  - e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit period)**;
  - f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit period)**;
  - g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit period)**;
  - h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit period)**;
  - i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Specific laws applicable as mentioned hereunder:

As informed by the Management of the Company, during the Audit period there was no business activities carried out by the Company **under The Merchant Shipping Act, 1958.**

I have also examined compliance with the applicable clauses of Secretarial Standards<sup>1</sup> and 2, issued by the Institute of Company Secretaries of India with respect to Board and General Meetings under the provisions of the Companies Act, 2013.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I 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 year 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.

Resolutions have been approved by majority while the dissenting members', if any, views are captured and recorded as part of the minutes.

**I 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** the members at the 41<sup>st</sup> Annual General Meeting held on 27<sup>th</sup> September, 2019 passed the Special Resolution to re-appoint Mr. Shyamsunder V. Atre (DIN:01893024) as Executive Director, for a period of two years with effect from 31<sup>st</sup> October, 2018.



I further report that during the audit period there were no instances of (i) Public/ Rights/ Preferential issue of Shares / Debentures / Sweat Equity, (ii) Buy-back of securities, (iii) Redemption of Preference shares/ Debentures, (iv) Merger / Amalgamation / reconstruction etc. (v) Foreign technical collaborations.

Signature:

Sd/-

**CS Rajkumar R. Tiwari**

Company Secretary in Practice

FCS No. 4227 C.P. No. 2400

**UDIN: F004227B000525374**

Place: Mumbai

Date: July 29, 2020

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.

## Annexure-A

To,

The Members,

**Garware Marine Industries Limited**

102, Buildarch Wisteria, 1st Floor,

Ram Maruti Road, Dadar - (West),

Mumbai-400028.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test bases to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the Provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:

Sd/-

**CS Rajkumar R. Tiwari**

Company Secretary in Practice

FCS No. 4227 C.P. No. 2400

Place: Mumbai

Date: July 29, 2020

**ANNEXURE – D**

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i] The ratio of the remuneration of the Director and KMP's to the median remuneration of the employees of the Company for the financial year 2019-20:

Name of Director, Company Secretary & Chief Financial Officer	Ratio of remuneration to median remuneration of Employees
Mr. Shyamsunder V. Atre – Executive Director	2.82:1
Ms. Pallavi P. Shedge – Company Secretary	1.42:1
Mrs. Vipulata S. Tandel – Chief Financial Officer	0.99:1

- ii] The percentage increase in remuneration of the Director, and KMP's in the financial year 2019-20:

Name of Key Managerial Personnel:	% increase in remuneration in the financial year 2019-20
Mr. Shyamsunder V. Atre – Executive Director	-
Ms. Pallavi P. Shedge – Company Secretary	7.73%
Mrs. Vipulata S. Tandel – Chief Financial Officer	40.20%

- iii] The percentage increase in the median remuneration of employees on an annualized basis in the financial year: **3%**

- iv] The number of permanent employees on the rolls of Company's on 31<sup>st</sup> March, 2020:**8**

- v] Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and any exceptional circumstances if any, for increase in the Managerial remuneration:

- Average increase in remuneration (on an annualized basis) of employees excluding KMPs: **27%**
- Average increase in remuneration of KMPs: **8%**
- KMP salary increases are decided based on the individual performance / inflation / prevailing industry trends and benchmarks.

- vi] Affirmation:

**The Company affirms remuneration is as per the Remuneration Policy of the Company.**

- vii] Details of top ten employees in terms of remuneration (gross) drawn during the financial year 2019-20:

Sr. No.	Name of Employee & Designation.	Designation	Gross Remuneration / Salary per annum as on 31/03/2020	Remark
1.	Mr. Shyamsunder V. Atre	Executive Director - KMP	14,73,360	-
2.	Mr. Vijay V. Wattamwar	Head – Technical (Flying Squad)	10,07,913*	-
3.	Ms. Pallavi P. Shedge	Company Secretary - KMP	7,40,284	-
4.	Mrs. Vipulata S. Tandel	Chief Financial Officer -KMP	5,16,440	-
5.	Mr. Akbar I. Sayyed	Marine Hy. Fitter	5,22,676	-
6.	Mr.Murlidhar R. Sawant	Marine Welder	5,14,666	-
7.	Mr. John B. Pariera	Marine Welder	5,26,276	-
8.	Mr. Mayur S. Kochare	Purchase Officer	2,03,930**	-
9.	Mrs. Swati Y. Jangle	Comp. Operator/ Assistant	3,55,256	-
10.	Mrs. Deepa D. Khot	Accounts Assistant	1,70,732**	-

\*Appointed on 16.08.2019 (part of the year). \*\*resigned on 30.09.2019 (part of the year).

- viii] Statement of particulars of employees pursuant to the provisions of Section 197(12) of Companies Act, 1956 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

There is no employee whose salary exceeded Rs.8.50 Lakhs per month or Rs.1.02 Crore p.a.



## CORPORATE GOVERNANCE REPORT, 2019-20

### Philosophy on code of governance

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2020 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"). The Company Governance policy is based on a set of systems and practices to ensure that the Company's affairs are being managed in a manner that ensures accountability, transparency and fairness in all transactions in the widest sense.

During the end of financial year under review the World at large faced a critical situation due to the COVID-19 pandemic and the same continues. The Company was no exception to this. The regulators including Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI) announced many relaxations with respect to the compliance requirements to facilitate companies to conduct smooth operations and cope with the challenging times. The Company appreciates and acknowledges the relaxations and exemptions granted by the MCA and SEBI, inter alia, to dispatch the Annual Report electronically to shareholders who have registered their email addresses and to conduct Annual General Meeting through electronic mode. These relaxations are unprecedented and deeply appreciated.

### Board of Directors

The composition and strength of the Board is reviewed from time to time to ensure that it remains aligned with statutory as well as business requirements.

The details of each member of the Board along-with the number of Directorship/ Committee Membership during the year and as on 31<sup>st</sup> March, 2020 are as given below:

Sr. No.	Name of the Director	Category of Director	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship in other companies (Excluding GMIL*)	No. of other Board Committees in which Chairman/ Member (Excluding GMIL)	
						Chairman	Member
1	Mr. Aditya A. Garware (DIN: 00019816)	Chairman, Non-Executive – Non-Independent Director	4	Yes	9**	-	1
2	Mrs. Shefali S. Bajaj (DIN: 00149511)	Non-Executive – Non-Independent Director	2	Yes	1	-	-
3	Mr. Rajiv S. Khanna (DIN: 02855080)	Independent - Non-Executive Director	4	Yes	1	-	-
4	Mr. Sanjay V. Chinai (DIN: 00245418)	Independent - Non-Executive Director	4	Yes	3	-	-
5	Mr. Vikas D. Sadarangani (DIN:07657018)	Independent - Non-Executive Director	4	Yes	-	-	-
6	Mr. Shyamsunder V. Atre (DIN: 01893024)	Executive Director	4	Yes	2	-	-

\* GMIL: Garware Marine Industries Limited

\*\* Mr. Aditya A. Garware is the Chairman, Non-executive Non Independent Director in Global Offshore Services Limited. Mr. Aditya A. Garware and Mrs. Shefali S. Bajaj are related to each other.



## GARWARE MARINE INDUSTRIES LIMITED

42<sup>nd</sup> Annual Report 2019-20

In accordance with Regulation 26 of the SEBI, Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Act or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director.

The Board has identified the following skill set with reference to its business and industry which are available with the Board:

Name of the Director	Designation	Skills/ Expertise in specific functional area
Mr. Aditya A. Garware (DIN: 00019816)	Chairman, Non-Executive Non-Independent Director	Industrialist, Offshore and Shipping services domain (including Repairs of Ships), Business Strategy and Corporate Management
Mrs. Shefali S. Bajaj (DIN: 00149511)	Non-Executive Non-Independent Director	Industrialist, Corporate Management
Mr. Rajiv S. Khanna (DIN: 02855080)	Independent Non-Executive Director	Industrialist, Technical Textiles and Finance Planning
Mr. Sanjay V. Chinai (DIN: 00245418)	Independent Non-Executive Director	Businessman – 1) Power sector - representing international power companies in India; 2) Travel - life style space.
Mr. Vikas D. Sadarangani (DIN:07657018)	Independent Non-Executive Director	Businessman, distributor of cinema equipment and import and export of lighting equipment
Mr. Shyamsunder V. Atre (DIN: 01893024)	Executive Director	Sales, Marketing, labour matters and Corporate Management

During the year under review, the Board met at regular intervals. The notice and detailed agenda along with the relevant notes and other material information are sent in advance to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

4 meetings of the Board of Directors were held on 23<sup>rd</sup> May, 2019, 05<sup>th</sup> August, 2019, 05<sup>th</sup> November, 2019 and 10<sup>th</sup> February, 2020 to discuss and decide business strategies/policies, performance of the Company and review the:

- financial performance;
- the compliances pertaining to all the Laws applicable to the Company.
- the “Minimum Information” vide Schedule II – Part A of SEBI, (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The important decisions taken at the Board/ Committee meetings are communicated to the concerned department.

The maximum time gap between two Board Meetings did not exceed 120 days, as specified under Section 173(1) of the Act, and Regulation 17(2) of the Listing Regulations and the Secretarial Standard by The Institute of Company Secretaries of India.

During the year under review, the Non-Executive Directors were paid Sitting fees of Rs.7,250/- for Board Meeting.

The Non-Executive - Independent Directors fulfil the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulation. As per Regulation 17A of the SEBI, Listing Regulations, Independent Directors of the Company do not serve as Independent Directors in more than seven listed companies. All the Independent Directors have been registered in the data bank along with “Indian Institute Of Corporate Affairs” (IICA), as notified by the Ministry of Corporate Affairs, in accordance with the Provisions of Section 150 of the Companies Act, 2013 and the Rules thereunder. Further, the Executive Director of the Company does not serve as an Independent Director in any listed entity.

### Governance

#### Code of Business Conduct & Ethics

The Company has adopted a Code of Business Conduct & Ethics (“the Code”) which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, as also conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company’s website, [www.garwaremarine.com](http://www.garwaremarine.com).



## Disclosure of Interest

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other Companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

## Insider Trading Code

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "PIT Regulations"). The Code is applicable to promoters, members of the promoter group, all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website., [www.garwaremarine.com](http://www.garwaremarine.com).

The details of shares and convertible instruments held by Non-executive Directors are as follows:

Sr. No.	Name of the Director	Category	No. of shares held	No. of Convertible Instruments held
1	Mr. Aditya A. Garware	Non-Executive – Non-Independent Director	2,10,229	-
2	Mrs. Shefali S. Bajaj	Non-Executive – Non-Independent Director	74,200	-
3	Mr. Rajiv S. Khanna	Independent Director	100	-
4	Mr. Sanjay V. Chinai	Independent Director	-	-
5	Mr. Vikas D. Sadrangani	Independent Director	-	-

## Familiarization Program

The Board has from time to time explained the status of the Business to all the Independent Directors and their responsibilities and commitments (being Independent Directors of the Company). The details of Directors familiarization program is displayed on the Company's website, [www.garwaremarine.com](http://www.garwaremarine.com)

## Independent Directors' Meeting

During the year under review, the Independent Directors met on 10<sup>th</sup> February, 2020, inter alia, to discuss:

- Evaluation of performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for this Meeting. Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of all the Directors including the Chairman was carried out and the evaluation report was satisfactory.

## Committees of the Board

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and require a closer review. The Board Committees are formed with the approval of the Board and they function under their respective Charters. These Committees play an important role in the overall management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform the duties entrusted by the Board.

**Audit committee**

The Audit Committee has 3 members including 2 Independent Directors.

The members of the Committee are well versed with finance, accounts and general business practices.

Mr. Sanjay V. Chinai, Independent Director, acts as Chairman of the Audit Committee.

Ms. Pallavi P. Shedje, Company Secretary acts as the Secretary of the Audit Committee.

The following is the composition and its meetings held during the year:

Sr. No.	Name of the Director & Category	Chairman / Member	23.05.2019	05.08.2019	05.11.2019	10.02.2020
1	Mr. Sanjay V. Chinai Independent Director	Chairman	P	P	P	P
2	Mr. Aditya A. Garware Non-Executive – Non-Independent Director	Member	P	P	P	P
3	Mr. Vikas D. Sadarangani Independent Director	Member	P	P	P	P

**Terms of reference**

The Committee's composition meets with requirements of Section 177 of Companies Act, 2013 and Regulation 18 of Listing Regulation. Members of Audit Committee possess financial / accounting expertise / exposure.

**i) Power of Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain external legal or other professional advice.
4. To secure attendance of external agencies / consultants with relevant expertise, if considered necessary.

**ii) Role:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by them;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility statement to be included in the board's report in terms of clause (c) of sub-section(3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
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. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The audit committee mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

### **Nomination and Remuneration Committee**

The following is the composition and its meeting held during the year:

<b>Sr. No.</b>	<b>Name of the Director &amp; Category</b>	<b>Chairman / Member</b>	<b>10.02.2020</b>
1	Mr. Sanjay V. Chinai Independent Director	Chairman	P
2	Mr. Aditya A. Garware Non-Executive – Non-Independent Director	Member	P
3	Mr. Rajiv S. Khanna Independent Director	Member	P

The Nomination and Remuneration Committee has 3 members including 2 Independent Directors and all are Non-Executive Directors.

Ms. Pallavi P. Shedje, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee

The Board has framed the Remuneration and Nomination Committee Charter which ensures effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, which are as follows:

**GARWARE MARINE INDUSTRIES LIMITED**42<sup>nd</sup> Annual Report 2019-20

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/ Whole-time Director(s) and Senior Management (one level below the Board);
- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/reappointment and removal of Directors;
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors and whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.;
- to recommend to the Board, remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 are to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- Delegation of any of its powers to any Member of the Committee or the Compliance Officer.

**Remuneration paid to Mr. Shyamsunder V. Atre, Executive Director during the Financial Year 2019-20.**

Salary	14,73,360
Monetary Value of Perquisites	-
Bonus	-
Contribution to PF	-
Pension	-
Stock Option	-
Severance Fees	-
Sitting Fees	-
<b>Total</b>	<b>14,73,360</b>

**Sitting Fees to Non-Executive Directors during the Financial Year 2019-20**

The Non-Executive Directors are paid sitting fees for each meeting of the Board of Directors attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

Sr. No.	Name of Non-Executive Director	Sitting Fees paid during the FY 2019-20		
		For attending Board Meeting	For attending Committee Meeting	For attending Independent Directors' Meeting
1	Mr. Aditya A. Garware	29,000	7,500	-
2	Mrs. Shefali S. Bajaj	14,500	-	-
3	Mr. Rajiv S. Khanna	29,000	1,500	7,250
4	Mr. Sanjay V. Chinai	29,000	7,500	7,250
5	Mr. Vikas D. Sadarangani	29,000	6,000	7,250

During the Financial Year 2019-20, the Company did not advance any loans to any of the Directors.



### Stakeholders' grievance committee

The following is the composition and its meeting held during the year:

Sr. No.	Name of the Director & Category	Chairman / Member	10.02.2020
1	Mr. Vikas D. Sadarangani Independent Director	Chairman	P
2	Mr. Aditya A. Garware Non-Executive – Non-Independent Director	Member	P
3	Mr. Sanjay V. Chinai Independent Director	Member	P
4	Mr. Shyamsunder V. Atre Executive Director	Member	P

Ms. Pallavi P. Shedge, Company Secretary acts as the Secretary of the Shareholders' Grievance Committee and the Compliance Officer of the Company.

### Status of Complaints during the year:

No of complaints in the beginning of the year	0
No of complaints received during the year	2
No of complaints solved during the year	2
No of complaints pending during the year	0

### Role:

The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

### Corporate Social Responsibility Committee

The following are the members of the Committee

Sr. No.	Name of the Director	Category	Chairman / Member
1	Mr. Sanjay V. Chinai	Independent Director	Chairman
2	Mr. Aditya A. Garware	Non-Executive – Non-Independent Director	Member
3	Mr. Vikas D. Sadarangani	Independent Director	Member
5	Mr. Rajiv S. Khanna	Independent Director	Member

According to the provisions of Section 134 of the Companies Act, 2013 and Rules thereunder it was not required to make any contribution towards CSR, even if the Company earned profit in the past 3 years results, and thus the required details are "Not Applicable".

### General body meetings

#### ➤ Details of the last three years Annual General Meetings

Financial Year	Date	Time	Venue
2018-19	27.09.2019	09.30 A.M.	"Garware Sabhagriha" F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400 034
2017-18	11.09.2018	09.30 A.M.	"Garware Sabhagriha" F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400 034
2016-17	28.09.2017	11:30 A.M.	"Garware Sabhagriha" F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400 034

All resolutions including special business as set out in above Notices were passed by the Shareholders at the AGM.

- Details of special resolutions passed in the previous three Annual General Meetings  
AGM dated 27.09.2019 for Financial Year 2018-19  
Re-appointment of Mr. Shyamsunder V. Atre (DIN: 01893024), Executive Director, for a term of 2 years.  
AGM dated 11.09.2018 for Financial Year 2017-18  
Re-appointment of Mr. Rajiv S. Khanna (DIN: 02855080), Independent Director, for another term of 5 years.  
AGM dated 28.09.2017 for Financial Year 2016-17  
Re-appointment of Mr. Shyamsunder V. Atre (DIN: 01893024), Executive Director, for a term of 2 years.
- Resolution(s) passed through Postal Ballot during the financial year ended 31<sup>st</sup> March, 2020 - Nil

**Other Compliances / Affirmations & Disclosures**

- Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has formulated its Vigil Mechanism, under the Whistle Blower Policy, for its Directors and employees to report genuine concerns.

Vigil Mechanism of the Company provides adequate safeguards against victimization of Director(s) or employees or any other person who avail the mechanism and also provides direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy of the Company is disclosed on the website of the Company, [www.garwaremarine.com](http://www.garwaremarine.com)

During the Financial Year ended 31<sup>st</sup> March, 2020, no complaint has been received by the Audit Committee from Director(s) or employee(s) of the Company;

There is no Related Party Transaction, which had potential conflict with the interest of the Company at large. All related party transactions have been approved by the Audit Committee. As required, the Company has formulated a policy to deal with Related Party Transactions under Regulation 23(1) of the Listing Regulation and the Policy is available on the website of the Com, [www.garwaremarine.com](http://www.garwaremarine.com).

Related party transactions have been disclosed under significant accounting policies and notes forming part of the financial statements in accordance with "IND AS". A statement of transactions entered into with the related parties in the ordinary course of business and at arm's length basis is periodically placed before the Audit Committee for review. Further, pursuant to Regulations 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has disclosed all its related party transactions on half year basis to the Stock Exchange, BSE Ltd.

- The Company does not have any Subsidiary or Wholly-owned Subsidiary.
- All the Independent Directors have satisfied the applicable provisions under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- All the Directors and Senior Management have satisfied the applicable provisions under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Discretionary Requirements stated under Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
  - a. No remuneration or any other facilities provided to Non-executive Chairman except sitting fees to attend Board and Committee meetings;
  - b. The Company has appointed separate individual as Chairman (Non-executive Director) and Whole-time Director;
  - c. The financial statements are prepared with an unmodified audit opinion; &
  - d. Internal Auditors submits their report to the Audit Committee.

Adoption of the above mentioned non-mandatory requirements of SEBI, Listing Regulations are being reviewed by the Board from time-to-time.

- In preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

- Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year: Not Applicable.
- The Company has paid Rs. 1,75,000/- as audit fees to Statutory Auditors of the Company duly approved with effect from the conclusion of 41<sup>st</sup> Annual General Meeting (September, 2019) until the conclusion of 42<sup>nd</sup> Annual General Meeting (September, 2020) of the Company.
- Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable.
- The Company has prepared quarterly Corporate Governance Report as per Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by the Compliance Officer of the Company and submitted the same to the Stock Exchange, BSE Ltd. within 15 days from the end of each quarter;
- There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalty or strictures have been imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority.
- As per SEBI circular no. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018, the Company has appointed CDSL as the Designated Depository for the purpose of System Driven Disclosures in Securities Market for our company.

**The Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulation 17 to 27 and Regulation 46(2).**

Sr. No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
<b>1</b>	<b>Board of Directors</b>	<b>17(1)</b>	Composition of Board	Yes
		<b>17(2)</b>	Meeting of Board of Directors	Yes
		<b>17(3)</b>	Review of Compliance Reports	Yes
		<b>17(4)</b>	Plans for orderly succession for appointments	Yes (as and when applicable)
		<b>17(5)</b>	Code of Conduct	Yes
		<b>17(6)</b>	Fees / Compensation	Yes
		<b>17(7)</b>	Minimum Information to be placed before the Board	Yes
		<b>17(8)</b>	Compliance Certificate	Yes
		<b>17(9)</b>	Risk Assessment & Management	N.A.
		<b>17(10)</b>	Performance Evaluation	Yes
<b>2</b>	<b>Audit Committee</b>	<b>18(1)</b>	Composition of Audit Committee & presence of the Chairman of the Audit Committee at the AGM	Yes
		<b>18(2)</b>	Meeting of Audit Committee	Yes
		<b>18(3)</b>	Role of Audit Committee and review of information by Audit Committee	Yes
<b>3</b>	<b>Nomination &amp; Remuneration Committee (NRC)</b>	<b>19 (1) &amp; (2)</b>	Composition of NRC	Yes
		<b>19(3)</b>	Presence of the Chairman of NRC at the AGM	Yes
		<b>19(4)</b>	Role of NRC	Yes
<b>4</b>	<b>Stakeholders Relationship Committee (SRC)</b>	<b>20(1), (2), (3)</b>	Composition of SRC	Yes
		<b>20(4)</b>	Role of SRC	Yes
<b>5</b>	<b>Risk Management Committee (RMC)</b>	<b>21 (1), (2), (3), (4)</b>	Composition and Role of RMC	N.A.



## GARWARE MARINE INDUSTRIES LIMITED

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<b>6</b>	Vigil Mechanism	<b>22</b>	Formulation of Vigil Mechanism for Directors and Employees	Yes
<b>7</b>	Related Party Transaction (RPT)	<b>23 (1), (5), (6), (7), (8)</b>	Policy for RPT	Yes
		<b>23 (2), (3)</b>	Approval including omnibus approval of Audit Committee for all RPTs and review of transaction by Audit Committee	Yes
		<b>23 (4)</b>	Approval for Material RPTs	Yes
<b>8</b>	Subsidiaries of the Company	<b>24(1)</b>	Composition of Board of Directors of Unlisted Material Subsidiary	N.A.
		<b>24 (2), (3), (4), (5), (6)</b>	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	N.A.
<b>9</b>	Obligations with respect to IDs	<b>25 (1) (2)</b>	Maximum Directorship & Tenure	Yes
		<b>25(3)</b>	Meeting of IDs	Yes
		<b>25(4)</b>	Review of Performance by the IDs	Yes
		<b>25(7)</b>	Familiarisation of IDs	Yes
<b>10</b>	Obligations with respect to Directors and Senior Management	<b>26 (1) (2)</b>	Memberships & Chairmanship in Committees	Yes
		<b>26(3)</b>	Affirmation with compliance to Code of Conduct from members of Board of Directors and Senior Management Personnel	Yes
		<b>26(4)</b>	Disclosure of Shareholding by NEDs	Yes
		<b>26(5)</b>	Disclosures by Senior Management about potential conflicts of Interest	Yes
<b>11</b>	Other Corporate Governance Requirements	<b>27(1)</b>	Compliance of Discretionary Requirements	Yes
		<b>27(2)</b>	Filing of Quarterly Compliance Report on Corporate Governance	Yes
<b>12</b>	Disclosures on Website of the Company	<b>46 (2)(b)</b>	Terms and conditions of appointment of IDs	Yes
		<b>46 (2)(c)</b>	Composition of various committees of Board of Directors	Yes
		<b>46 (2)(d)</b>	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		<b>46 (2)(e)</b>	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		<b>46 (2)(f)</b>	Criteria of making payments to NEDs	Yes
		<b>46 (2)(g)</b>	Policy on dealing with RPTs	Yes
		<b>46 (2)(h)</b>	Policy for determining Material Subsidiaries	N.A.
		<b>46 (2)(i)</b>	Details of familiarisation programmes imparted to IDs	Yes



## Communication

Pursuant to the Regulation 33(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Company has submitted its Quarterly and Year to date Financial Results to BSE Ltd. The details of the meeting conducted for each quarter ended are as follows:

Quarter ended on	The date of Board Meeting on which the Financial Results were approved
30.06.2019	05.08.2019
30.09.2019	05.11.2019
31.12.2019	10.02.2020
31.03.2020	30.06.2020

Pursuant to the Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the above mentioned quarterly Financial Results were published in newspapers namely:

The Free Press Journal (English)

Navshakti (Marathi)

The said results have also been displayed on the Company's website [www.garwaremarine.com](http://www.garwaremarine.com).

## General Information

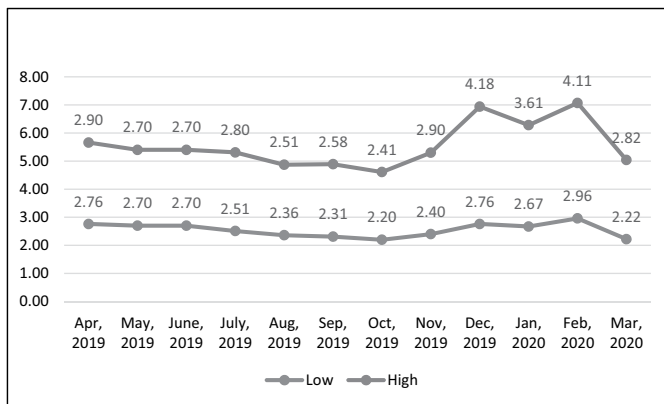
Details of the 42<sup>nd</sup> Annual General Meeting of the Company are as follows:

<b>Date</b>	25.09.2020
<b>Time Venue</b>	10.00 A.M. Through Video Conference The Venue of the AGM shall deemed to be the Registered Office of the Company at 102, Buildarch Wisteria, 1st Floor, Ram Maruti Road, Dadar (West), Mumbai 400028.
<b>Financial Year</b>	01.04.2019 to 31.03.2020
<b>Dividend Payment Date</b>	N.A.
<b>the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)</b>	BSE Ltd. The Company has paid annual listing fees to BSE Ltd. for FY 2019-20.
<b>Stock Code</b>	BSE SCRIP CODE: 509563
<b>ISIN No</b>	INE925D01014
<b>Outstanding ADR &amp; GDR</b>	Not applicable

## Market price data- high, low during each month in last Financial Year 2019-20

Month	BSE Ltd.	
	High	Low
April, 2019	2.90	2.76
May, 2019	2.70	2.70
June, 2019	2.70	2.70
July, 2019	2.80	2.51
August, 2019	2.51	2.36
September, 2019	2.58	2.31
October, 2019	2.41	2.20
November, 2019	2.90	2.40
December, 2019	4.18	2.76
January, 2020	3.61	2.67
February, 2020	4.11	2.96
March, 2020	2.82	2.22

**BSE Ltd.**



Registrar & Transfer Agent

Bigshare Services Private Limited  
 1st Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road  
 Marol, Andheri East, Mumbai 400059  
 Tel: 022 62638200 / Fax : 022 62638299  
 Email: info@bigshareonline.com  
 Website: www.bigshareonline.com

**Share Transfer System**

The transfer of shares in physical form is processed and completed by Registrar and Transfer Agent within a period of seven days from the date of receipt thereof, provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective Depository Participants. In compliance with the Listing Regulation, a Practicing Company Secretary carries out audit of the system of Transfer and a Certificate to that effect is issued.

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferred in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Transfer Agent.

Distribution of shareholding and category wise distribution has been given in Annexure A of this Report.

As on 31<sup>st</sup> March, 2020, 80% of total paid-up equity share capital had been dematerialized.

During the year under review the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments.

Location of business: The Operations of the Company are primarily based in India.

Address for Correspondence

Ms. Pallavi P. Shedge  
 Company Secretary  
 Garware Marine Industries Limited  
 CIN:L12235MH1975PLC018481  
 Reg. Address:102, Buildarch Wisteria,  
 1<sup>st</sup> Floor, Ram Maruti Road,  
 Dadar (West), Mumbai – 400 028  
 Email: investorredressal@garwaremarine.com  
 Tel: 022 2423 4000  
 Fax: 022 2436 2764

Email address for Investor Grievances

investorredressal@garwaremarine.com



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**Certificate of non-disqualification of Directors from Company Secretary in Practice**

A certificate from a Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board /Ministry of Corporate Affairs or any such statutory authority, is annexed to this Report as Annexure B.

**Compliance Certificate of the Auditors'**

The Statutory Auditors' have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulation and the same is annexed to this Report as Annexure C.

**Certification from CEO/ CFO**

The Company has obtained from the Executive Director and Chief Financial Officer, a Certificate pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Declaration:**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Garware Marine Industries Limited Code of Business Conduct and Ethics for the year ended 31<sup>st</sup> March, 2020.

**On Behalf of the Board**

Sd/-

**Aditya A. Garware**  
**Chairman**

**Date: 06<sup>th</sup> August, 2020**

**Place: Mumbai**

**Annexure A**

**Distribution of shareholding and category wise distribution as on 31<sup>st</sup> March, 2020:**

Shareholding of Nominal Rs.	No. of shareholders	Percentage of total	Share Amount	Percentage of total
1 to 5,000	6,505	92.59	84,77,170	14.71
5,001 to 10,000	284	4.04	22,04,910	3.83
10,001 to 20,000	109	1.56	15,62,160	2.71
20,001 to 30,000	27	0.39	6,91,910	1.20
30,001 to 40,000	8	0.11	2,76,450	0.47
40,001 to 50,000	16	0.22	7,41,720	1.28
50,001 to 1,00,000	23	0.33	16,52,620	2.87
1,00,001 to 9,99,99,99,999	54	0.76	4,20,54,900	72.93
<b>Total</b>	<b>7,026</b>	<b>100</b>	<b>5,76,61,840</b>	<b>100</b>

**Shareholding pattern as on 31<sup>st</sup> March, 2020:**

Sr. No.	Category	No. of shares held	Percentage of total paid-up capital
<b>A</b>	<b>Promoter Holding</b>		
a.	Individual	11,05,909	19.18
b.	Bodies Corporate	8,57,089	14.86
c.	NRI	2,10,229	3.65
	<b>Total A</b>	<b>21,73,227</b>	<b>37.69</b>
<b>B</b>	<b>Public Holding</b>		
<b>1.</b>	<b>Institutional</b>		
a.	Mutual Fund	100	0.00
b.	Financial Institutions/ Banks	125	0.00
c.	Central Government / State Government	3,88,812	6.74
	<b>Total B1</b>	<b>3,89,037</b>	<b>6.74</b>
<b>2.</b>	<b>Non-Institutional</b>		
a.	Bodies Corporate	1,58,040	2.74
b.	Individual	25,63,716	44.46
c.	Any other member:		
	HUF	3,16,642	5.49
	Trusts	1,57,143	2.73
	Clearing Member	979	0.02
	Non Resident Indians	7,400	0.13
	<b>Total B2</b>	<b>32,03,920</b>	<b>55.57</b>
	<b>Total B (B1+B2)</b>	<b>35,92,957</b>	<b>62.31</b>
<b>C</b>	<b>Shares held by Custodians</b>	-	-
	<b>Total A+B</b>	<b>57,66,184</b>	<b>100.00</b>



## Annexure B

### Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015]

To,  
The Members,  
Garware Marine Industries Limited  
102, Buildarch Wisteria,  
1st Floor, Ram Maruti Road,  
Dadar (W), Mumbai-400028

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Garware Marine Industries Limited having CIN:- L12235MH1975PLC018481 and having registered office at 102, Buildarch Wisteria, 1<sup>st</sup> Floor, Ram Maruti Road, Dadar (W), Mumbai-400028. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs and any other Authority.

Sr. No.	Name of Director	DIN	Date of appointment
1	Mr. Aditya Ashok Garware	00019816	24.05.1993
2	Mrs. Shefali S. Bajaj	00149511	05.11.2014
3	Mr. Shyamsundar V. Atre	01893024	31.10.2010
4	Mr. Rajiv S. Khanna	02855080	07.09.2009
5	Mr. Sanjay V. Chinai	00245418	15.10.2015
6	Mr. Vikas D. Sadarangani	07657018	26.11.2016

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

SD/-  
Pranit Ponshe  
Practising Company Secretary  
Membership Number: A53894  
C.P. Number: 20177

Date: 16 July, 2020  
Place: Mumbai

**Annexure C****Auditor's Certificate on Compliance with the conditions of Corporate Governance under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

To,

The Members,

**Garware Marine Industries Limited**

1. We have examined the compliance of conditions of Corporate Governance by **Garware Marine Industries Limited** ('the Company'), for the year ended March 31, 2020, as per Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and Paragraph C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance in the SEBI Listing Regulations.

**Auditor's Responsibility**

3. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
4. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

6. In our opinion and to the best of our information and according to explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clause (b) to (i) of Regulation 46(2) and Paragraph C, D, and E of Schedule V of the Listing Regulations, as applicable.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restrictions on use**

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For D. Kothary & Co.**  
Chartered Accountants  
(Firm Registration No. 105335W)

Sd/-  
**Mehul N. Patel**  
Partner

Place: Mumbai  
Date: 17<sup>th</sup> August, 2020.

Membership No. 132650  
UDIN No: 20132650AAAADU9750



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRIAL STRUCTURE & DEVELOPMENT:

Your Company continues to operate its Ship Repair Division.

### OPPORTUNITIES:

The repair division continues to help defray the Company's existing costs. The Company has been able to increase its customer base marginally. However, in view of the depressed industry scenario for its Customer, repairs of Vessels has not been a priority and therefore the Company continues to face difficulties in widening its "client base".

### THREATS:

The business of the Company is solely dependent on repair of vessels, which in turn is greatly dependent on the fortunes of the Offshore and Shipping sector. Since the Customer base continues to be "plagued" by comparatively low charter rates and increased number of lay ups of Vessels revenues and sources of business (customer base) continue to remain restricted. In the case of some of its Customers charter rates they are earning are lower than operating costs and therefore have no "incentive" to spend on repairs of their Vessels.

The Company continues to face stiff competition from other repair workshops. While charter rates for Customers vessels has seen some improvement in the recent past, this is not yet translating into increase in expenditure on Repairs of Vessels and nor has it led to laid up Vessels being reactivated. Additionally with the increased number of repair workshops having "mushroomed" recently, in view of job losses within the industry, Potential Customers have "wide array" of service providers to choose from. In spite of this, till mid of the March, 2020 the business activities were running more or less on normal scale. There after, with the various restrictions imposed by the Government as a result of the COVID 19 pandemic and further consequence of complete lock down announced by the Government of India, the operations of the Company (i.e. ship repairing) came to a standstill, resulting in an adverse effect on the Company and its business.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company operates a single segment viz. ship repairs.

### OUTLOOK:

While the Company was able to maintain normality for the year ended March 2020, and even generated a profit, the outlook for the near term looks bleak in view of recent pandemic and the subsequent shutdown of the Country. Fortunately, presently repair works for Vessels have recommenced and the Company has been able to withstand these difficult times by providing its clients with "24/7" service.

On a the medium to long term horizon, the Company is optimistic that our business will have the essential strength to survive this critical situation and appear stronger to move forward in the coming years assuming that the Company's main customer continues to operate vessels and spend on repair and maintenance regularly.

### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has an Internal Control System commensurate with the business of the Company. Adequate measures have been taken to mitigate all types of unforeseen risks and to protect the Company from any potential risks which may affect the existence of the Company and the Board of Directors and also the utmost care has been taken to ensure preservation of interest of all its stakeholders. The Audit Committee reviews the report of Internal Auditors and recommends steps for future improvement of the internal control.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company derives revenue principally from ship repairing services.

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and as per Indian Accounting Standards (IND AS) for the year ended 31<sup>st</sup> March, 2020.

Revenue from operations (including other income) for the year ended 31<sup>st</sup> March, 2020 stood at Rs. 113.80 lakhs as against Rs. 126.50 lakhs for the previous year ended 31<sup>st</sup> March, 2019.



## GARWARE MARINE INDUSTRIES LIMITED

42<sup>nd</sup> Annual Report 2019-20

The Profit for the year ended 31<sup>st</sup> March, 2020 stood at Rs. 7.90 lakhs as against a profit of Rs. 21.80 lakhs for the previous year. Other Comprehensive Income – Loss as a result of restatement of investments stood at Rs. 129.58 lakhs as against Rs. 144.71 lakhs respectively.

The Company does not have any debt or borrowing outstanding from a bank or financial institution.

There were no material changes and commitments affecting the financial position of the Company which occurred between and at the end of the financial year to which this financial statement relate on the date of this report.

### FINANCIAL RATIOS:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, following are the details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

(Rs. in lakhs)

Key Financial Ratios	F.Y. 2019-20	F.Y. 2018-19	Change in %	Remark
Interest Coverage Ratio	780%	1441%	-46%	Reduction in earnings before EBIT.
Operating Profit Margin (%)	9%	19%	-53%	Reduction in total income.
Net Profit Margin (%)	7%	17%	-60%	Reduction in total income.
Return on Net worth	2%	3%	-55%	Comprehensive loss on investment.

Movements in the above ratios are not greater than 25%, hence not significant.

### RISKS AND CONCERNS

We are in the midst of COVID-19 pandemic and the year ahead seems challenging due to the prevalent COVID 19 situation. There is high level of uncertainty about the duration of the lockdown and the time required for things to get normal. The extent to which COVID-19 pandemic will impact the operations and financial results is dependent on future developments, which are highly uncertain. This is a major risk in the immediate future and its long term impact needs to be assessed as this may result in a “bleak” financial position in the near future.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Based upon the performance of the employee and in order to retain talent, the remuneration, salary / fees has been increased during the year in the case of CFO (KMP), Company Secretary (KMP) and other employees/consultants. The cordial relations were maintained at all the levels.

### FORWARD-LOOKING STATEMENTS:

Statements in this Management Discussion and Analysis report describing the Company's objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company's actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Further, important factors that could make a difference to the Company's performance are circumstances in the industry, tax regimes; and acts of God.



## INDEPENDENT AUDITOR'S REPORT

To the Members of

**Garware Marine Industries Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **Garware Marine Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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. There are no key audit matters to be disclosed.

### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Shareholder Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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. 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.

Board of Directors are 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 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 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, based on our audit 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 including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2020 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"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2020.

**For D. Kothary & Co.**  
Chartered Accountants  
(Firm Registration No. 105335W)

**Mehul N. Patel**  
Partner  
Membership No. 132650  
UDIN : 20132650AAAAC07293



## Annexure A to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report to the members of the Company of even date)

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us, the Company does not have any immovable properties as at the balance sheet date.
- ii. In our opinion and according to the information and explanations given to us, the Company does not have any inventories as on 31<sup>st</sup> March, 2020 and hence clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii. The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 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 Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year and therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the company and hence clause (vi) of paragraph 3 of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty and other material statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Goods and Service Tax, Custom Duty and other material statutory dues in arrears as at 31<sup>st</sup> March 2020, for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us, there are no statutory dues pending to be deposited on account of any disputes pending with various forums.
- viii. The company has not made any borrowings from financial institutions, banks and government or has not issued any debentures and hence, clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence, clause (ix) of paragraph 3 of the Order is not applicable.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion the Company is not a Nidhi company and hence, clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, clause (xiv) of paragraph 3 of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected with them and covered under section 192 of the Act and hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For D. Kothary & Co.**  
Chartered Accountants  
(Firm Registration No. 105335W)

**Mehul N. Patel**  
Partner

Membership No. 132650  
UDIN : 20132650AAAAC07293

Place: Mumbai  
Date: 30<sup>th</sup> June, 2020

## Annexure - B to the Auditors' Report

To the Members of

Garware Marine Industries Limited

**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 Marine Industries Limited** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the standalone 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 ('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, 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 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.

### 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 31<sup>st</sup> March 2020, 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 **D. Kothary & Co**  
Chartered Accountants  
(Firm Registration No. 105335W)

**Mehul N. Patel**  
Partner

Membership No. 132650  
UDIN : 20132650AAAAC07293

Place: Mumbai  
Date: 30<sup>th</sup> June, 2020



## BALANCE SHEET AS AT 31ST MARCH 2020

( Amount in Rs.)

	Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>I</b>	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	5	1,39,474	1,73,071
	(b) Intangible assets	6	1,299	1,299
	(c) Financial Assets			
	(i) Investments			
	- Other investments	7	37,74,902	1,63,77,273
	(ii) Other Financial Assets	8A	2,84,465	6,35,972
	(d) Income Tax Assets (Net)		3,26,306	9,015
	(e) Other non - current assets	9A	-	-
	(f) Deferred tax assets - net	10	8,55,588	8,30,351
	<b>Total non-current assets</b>		<b>53,82,034</b>	<b>1,80,26,981</b>
2	<b>Current assets</b>			
	(a) Financial Assets			
	(i) Trade receivables	11	4,48,91,132	4,46,42,403
	(ii) Cash and cash equivalents	12	33,86,484	47,47,196
	(iii) Other financial assets	8B	37,22,830	37,22,830
	(b) Other current assets	9B	-	5,525
	(c) Assets classified as held for sale		-	-
	<b>Total current assets</b>		<b>5,20,00,446</b>	<b>5,31,17,954</b>
	<b>Total Assets</b>		<b>5,73,82,480</b>	<b>7,11,44,935</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
	(a) Equity Share capital	13	5,76,61,840	5,76,61,840
	(b) Other equity		(71,71,325)	49,96,516
	<b>Total equity</b>		<b>5,04,90,515</b>	<b>6,26,58,356</b>
2	<b>LIABILITIES</b>			
2a	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Other financial liabilities	14A	50,89,164	63,89,752
	<b>Total non-current liabilities</b>		<b>50,89,164</b>	<b>63,89,752</b>
2b	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade payables	15		
	- Total outstanding dues of Micro, Small and Medium Enterprises		-	-
	- Total outstanding dues of creditor's other than Micro, Small and Medium Enterprises		3,89,648	3,31,446
	(ii) Other financial liabilities	14B	-	33,392
	(b) Other current liabilities	16	14,13,153	17,31,989
	(c) Provision for Tax		-	-
	<b>Total current liabilities</b>		<b>18,02,801</b>	<b>20,96,827</b>
	<b>Total Equity and Liabilities</b>		<b>5,73,82,480</b>	<b>7,11,44,935</b>

The notes are an integral part of these financial statements

As per our report of even date attached

For and on behalf of the Board

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**A. A. Garware**

Chairman

DIN: 00019816

**S. V. Atre**

Executive Director

DIN: 01893024

**Mehul N. Patel**

Partner

Membership No. 132650

UDIN : 20132650AAAAC07293

**V. S. Tandel**

Chief Financial Officer

**P. P. Shedje**

Company Secretary

A29787

Mumbai, June 30, 2020.

Mumbai, June 30, 2020.

**GARWARE MARINE INDUSTRIES LIMITED**

 42<sup>nd</sup> Annual Report 2019-20

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020**

( Amount in Rs.)

	Particulars	Note No.	Year ended 31st March 2020	Year ended 31st March 2019
I	Revenue from Operations	17	1,11,94,111	1,24,73,715
II	Other Income	18	1,85,587	1,76,563
III	<b>Total Income (I + II)</b>		<b>1,13,79,698</b>	<b>1,26,50,278</b>
IV	<b>Expenses</b>			
	(a) Employee benefits expense	19	62,88,313	55,50,878
	(b) Finance costs	20	1,39,948	1,78,110
	(c) Depreciation and amortisation expense	21	33,597	33,597
	(d) Other expenses	22	40,26,303	46,48,338
	<b>Total expenses (IV)</b>		<b>1,04,88,161</b>	<b>1,04,10,923</b>
V	<b>Profit / (Loss) before exceptional items and tax</b>		<b>8,91,537</b>	<b>22,39,355</b>
VI	<b>Add: Exceptional Items</b>		-	-
VII	<b>Profit / (Loss) before tax</b>		<b>8,91,537</b>	<b>22,39,355</b>
VIII	<b>Tax expense</b>			
	Current tax/MAT	23	1,03,133	4,70,000
	MAT Credit entitlement		(69,481)	(4,31,757)
	Deferred tax (credit) / charge	23	-	-
	Prior Period Tax	23	67,851	21,633
			<b>1,01,503</b>	<b>59,876</b>
IX	<b>Profit / (Loss) from continuing operations after tax (VII - VIII)</b>		<b>7,90,034</b>	<b>21,79,479</b>
X	<b>Other Comprehensive Income</b>			
	(i) <b>Items that will not be reclassified to profit or loss</b>			
	Remeasurements of the defined benefit plans : (Loss)/gain		(3,55,503)	4,706
	Equity instruments through Other Comprehensive Income		(1,26,02,371)	(1,44,75,303)
	(ii) <b>Income tax relating to items that will reclassified to profit or loss</b>			
	Remeasurements of the defined benefit plans : Loss		-	-
	Equity instruments through Other Comprehensive Income		-	-
	<b>Other Comprehensive Income for the year (X)</b>		<b>(1,29,57,874)</b>	<b>(1,44,70,597)</b>
XI	<b>Total Comprehensive Income for the year (IX + X)</b>		<b>(1,21,67,840)</b>	<b>(1,22,91,118)</b>
XII	<b>Earnings per equity share of Rs. 10 each (for continuing operations):</b>			
	Basic / Diluted	24	0.14	0.38

**The notes are an integral part of these financial statements**

As per our report of even date attached

For and on behalf of the Board

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**A. A. Garware**

Chairman

DIN: 00019816

**S. V. Atre**

Executive Director

DIN: 01893024

**Mehul N. Patel**

Partner

Membership No. 132650

UDIN : 20132650AAAAC07293

**V. S. Tandel**

Chief Financial Officer

**P. P. Shedge**

Company Secretary

A29787

Mumbai, June 30, 2020.

Mumbai, June 30, 2020.



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020

( Amount in Rs.)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<b>Cash flows from operating activities</b>		
<b>Profit/ (Loss) before tax for the year</b>	<b>8,91,537</b>	22,39,355
Adjustments for:		
Depreciation and amortisation of Property Plant and equipment	<b>33,597</b>	33,597
Finance costs recognised in profit and loss	<b>1,39,948</b>	1,78,110
Interest income recognised in profit and loss	<b>(1,83,927)</b>	(1,76,563)
	<b>8,81,155</b>	22,74,499
<i>Movements in working capital:</i>		
(Increase)/Decrease in trade receivables	<b>(2,48,729)</b>	(26,51,602)
(Increase)/Decrease in other financial assets	<b>(3,996)</b>	2,29,289
(Increase)/Decrease in other assets	<b>5,525</b>	21,96,467
Increase/(Decrease) in trade payables	<b>58,202</b>	(1,78,193)
Increase/(Decrease) in other financial liabilities	<b>(33,392)</b>	(26,293)
Increase/(Decrease) in other liabilities	<b>(3,18,837)</b>	6,16,139
<b>Cash generated from operations</b>	<b>3,39,929</b>	24,60,306
Less: Income taxes paid	<b>(4,44,031)</b>	99,851
<b>Net cash generated from operating activities (A)</b>	<b>(1,04,102)</b>	25,60,157
<b>Cash flows from investing activities</b>		
Purchase of Property plant and equipment	-	-
(Purchase)/ Sale of financial assets	-	18,47,383
Interest Income	<b>1,83,927</b>	1,76,563
Proceeds on sale/maturity of financial assets	-	-
<b>Net cash generated/(used in) from investing activities (B)</b>	<b>1,83,927</b>	20,23,946
<b>Cash flows from financing activities</b>		
Unsecured loan receipt/( repayment) net	<b>(13,00,589)</b>	(10,07,366)
Dividends paid (including tax)	-	(2,19,750)
Interest paid	<b>(1,39,948)</b>	(1,78,110)
<b>Net cash used in financing activities (C)</b>	<b>(14,40,537)</b>	(14,05,226)
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(13,60,712)</b>	31,78,875
Cash and cash equivalents at the beginning of the year	<b>47,47,196</b>	15,68,321
<b>Cash and cash equivalents at the end of the year</b>	<b>33,86,484</b>	47,47,196

As per our report of even date attached

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Mehul N. Patel**

Partner

Membership No. 132650

UDIN : 20132650AAAAC07293

Mumbai, June 30, 2020.

For and on behalf of the Board

**A. A. Garware**

Chairman

DIN: 00019816

**V. S. Tandel**

Chief Financial Officer

**S. V. Atre**

Executive Director

DIN: 01893024

**P. P. Shedje**

Company Secretary

A29787

Mumbai, June 30, 2020.



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

**A Equity share capital**

(Amount in Rs.)

Balance as at 1st April 2018	5,76,61,840
Changes in equity share capital during the year	-
Balance as at 31st March 2019	5,76,61,840
Changes in equity share capital during the year	-
<b>Balance as at 31st March 2020</b>	<b>5,76,61,840</b>

**B Other equity**

(Amount in Rs.)

	Reserves and Surplus					Items of OCI		Total
	Capital Reserve	Securities Premium Reserve	General Reserves	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined benefit plan	Equity Instruments through OCI	
<b>Balance as at 1st April 2018</b>	<b>5,25,080</b>	<b>3,31,07,872</b>	<b>77,29,644</b>	<b>5,00,000</b>	<b>(4,73,63,738)</b>	<b>6,71,761</b>	<b>2,21,17,016</b>	<b>1,72,87,635</b>
Profit for the year	-	-	-	-	21,79,479	-	-	21,79,479
Other comprehensive income	-	-	-	-	-	4,706	(1,44,75,303)	(1,44,70,597)
Total Comprehensive Income for the year	-	-	-	-	21,79,479	4,706	(1,44,75,303)	(1,22,91,118)
Items of other comprehensive income recognised directly in retained earning								
- transfer to retained earning of FVOCI - equity investment , net of tax	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>5,25,080</b>	<b>3,31,07,872</b>	<b>77,29,644</b>	<b>5,00,000</b>	<b>(4,51,84,259)</b>	<b>6,76,467</b>	<b>76,41,713</b>	<b>49,96,516</b>
Profit for the year	-	-	-	-	7,90,034	-	-	7,90,034
Other comprehensive income	-	-	-	-	-	(3,55,503)	(1,26,02,371)	(1,29,57,874)
Total Comprehensive Income for the year	-	-	-	-	7,90,034	(3,55,503)	(1,26,02,371)	(1,21,67,840)
Items of other comprehensive income recognised directly in retained earning								
- transfer to retained earning of FVOCI - equity investment , net of tax	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>5,25,080</b>	<b>3,31,07,872</b>	<b>77,29,644</b>	<b>5,00,000</b>	<b>(4,43,94,225)</b>	<b>3,20,964</b>	<b>(49,60,658)</b>	<b>(71,71,325)</b>

As per our report of even date attached

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

For and on behalf of the Board

**A. A. Garware**

Chairman

DIN: 00019816

**S. V. Atre**

Executive Director

DIN: 01893024

**Mehul N. Patel**

Partner

Membership No. 132650

UDIN : 20132650AAAAC07293

**V. S. Tandel**

Chief Financial Officer

**P. P. Shedge**

Company Secretary

A29787

Mumbai, June 30, 2020.

Mumbai, June 30, 2020.



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 1 General Information

Garware Marine Industries Limited is engaged in the repair of vessels. The Company's principal service is ship repair.

### 2 Statement of compliance

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Accounting policies are consistently applied except where new issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

### 3 Summary of Significant Accounting Policies

#### 3.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below :

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 3.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

##### 3.2.1 Sale of goods/Sales of services

Revenue is net of value added taxes/GST, rebates and other similar allowances. Revenue from the sale of service is recognised when the services are delivered, at which time all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****3.2.2 Dividend and interest income**

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**3.3 Borrowing cost**

All borrowing costs are recognised as an expense in the year in which they are incurred.

**3.4 Taxation****3.4.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**3.4.2 Deferred tax**

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 are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year 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 year.

**3.4.3 Current and deferred tax for the year**

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income, in which case, the current and deferred tax are also recognised in other comprehensive income.

**3.5 Property, plant and equipment**

For transition to Ind AS, the Company has elected to continue with the carrying value of its property, plant and equipment recognised as at 1st April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.

Depreciation on fixed assets is provided under the SLM method over the useful life of the assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books and the resultant profit or loss (including capital profit), if any, is reflected in the statement of profit and loss.

The estimated useful life and residual value is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## **NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

### **3.6 Inventories**

Inventories are valued at cost or net realisable value, whichever is lower.

### **3.7 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **3.8 Financial asset**

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **3.8.1 Financial assets at Fair Value Through Profit and Loss (FVTPL):**

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit and loss. The net gain or loss recognised in profit and loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other Income / Other expenses' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

#### **3.8.2 Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual rights to receive cash or another financial assets that results from transactions that are within the scope of Ind AS 115, the Company always measures their allowances at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivable, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

#### **3.8.3 Derecognition of financial assets**

The Company de-recognises a financial asset when contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****3.9 Financial liabilities:**

Financial liabilities are subsequently measured at amortised cost or at FVTPL.

**3.9.1 Financial liabilities at FVTPL**

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit and loss. The net gain or loss recognised in profit and loss is included in the 'Other Income / Other expenses' line item.

**3.9.2 Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost.

**3.9.3 Derecognition of financial liabilities**

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**3.10 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**4 Amendment to existing issued Ind AS**

The MCA has carried out a few amendments to the existing accounting standards which include Ind AS 116 - leases (recognition of depreciation on right to use assets and finance cost), Ind AS 109 - Financial Instrument (Prepayment of loans treatment) and others. Application of these amendments are not expected to have any significant impact on the Company's/ Financial statements.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 5 Property, Plant and Equipment

( Amount in Rs.)

Particulars	Office equipment	Furniture & fixtures	Computers	Vehicles	Total
<b>Gross carrying amount</b>					
Balance as at 31st March 2018	6,34,690	11,83,553	8,36,087	6,13,643	32,67,973
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 31st March 2019	6,34,690	11,83,553	8,36,087	6,13,643	32,67,973
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>6,34,690</b>	<b>11,83,553</b>	<b>8,36,087</b>	<b>6,13,643</b>	<b>32,67,973</b>
<b>Accumulated Depreciation</b>					
Balance as at 31st March 2018	6,02,960	11,26,656	7,18,045	6,13,643	30,61,305
Depreciation expense	-	-	33,597	-	33,597
Disposals	-	-	-	-	-
Balance as at 31st March 2019	6,02,960	11,26,656	7,51,642	6,13,643	30,94,902
Depreciation expense	-	-	33,597	-	33,597
Disposals	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>6,02,960</b>	<b>11,26,656</b>	<b>7,85,239</b>	<b>6,13,643</b>	<b>31,28,499</b>
<b>Net Carrying amount</b>					
<b>Balance as at 31st March 2019</b>	<b>31,730</b>	<b>56,896</b>	<b>84,445</b>	-	<b>1,73,071</b>
<b>Balance as at 31st March 2020</b>	<b>31,730</b>	<b>56,896</b>	<b>50,848</b>	-	<b>1,39,474</b>

### 6 Intangibles assets

( Amount in Rs.)

Particulars	Computer software	Total
<b>Gross carrying amount</b>		
Balance as at 31st March 2018	26,000	26,000
Additions	-	-
Disposals	-	-
Adjustments	-	-
Balance as at 31st March 2019	26,000	26,000
Additions	-	-
Disposals	-	-
Adjustments	-	-
<b>Balance as at 31st March 2020</b>	<b>26,000</b>	<b>26,000</b>
<b>Accumulated Depreciation</b>		
Balance as at 31st March 2018	24,701	24,701
Depreciation expense	-	-
Disposals	-	-
Adjustments	-	-
Balance as at 31st March 2019	24,701	24,701
Depreciation expense	-	-
Disposals	-	-
Adjustments	-	-
<b>Balance as at 31st March 2020</b>	<b>24,701</b>	<b>24,701</b>
<b>Net Carrying amount</b>		
<b>Balance as at 31st March 2019</b>	<b>1,299</b>	<b>1,299</b>
<b>Balance as at 31st March 2020</b>	<b>1,299</b>	<b>1,299</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**7 Investments ( Amount in Rs.)**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Nos.	Amount	Nos.	Amount
<b>Non-current (Quoted)</b>				
<b>Other Investments</b>				
<b>Equity Investment at FVOCI</b>				
Global Offshore Services Ltd.	14,51,886	37,74,902	14,51,886	1,63,77,273
Aggregate carrying value (Net of provision)		37,74,902		1,63,77,273

The Company has an investment in a listed entity and has valued these shares as per Level I methodology - i.e valuation as per closing trading price on stock exchange.

**8 Other Financial Assets ( Amount in Rs.)**

Particulars	As at	
	31st March 2020	31st March 2019
<b>A Non-current</b>		
Security Deposits	-	-
Gratuity Fund	2,84,465	6,35,972
<b>Non-current total</b>	<b>2,84,465</b>	<b>6,35,972</b>
<b>B Current</b>		
Security Deposits	37,22,830	37,22,830
<b>Current total</b>	<b>37,22,830</b>	<b>37,22,830</b>
<b>Total</b>	<b>40,07,295</b>	<b>43,58,802</b>

For the financial assets that are measured at amortised cost, the fair values are not materially different from their carrying amounts, since they are either of short term nature or interest receivable is close to current market rates.

**9 Other Assets ( Amount in Rs.)**

Particulars	As at	
	31st March 2020	31st March 2019
<b>A Non-current</b>		
Deposits with Central Excise Authorities	-	-
<b>Non-current total</b>	<b>-</b>	<b>-</b>
<b>B Current</b>		
Prepaid expenses	-	5,525
Other advances	-	-
<b>Current total</b>	<b>-</b>	<b>5,525</b>
<b>Total</b>	<b>-</b>	<b>5,525</b>

**10 Deferred tax ( Amount in Rs.)**

Particulars	As at	
	31st March 2020	31st March 2019
<b>A Analysis of deferred tax liabilities presented in the balance sheet:</b>		
Deferred tax assets	8,55,588	8,30,351
Deferred tax liabilities	-	-
<b>Deferred tax (Assets)/liabilities (net)</b>	<b>8,55,588</b>	<b>8,30,351</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Reclassification from TDS Receivable/ Utilization in the current year	Closing Balance
<b>B</b>	<b>Movement in deferred taxes during the year ended 31st March, 2020</b>					
	<i>Deferred tax asset/(liability) in relation to:</i>					
	Depreciation	-	-	-	-	-
	MAT credit entitlement	8,30,351	69,481	-	(44,244)	8,55,588
	Other temporary differences	-	-	-	-	-
	<b>Total</b>	<b>8,30,351</b>	<b>69,481</b>	<b>-</b>	<b>(44,244)</b>	<b>8,55,588</b>
	Particulars	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Reclassification from TDS Receivable/ Utilization in the current year	Closing Balance
<b>C</b>	<b>Movement in deferred taxes during the year ended 31st March 2019</b>					
	<i>Deferred tax asset/(liability) in relation to:</i>					
	Depreciation	-	-	-	-	-
	MAT credit entitlement	-	4,31,757	-	3,98,594	8,30,351
	Other temporary differences	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>4,31,757</b>	<b>-</b>	<b>3,98,594</b>	<b>8,30,351</b>

**11 Trade receivables (Amount in Rs.)**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured, Considered good</b>		
<b>Unsecured, considered good:</b>		
More than six months	4,43,84,292	4,29,28,453
Others	5,06,840	17,13,950
<b>Total</b>	<b>4,48,91,132</b>	<b>4,46,42,403</b>

**Provision Matrix**

Trade receivables - the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and place in which customers operate.

The company has not made any provision during the year, as management believes that the unimpaired amount that are past due for more than 180 days are still collectable in full, and is in the process of recovering the same.

**12 Cash and cash equivalents (Amount in Rs.)**

Particulars	As at 31st March 2020	As at 31st March 2019
Cash on hand	73,790	1,54,479
Cheques, drafts on hand	-	-
Balances with Banks :		
In current accounts	4,86,757	4,42,472
In Fixed Deposits	28,25,937	41,50,245
Unpaid Dividend Account	-	-
<b>Total</b>	<b>33,86,484</b>	<b>47,47,196</b>



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**13 Equity Share capital**

( Amount in Rs.)

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>Authorised</b>		
99,00,000 Equity Shares of Rs. 10 each	<b>9,90,00,000</b>	9,90,00,000
11% Cumulative Redeemable Preference Shares of Rs. 100/- each, Redeemable at par on the expiry of 15 years from the date of allotment but at the option of the Company at any time after 12 years from the date of allotment by giving year prior notice	<b>10,00,000</b>	10,00,000
<b>Total</b>	<b>10,00,00,000</b>	10,00,00,000
<b>Issued, subscribed and fully paid up</b>		
57,66,184 Equity Shares of Rs.10/- each fully paid (Of the above 3,20,000 Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares by capitalisation of General Reserves)	<b>5,76,61,840</b>	5,76,61,840
<b>Total</b>	<b>5,76,61,840</b>	5,76,61,840

**(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:**

Particulars	31 March 2020		31 March 2019	
	No of shares	Amount	No of shares	Amount
<b>Equity shares:</b>				
At the beginning of the period	<b>57,66,184</b>	<b>5,76,61,840</b>	57,66,184	5,76,61,840
Add: Bonus issue of shares	-	-	-	-
Less: Shares extinguished on buyback	-	-	-	-
<b>At the end of the period</b>	<b>57,66,184</b>	<b>5,76,61,840</b>	57,66,184	5,76,61,840

**(b) Rights and terms attached to equity shares**

- i) The Company has only one class of equity shares having face value of Rs. 10 per share. The equity share rank pari passu in all respects including voting rights and entitlement of dividend.
- ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number of shares held in the Company	Percentage of shares held	Number of shares held in the Company	Percentage of shares held
Equity shares of Rs.10 each fully paid Sushma A. Garware	<b>9,36,090</b>	<b>16.23%</b>	9,36,090	16.23%

**14 Other Financial Liabilities**

( Amount in Rs.)

Particulars	As at	As at
	31st March 2020	31st March 2019
<b>A Non-current</b>		
Deposit on call	<b>50,89,164</b>	63,89,752
<b>Non-current total</b>	<b>50,89,164</b>	63,89,752
<b>B Current</b>		
Book overdraft	-	33,392
<b>Current total</b>	-	33,392
<b>Total</b>	<b>50,89,164</b>	64,23,144

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 15 Trade payables ( Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
Trade payables		
Due to Micro, Small and Medium Enterprises*	-	-
Other than Micro, Small and Medium Enterprises	3,89,648	3,31,446
<b>Total</b>	<b>3,89,648</b>	<b>3,31,446</b>

\* As per the information available with the Company, there are no Micro and Medium Enterprises, as defined in the Micro small, Medium Enterprise Development Act 2006 to whom the Company owes on account of principal amount together with the interest and accordingly no additional disclosures have been made.

### 16 Other liabilities ( Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current</b>		
Unclaimed Dividends (To be credited to the Investor Education & Protection Fund as and when due)	-	-
Statutory Dues	75,903	5,80,260
Other Liabilities	13,37,250	11,51,729
<b>Current total</b>	<b>14,13,153</b>	<b>17,31,989</b>
<b>Total</b>	<b>14,13,153</b>	<b>17,31,989</b>

### 17 Revenue from Operations ( Amount in Rs.)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Supply of Services</b>		
Operating Revenue	1,11,94,111	1,24,73,715
<b>Total</b>	<b>1,11,94,111</b>	<b>1,24,73,715</b>

### 18 Other income ( Amount in Rs.)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest income (Gross)	1,83,927	1,76,563
Misc Income	1,660	-
<b>Total</b>	<b>1,85,587</b>	<b>1,76,563</b>

### 19 Employee benefits expense ( Amount in Rs.)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries and wages	58,10,857	51,41,357
Contribution to provident funds and other funds	2,45,153	1,79,237
Staff welfare expenses	2,32,303	2,30,284
<b>Total</b>	<b>62,88,313</b>	<b>55,50,878</b>

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****Employee benefit plans****19A Defined contribution plans**

The Company makes contribution towards provident fund to a defined contribution benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the contribution plan to fund the benefits. The provident fund plan is operated by the Government administrated Employee Provident Fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund plan equal to specific percentage of the covered employee's salary. The Company has no obligations other than this to make the specified contribution.

The Company has recognised the following amounts in the statement of Profit and Loss. **(Amount in Rs.)**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Contribution to Employees Provident Fund	2,25,878	1,66,918
<b>Total</b>	<b>2,25,878</b>	<b>1,66,918</b>

**19B ( A ) Defined benefit plans**

The Company earmarks liability towards Gratuity and provides for payment under Group Gratuity Scheme administered by the Life Insurance Corporation of India (LIC).

**(a) Characteristics of defined benefit plan**

The Company has a defined benefit gratuity plan in India (funded). The company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

**(b) Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

**Interest rate risk:** A fall in the discount rate which is linked to the G. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**(c) Characteristics of defined benefit plans**

The Company has the benefit scheme in line with Payment of Gratuity Act, 1972 for those employees who are getting benefit as per Payment of Gratuity Act, 1972. Change in liability (if any) due to this scheme change is recognised as past service cost.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(d) A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

### ( B ) Other Disclosures

Particulars	31st March, 2020	31st March, 2019
Type of Benefit	<b>Gratuity</b>	Gratuity
Country	<b>India</b>	India
Reporting Standard	<b>Indian Accounting Standard 19 (Ind AS 19)</b>	Indian Accounting Standard 19 (Ind AS 19)
Funding Status	<b>Funded</b>	Funded
Starting Period	<b>01-Apr-19</b>	01-Apr-18
Date of Reporting	<b>31-Mar-20</b>	31-Mar-19
Period of Reporting	<b>12 Months</b>	12 Months

#### Assumptions (Current Period)

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Expected Return on Plan Assets	<b>6.56%</b>	7.54%
Rate of Discounting	<b>6.56%</b>	7.54%
Rate of Salary Increase	<b>5.00%</b>	5.00%
Rate of Employee Turnover	<b>1.00%</b>	1.00%
Mortality Rate During Employment	<b>Indian Assured Lives Mortality (2006-08)</b>	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	<b>N.A.</b>	N.A.

#### Change in the Present Value of Projected Benefit Obligation

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Present Value of Benefit Obligation at the Beginning of the Period	<b>7,77,205</b>	6,91,093
Interest Cost	<b>58,601</b>	54,458
Current Service Cost	<b>50,557</b>	47,744
(Benefit Paid From the Fund)	<b>(2,82,693)</b>	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	<b>52,917</b>	19,575
Actuarial (Gains)/Losses on Obligations - Due to Experience	<b>2,90,616</b>	(35,665)
Present Value of Benefit Obligation at the End of the Period	<b>9,47,203</b>	7,77,205

#### Change in the Fair Value of Plan Assets

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Fair Value of Plan Assets at the Beginning of the Period	<b>14,13,177</b>	13,16,269
Interest Income	<b>1,06,554</b>	103,722
Contributions by the Employer	<b>6,600</b>	4,570
(Benefit Paid from the Fund)	<b>(2,82,693)</b>	-
Return on Plan Assets, Excluding Interest Income	<b>(11,970)</b>	(11,384)
Fair Value of Plan Assets at the End of the Period	<b>12,31,668</b>	14,13,177

#### Amount Recognized in the Balance Sheet

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
(Present Value of Benefit Obligation at the end of the Period)	<b>(9,47,203)</b>	(7,77,205)
Fair Value of Plan Assets at the end of the Period	<b>12,31,668</b>	14,13,177
Funded Status (Surplus/ (Deficit))	<b>2,84,465</b>	6,35,972
Net (Liability)/Asset Recognized in the Balance Sheet	<b>2,84,465</b>	6,35,972

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Net Interest Cost for Current Period**

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Present Value of Benefit Obligation at the Beginning of the Period	7,77,205	6,91,093
(Fair Value of Plan Assets at the Beginning of the Period)	(14,13,177)	(13,16,269)
Net Liability/(Asset) at the Beginning	(6,35,972)	(6,25,176)
Interest Cost	58,601	54,458
(Interest Income)	(1,06,554)	(1,03,722)
Net Interest Cost for Current Period	(47,953)	(49,264)

**Expenses Recognized in the Statement of Profit or Loss for Current Period**

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Current Service Cost	50,557	47,744
Net Interest Cost	(47,953)	(49,264)
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	2,604	(1,520)

**Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period**

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Actuarial (Gains)/Losses on Obligation For the Period	3,43,533	(16,090)
Return on Plan Assets, Excluding Interest Income	11,970	11,384
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	3,55,503	(4,706)

**Balance Sheet Reconciliation**

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Opening Net Liability	(6,35,972)	(6,25,176)
Expenses Recognized in Statement of Profit or Loss	2,604	(1,520)
Expenses Recognized in OCI	3,55,503	(4,706)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	-
(Employer's Contribution)	(6,600)	(4,570)
Net Liability/(Asset) Recognized in the Balance Sheet	(2,84,465)	(6,35,972)

**Category of Assets**

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Government of India Assets	-	-
State Government Securities	-	-
Special Deposits Scheme	-	-
Debt Instruments	-	-
Corporate Bonds	-	-
Cash And Cash Equivalents	-	-
Insurance fund	12,31,668	14,13,177
Asset-Backed Securities	-	-
Structured Debt	-	-
Other	-	-
Total	12,31,668	14,13,177



## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### Other Details

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
No. of Active Members	7	8
Per Month Salary For Active Members	1,65,000	1,14,246
Weighted Average Duration of the Projected Benefit Obligation	7	9
Average Expected Future Service	8	11
Projected Benefit Obligation	9,47,203	7,77,205
Prescribed Contribution For Next Year (12 Months)	-	-

### Net Interest Cost for Next Year

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Present Value of Benefit Obligation at the End of the Period	9,47,203	7,77,205
(Fair Value of Plan Assets at the End of the Period)	(12,31,668)	(14,13,177)
Net Liability/(Asset) at the End of the Period	(2,84,465)	(6,35,972)
Interest Cost	62,137	58,601
(Interest Income)	(80,797)	(1,06,554)
Net Interest Cost for Next Year	(18,660)	(47,953)

### Expenses Recognized in the Statement of Profit or Loss for Next Year

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Current Service Cost	47,598	50,557
Net Interest Cost	(18,660)	(47,953)
(Expected Contributions by the Employees)	-	-
Expenses Recognized	28,938	2,604

### Maturity Analysis of the Benefit Payments : From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
1st Following Year	1,94,807	13,403
2nd Following Year	13,937	1,54,437
3rd Following Year	2,03,885	12,886
4th Following Year	11,769	1,61,940
5th Following Year	2,13,330	11,397
Sum of Years 6 To 10	49,959	2,12,494
Sum of Years 11 and above	8,41,006	9,95,053

### Sensitivity Analysis

( Amount in Rs.)

Particulars	31st March, 2020	31st March, 2019
Projected Benefit Obligation on Current Assumptions	9,47,203	7,77,205
Delta Effect of +1% Change in Rate of Discounting	(53,935)	(55,213)
Delta Effect of -1% Change in Rate of Discounting	60,747	62,890
Delta Effect of +1% Change in Rate of Salary Increase	61,088	63,866
Delta Effect of -1% Change in Rate of Salary Increase	(55,184)	(56,971)
Delta Effect of +1% Change in Rate of Employee Turnover	5,926	10,979
Delta Effect of -1% Change in Rate of Employee Turnover	(6,424)	(12,079)

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**20 Finance costs ( Amount in Rs.)**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest and other Finance expenses	1,39,948	1,78,110
Other finance cost due to fair value measurement of financial liabilities	-	-
<b>Total</b>	<b>1,39,948</b>	<b>1,78,110</b>

**21 Depreciation and amortisation expense**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation (Note 5)	33,597	33,597
Amortisation of Intangible assets (Note 6)	-	-
<b>Total</b>	<b>33,597</b>	<b>33,597</b>

**22 Other expenses**

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Rent	5,75,990	5,48,388
Electricity and generator expenses	31,350	32,475
Insurance	5,525	18,502
Repairs and Maintenance	19,644	18,288
General Expenses	83,444	1,37,160
Telephone Expenses	34,214	59,589
Advertisement Expenses	57,490	64,778
Travelling and conveyance	7,22,683	10,27,096
Director Sitting Fees	1,74,750	1,78,250
Vehicle expenses	66,300	1,09,685
Printing & Stationery	1,01,348	1,05,607
Postage, Telephone and Fax	65,213	1,11,947
Legal, Professional and Consultancy Charges	16,03,664	17,86,801
Auditors Remuneration :		
Audit Fees	1,99,000	1,75,000
Other Operating Expenses	2,85,688	2,74,773
<b>Total</b>	<b>40,26,303</b>	<b>46,48,338</b>

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 23 Income taxes relating to continuing operations

#### A Impact in Profit and Loss account

( Amount in Rs.)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Tax expense recognised in the Statement of Profit and Loss</b>		
<b>Current tax</b>		
In respect of current year	1,03,133	4,70,000
Prior years - ( interest payments and write backs/write off of tax provisions)	67,851	21,633
MAT Credit Receivable	(69,481)	(4,31,757)
<b>Deferred tax</b>		
In respect of current year	-	-
<b>Total deferred income tax (credit) / expense</b>	-	-
<b>Total income tax expense</b>	<b>1,01,503</b>	<b>59,876</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Profit before tax (Continuing &amp; Discontinued business)</b>	<b>8,91,538</b>	<b>22,39,355</b>
Income tax expenses calculated at 26% (previous year 26%)	2,31,800	5,82,232
<b>Differences due to:</b>		
Expenses not deductible for tax purposes (14A disallowance)	-	-
Income exempt from Income taxes (Dividend)	-	-
Interest and Prior year tax	67,851	21,633
Others/ set off against brought forward loss /MAT credit entitlements	(1,98,148)	(5,43,989)
<b>Total income tax expense</b>	<b>1,01,503</b>	<b>59,876</b>

For the previous year and current year - the Company is liable for MAT which has been disclosed as tax expenses as well as in MAT Credit entitlements.

The company has not created deferred tax assets on the brought forward losses due to uncertainty of future profits.

#### B Income Tax Assets/ Provisions

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Advance Tax / TDS Receivable	8,99,439	4,79,015
Provision For tax	5,73,133	4,70,000
<b>Net</b>	<b>3,26,306</b>	<b>9,015</b>

### 24 Earnings per share

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Basic / Diluted earnings/(loss) per share</b>		
From continuing operations attributable to the owners of the Company (in Rs)	0.14	0.38
<b>Total basic earnings per share attributable to the owners of the Company</b>	<b>0.14</b>	<b>0.38</b>



**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Basic / Diluted earnings per share**

The earnings and weighted average number of equity share used in the calculations of basic earnings per share are as follows.

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit for the year attributable to the owners of the Company ( in Rs.)	<b>7,90,034</b>	21,79,479
<b>Earnings used in the calculation of basic earnings per share from continuing operations</b>	<b>7,90,034</b>	21,79,479
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	<b>57,66,184</b>	57,66,184

**25 Related party transactions**

**A Key Management Personnel :**

S. V. Atre	Executive Director
P. P. Shedge	Company Secretary
V. S. Tandel	Chief Financial Officer

**B Related Party**

Global Offshore Services Ltd.

**C Details of Transactions with Related Parties for the year ended 31st March 2020: (Amount in Rs.)**

Nature of Transactions	Key Management Personnel	Related Parties	Total
(1) Income from Operations Global Offshore Services Ltd.	-	<b>1,01,75,471</b>	<b>1,01,75,471</b>
	-	(1,19,21,315)	(1,19,21,315)
(2) Remuneration S. V. Atre	<b>14,73,360</b>	-	<b>14,73,360</b>
	(14,73,360)	-	(14,73,360)
P. P. Shedge	<b>7,40,284</b>	-	<b>7,40,284</b>
	(6,87,164)	-	(6,87,164)
V. S. Tandel	<b>5,16,440</b>	-	<b>5,16,440</b>
	(3,68,363)	-	(3,68,363)

Figures in the brackets are the comparative figures of the previous year.

Outstandings as at 31st March, 2020

(Amount in Rs.)

Nature of Transactions	Key Management Personnel	Related Parties	Total
(1) Income from Operations Global Offshore Services Ltd.	-	<b>5,06,840</b>	<b>5,06,840</b>
	-	(17,13,950)	(17,13,950)
(2) Remuneration S. V. Atre	<b>1,22,780</b>	-	<b>1,22,780</b>
	(1,22,780)	-	(1,22,780)
P. P. Shedge	<b>63,710</b>	-	<b>63,710</b>
	(57,651)	-	(57,651)
V. S. Tandel	<b>55,000</b>	-	<b>55,000</b>
	(28,909)	-	(28,909)

Figures in the brackets are the comparative figures of the previous year.

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

### 26 Risk management

#### 26A Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the returns to stakeholders. The company does not have any borrowings from Banks, Financial Institutions etc.

#### 26B Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income & expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are as disclosed in note nos. 1 to 4 to financial statements.

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Financial assets</b>		
<b>Measured at fair value through OCI (FVTOCI)</b>		
Non Current Investment	<b>37,74,902</b>	1,63,77,273
<b>Measured at amortised cost</b>		
Cash and bank balances	<b>33,86,484</b>	47,47,196
Trade receivables	<b>4,48,91,132</b>	4,46,42,403
Security Deposits - Non Current	-	-
Security Deposits - Current	<b>37,22,830</b>	37,22,830
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade payable	<b>3,89,648</b>	3,31,446
Other Payables	<b>14,13,153</b>	<b>17,31,989</b>

The management considers that the carrying amount of financials assets & financial liabilities recognised in the financial statement approximate their fair values.

#### 26C Financial and liquidity risk management objectives

- The average payment terms of creditors (trade payables) is 45 days to 90 days. Other financial liabilities are payable within one year.
- Trade receivables are unsecured in nature which are receivable in 30 days to 360 days.
- In case of unsecured receivables the company has a credit policy where the provision for debts outstanding is made based on provision matrix to compute the expected credit loss allowance taking into account historical experience of customers and the credit limit as determined by the management.

#### 26D Credit risk management

The company has credit policy for its trade receivables. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

#### 26E The Company has investment in quoted and unquoted shares:

Quoted shares - The company has carried out fair value determination based on closing market rate and recognised the fair value through OCI.

Unquoted shares - as the entities in which the Company has invested have a negative net worth, the investment has been impaired on the date of transition.

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

- 27 i) The income tax assets (Net) under non current assets represents the advance taxes paid for past years net of provisions.
- ii) The income tax liabilities (Net) under current liabilities represents the income tax liabilities for current and past years net of advance taxes paid.

28 The activity of the company of providing repair and maintenance service, is considered as a single segment business. Further, there is no activity outside India and hence there are no requirement for geographical segment reporting.

**29 Contingent Liabilities and Contingent Assets**

**Suit No.01**

As reported earlier, the Company had filed an application for setting aside the Ex parte Decree dated 15.06.2012 passed by the Hon'ble High Court of Madras and in the matter of Integrated Finance Company Limited (IFCL) the said Hon'ble Court was pleased to set aside the Exparte Decree by an Order dated 04.04.2017 upon condition of deposit of Rs 30 lakh with the Court, which the Company has complied with. The Company has thereafter filed its written statement and also filed an application for dismissal of the suit filed by IFCL on the grounds of limitation.

The Hon'ble High Court of Madras, had declined to entertain the disputes between the parties as "Commercial Suit" as originally argued by IFCL and passed the order in favour of the Company. Thereafter, IFCL had preferred to file an appeal against the same order in the Hon'ble High Court of Madras. Consequent to the appeal filed by IFCL in the High Court of Madras, the Appellate Bench of High Court of Madras has dismissed the said appeal of IFCL and passed the order in favour of the Company as "regular suit".

**Suit No.02**

The Company has also filed a suit for an amount of Rs. 1.93/- cr. together with interest @ 18% against Integrated Finance Company Limited (IFCL) for loss of profit.

The order passed by the Appellate Bench of High Court of Madras in their judgement against the appeal filed by IFCL (as stated above in the second para of Suit No.1) further stated that the facts mentioned in the Suit No.2 are interconnected with Suit No.1 and therefore allows for "joint trials" as "civil suits".

- 30 In March 2020, the World Health Organization (WHO) declared Covid-19 as a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity. The Company has considered internal and external information while finalizing various estimates in relations to its financial statement up to the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID-19 situation is evolving in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, there is no significant adverse impact on the financial statements.
- 31 Previous year's figures have been regrouped / reclassified, to correspond with the current year's classification / disclosure.

As per our report of even date attached

**For D. Kothary & Co.**

Chartered Accountants

Firm Registration No. 105335W

**Mehul N. Patel**

Partner

Membership No. 132650

UDIN : 20132650AAAAC07293

Mumbai, June 30, 2020.

For and on behalf of the Board

**A. A. Garware**

Chairman

DIN: 00019816

**V. S. Tandel**

Chief Financial Officer

**S. V. Atre**

Executive Director

DIN: 01893024

**P. P. Shedje**

Company Secretary

A29787

Mumbai, June 30, 2020.



**GARWARE MARINE INDUSTRIES LIMITED**

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