



MD	✓		BKC	✓
CS	✓		BY	Not
RO	✓		BY	Not
TRA	MA			✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

GARWARE MARINE INDUSTRIES LIMITED



TWENTYFIRST ANNUAL REPORT
1997-98



GARWARE MARINE INDUSTRIES LIMITED

Founder : Padma Bhushan Late Dr. B. D. Garware - Founder of the Garware Group

BOARD OF DIRECTORS

ASHOK GARWARE M.A.(Cantab)
(Chairman)

S. S. WAKANKAR B.Com.,B.A.,LL.B.,D.F.M.

ADITYA GARWARE M.B.A.(U.S.A.)

A. K. THANAVALA B.Com.(Hons.)LL.B.,A.C.S.

COMPANY SECRETARY

C. V. RAMACHANDRAN B.Com.,LL.B.,F.C.S.,D.T.M.,DIPA.

ACCOUNTANT

PINAKIN R. SHAH B.Com.

BANKERS

The United Western Bank Ltd.
The Shamrao Vithal Co-op. Bank Ltd.

AUDITORS

Kuvelker Naik & Gandhi,
Chartered Accountants.

REGISTERED OFFICE

3rd Floor, Chandermukhi,
Nariman Point,
Mumbai - 400 021.

FACTORIES

Unit No. 1 :
E-9/10, M.I.D.C. Industrial Area,
Ahmednagar-414 001 (Maharashtra)

Unit No. 2:
K-2, M.I.D.C. Industrial Area, Chikalthana,
Aurangabad-431 001 (Maharashtra).

GARWARE MARINE INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Twentyfirst Annual General Meeting of **Garware Marine Industries Limited** will be held on Monday, the 31st May, 1999 at 9.30 a.m. at 'Garware Sabhagriha', F. P. H. Building, Lala Lajpatrai Marg, Mumbai - 400 034, to transact the following business :-

Ordinary Business

1. To receive and adopt the Audited Balance Sheet as at 31st December, 1998, the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Garware, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. S. Wakankar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board of Directors

C. V. RAMACHANDRAN
Company Secretary

Registered Office :

3rd Floor,
Chandermukhi,
Nariman Point,
Mumbai-400 021.

Date : 6th May, 1999.

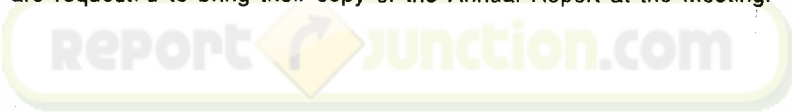


NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 25th May, 1999 to 31st May, 1999. (both days inclusive).
3. For the convenience of Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to fill in and put their signatures at the space provided therefor and hand over the Attendance Slip at the entrance of the place of the Meeting. Proxy/Representative of a Member should mark on the Attendance Slip as 'Proxy' or 'Representative' as the case may be. Members are also requested not to bring with them any person, who is not a Member/Proxy.
4. Members are requested to notify the change in address, if any, immediately, quoting their Folio Number, Number of Shares held, etc.

REQUEST TO THE MEMBERS

5. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting so as to enable the Company to keep the information ready. Only the information which could be furnished will be furnished to the Members.
6. Members are requested to bring their copy of the Annual Report at the Meeting.



Garware Marine Industries Limited
Twentyfirst Annual Report 1997-98

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31ST DECEMBER, 1998.

TO THE MEMBERS

1. Your Directors present the Company's 21st Annual Report together with the Audited Statement of Accounts of the Company for the 16 months period ended 31st December, 1998.

2. FINANCIAL RESULTS :

	1997-98 (1st Sept. 97 to 31st Dec.'98)	1996-97 (1st Sept. 96 to 31st Aug.'97)
	(16 Mths.) (Rupees)	(12 mths.) (Rupees)
Profit (Loss) before Interest, Depreciation and Tax	1,11,56,839	1,73,73,603
Interest	1,78,12,723	1,21,01,563
Profit / (Loss) before Depreciation and tax	(66,55,884)	52,72,040
Depreciation and Tax	22,55,870	8,24,906
Profit / (Loss) for the year	<u>(89,11,754)</u>	<u>44,47,134</u>

3. OPERATIONS :

The production of Fish Knitted Fabrics during the period ended 31st December, 1998 amounted to 483 M. T. as against 376 M.T. during the previous accounting period of 12 months. The production of Twine for sale during the accounting period was 58 M.T. as against 105 M.T. for the previous period. The production of PVC Floats was 89 M.T. as against 100 M.T. during the previous accounting year.

Sales during the year amounted to Rs. 16.64 crores as against Rs. 18.66 crores for the previous accounting year.

During the period the Company's Sales were badly affected due to unprecedented recession in the fishing industry in the country. There has also been slackness in exports of fish products due to ban imposed by European Union and U.S.A., which had also affected sales of Company's output. The unprecedented recession (apart from the earlier devastating fire) has affected the company's liquidity and therefore some payments have been delayed. The situation appears to have turned for the better.



4. FIXED DEPOSITS

15 Deposits totalling Rs. 73,000/- have remained unclaimed as on date.

5. DIRECTORS

Mr S. N. Gupta has resigned from the Board of Directors. The Board thanks him and records its appreciation of the services rendered.

During the year, Mr. A. K. Thanavala was appointed as Director in the casual vacancy caused by the resignation of Mr. R. D. Malani.

Mr. Ashok Garware and Mr. S. S. Wakankar retire by rotation, being eligible, offer themselves for re-election.

6. AUDITORS

You are requested to appoint Auditors for the current year ending 31st December, 1999 and to fix their remuneration.

With regard to the Auditor's Report, the notes to the accounts are generally self-explanatory. As regards the amounts due to UTI and BOI Asset Management Ltd., the Company has been following the method as per statute.

With regard to point no. 6 of the Auditor's Report, the Company has been in dialogue with the IL&BI to restructure the outstanding. The Company has also been making payments towards these during the current year.

With regard to note no. 17, the Provident Fund dues have since been paid.

7. PERSONNEL

The relations with employees at both the Plants and the Head Office of the Company have remained cordial.

The Company did not have any employee falling within the purview of Section 217 (2A) of the Companies Act, 1956.

Garware Marine Industries Limited
Twentyfirst Annual Report 1997-98

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

As required under Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the particulars relating to conservation of energy, technology absorption, foreign exchange outgo/ earnings etc. are given in Forms A & B in Annexure 1 of the Report.

9. DIVIDEND

In view of the results and in order to conserve liquidity in these trying times, the Directors do not recommend a dividend for the year 1997-98.

10. ACKNOWLEDGEMENT

The Board wishes to record the dynamic role of the Directors particularly Mr. Aditya Garware (who has put in strenuous efforts in these trying times) and Senior Executives of the Company. The Board thanks the Company's Bankers, particularly, The United Western Bank Ltd., and The Shamrao Vithal Co-operative Bank Ltd., for their continued support.



On behalf of the Board of Directors

ASHOK GARWARE
Chairman

Mumbai
6th May, 1999.



ANNEXURE I TO DIRECTORS' REPORT 1997-98

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Period 01.09.1997 to 31.12.1998	Previous Year 01.09.1996 to 31.08.1997
A. POWER AND FUEL CONSUMPTION		
FISH KNITTED FABRICS / TWINE		
1. Electricity		
(a) Purchased		
Units (in Kwh)	8,94,988	9,79,275
Total Amount (Rs.)	36,53,309	36,31,252
Rate per Unit (Rs.)(Avg.)	4.08	3.71
(b) Own generation		
i) Through diesel generator		
Unit (in Kwh)	15,200	11,230
Unit per litre of diesel oil	3.05	3.03
Cost per Unit	3.62	3.00
ii) Through Steam turbin-generator		
	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil		
i) L.D.O.		
Quantity (K.Litres)	Nil	24,000
Total amount (Rs.)	Nil	2,30,670
Rate per Unit (Rs.)	Nil	9.61
ii) H.S.D.		
Quantity (K.Litres)	43,072	21,480
Total amount (Rs.)	4,75,084	1,95,468
Rate per Unit (Rs.)	11.03	9.10
EXPANDED PVC FLOATS / TWINE		
1. Electricity		
(a) Purchased		
Units (in Kwh)	10,80,063	9,92,483
Total Amount (Rs.)	41,77,795	36,78,636
Rate per Unit (Rs.)(Avg.)	3.87	3.71
(b) Own generation		
	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil		
i) L.D.O.		
Quantity (K.Litres)	72,604	77,955
Total amount (Rs.)	8,12,736	7,14,068
Rate per Unit (Rs.)	11.19	9.16

NYLON MONOFILAMENT

1. Electricity

(a) Purchased		
Units (in Kwh)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate per Unit (Rs.)(Avg.)	Nil	Nil
(b) Own generation	Nil	Nil
2. Coal	Nil	Nil
3. Furnace Oil	Nil	Nil

B. CONSUMPTION PER UNIT (KG.) OF PRODUCTION

	Standard (if any)	Current Period 01.09.1997 to 31.12.1998	Previous Year 01.09.1996 to 31.08.1997
FISH KNITTED FABRICS / TWINE			
Electricity (Kwh)	N.A.	1.78	2.27
Furnace Oil			
L.D.O. (Ltrs)	N.A.	Nil	0.11
H.S.D. (Ltrs)	N.A.	0.09	0.14
EXPANDED PVC FLOATS			
Electricity (Kwh)	N.A.	8.56	6.48
Furnace Oil			
L.D.O. (Ltrs)	N.A.	0.74	0.85
NYLON MONOFILAMENT			
Electricity (Kwh)	N.A.	Nil	Nil

CONSERVATION OF ENERGY DURING THE PERIOD UNDER REVIEW :

- a) Wherever possible energy conservation measures have been implemented. Further efforts to conserve and optimise the use of energy improved operational methods and other means continue.
- b) Additional investment and proposals, if any being implemented for reduction of consumption of energy:
NIL
- c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of Goods : Control of energy related costs will enable the Company to remain competitive.