



GARWARE MARINE INDUSTRIES LIMITED



**TWENTY THIRD ANNUAL REPORT
2000**

Garware Marine Industries Limited
Twenty Third Annual Report 2000

GARWARE MARINE INDUSTRIES LTD.

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

BOARD OF DIRECTORS	ASHOK GARWARE (Chairman)	M.A. (Cantab)
	ADITYA GARWARE	M.B.A. (U.S.A.)
	A. K. THANAVALA	B.COM(HONS.) LL.B., A.C.S.
	S. M. LAUD	B.COM. F.C.S.D.S.M.
	V. V. DESAI	B.COM. L.L.B. D.A.M.
COMPANY SECRETARY	C.V.RAMACHANDRAN	B.COM., LL.B.F.C.S.D.T.M., DIPA.
ACCOUNTANT	P. S. SHAH,	B.COM.
BANKERS	The United Western Bank Ltd., The Shamrao Vithal Co-Op. Bank Ltd.	
AUDITORS	Thakur & Gupta Associates 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).	



NOTICE

Notice is hereby given that the Twentythird Annual General Meeting of Garware Marine Industries Limited will be held on Friday, 29th June, 2001 at 9.30 a.m.. At 'Garware Sabhagriha', F.P.H. Building, Lala Lajpatrai Marg, Mumbai - 400 034, to transact the following business :-

1. To receive and adopt the Audited Balance Sheet as at 31st December, 2000, 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. S.M. Laud, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of mr. V.V.Desai, 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 : 31st May, 2001



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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 26.06.2001 to 29.06.2001 (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 Annual Report at the Meeting.

By Order of the Board of Directors

C.V.RAMACHANDRAN
Company Secretary

Registered office :
3rd Floor,
Chandermukhi,
Nariman point,
Mumbai - 400 021.

**DIRECTORS' REPORT**

For the Year ended 31st December, 2000.

TO THE MEMBERS

1. Your Directors present the Company's 23rd Annual Report together with the Audited Statement of Accounts of the Company for the 12 months ended 31st December, 2000.

2. FINANCIAL RESULTS :

	Period ending 31st Dec'00 (Rupees)	Period ending 31st Dec'99 (Rupees)
Profit (loss) before interest, Depreciation and Tax	1,61,89,236	1,26,02,164
Interest	1,09,37,972	1,15,89,085
Profit/(loss) before depreciation	52,51,265	10,13,079
Depreciation	15,98,138	15,27,446
Tax (Provision for earlier year)	8,00,000	8,00,000
Profit/(loss) for the year	<u>28,53,126</u>	<u>(13,14,368)</u>

3. OPERATIONS :

The production of Fish Knitted fabrics during the year ended 31st December, 2000 amounted to 307 M.T. as against 299 M.T. during the previous year. The production of floats was 82 M.T. As against 60 M.T. During the previous year.

Total income during the year amounted to Rs.10.30 Crores as against Rs.11.10 Crores for the previous Accounting Year.

Sluggish & fluctuating demand continued to affect Company's sales on account of the fishing industry continuing to experience a recession. This recession was mainly caused by general fish famine that is prevalent in the World as a result of the 'El Niño' + 'El Niña' currents. Apart from this, due to the absence of control of fishing along the coastline, extreme "over-fishing" has taken place, which has not allowed young fish to grow & spawn. Large International Fishing Trawlers have also been illegally encroaching upon Indian waters and taking away a large share of the fish catch.

As a result several States in India had imposed a ban on fishing for varying periods during the year.

4. DEMATERIALIZATION OF SHARES :

The Company is in the process of negotiating with Registrar & Transfer Agent for Dematerialisation of Shares. Tripartite Agreements will be signed with both the Depositories viz. Central Depository Services Ltd (CDSL) and National Security Depository Ltd (NSDL) shortly for making available Shares of the Company in dematerialised form..

5. FIXED DEPOSITS :

10 Deposits totalling Rs.45,000/- have remained unclaimed as on date.

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6. DIRECTORS :

Mr. S.M.Laud & Mr. V.V.Desai, Directors retire by rotation, being eligible, offer themselves for re-election.
Mr. S.M.Navare has ceased to be a Director.

7. DIRECTORS' RESPONSIBILITY STATEMENT :

Your Directors would like to inform Members that the Audited Accounts containing the Financial Statements for the year 2000 are in full conformity with the requirement of the Act and they believe that the Financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's Financial condition and results of operations. These financial statements are audited by the Statutory Auditors M/s. Thakur & Gupta Associates.

Your Directors further confirm that :

- (i) in the preparation of the Annual Accounts, applicable Accounting Standards have been followed :
- (ii) the Accounting Policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year :
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities :
- (iv) that the Directors had prepared the Annual Accounts on a going concern basis.

8. AUDITORS :

You are requested to appoint Auditors for the current year ending 31st December, 2001 and to fix their remuneration.

With regard to the Auditor's Report, the Notes to the Accounts are generally self-explanatory.

9. PERSONNEL :

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

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

10. 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.

11. ACKNOWLEDGEMENT :

The Board thanks the Company's Bankers for their continued support.

On behalf of the Board of Directors

ASHOK GARWARE
Chairman

Mumbai
Date : 31.05.2001



ANNEXURE 1 TO DIRECTORS' REPORT

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current period 01.01.2000 to 31.12.2000	Previous Year 01.01.1999 to 31.12.1999
A. POWER AND FUEL CONSUMPTION		
FISH KNITTED FABRICS / TWINE		
1 Electricity		
(A) Purchased Units (in kwh)	3,57,347	5,44,387
Total amount (Rs.)	18,25,672	24,84,781
Rate per unit (Rs.) (avg.)	5.11	4.56
(B) Own generation		
i) Through Diesel Generator		
Unit (in kwh)	51,610	12,270
Unit per litre of diesel oil	3.20	3.10
Cost per unit	5.38	4.11
ii) Through Steam Turbine Generator	NIL	NIL
2. Coal	NIL	NIL
3. Furnace oil		
i) L.D.O.		
Quantity (k. Litres)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Rate Per Unit (Rs.)	NIL	NIL
ii) H.S.D.		
Quantity (k.litres)	44.51	34.225
Total amount (Rs.)	7,65,850	4,35,966
Rate per unit (Rs.)	17.21	12.74
EXPANDED PVC FLOATS / TWINE		
1 Electricity		
(A) purchased		
Units (in kwh)	4,77,906	4,73,607
Total amount (Rs.)	24,13,424	21,23,992
Rate per unit (Rs.) (avg.)	5.05	4.48
(B) Own generation	NIL	NIL

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2. Coal	NIL	NIL
3. Furnace oil		
I) L.D.O.		
Quantity (k.litres)	32,049	34,700
Total amount (Rs.)	5,52,838	5,81,225
Rate per Unit (Rs.)	17.25	16.75

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 01.01.2000 to 31.12.2000	previous year 01.01.1999 to 31.12.1999
FISH KNITTED FABRICS/TWINE			
Electricity (kwh)	N.A.	1.01	2.38
Furnace oil			
L.D.O. (Ltrs.)	N.A.	NIL	NIL
H.S.D. (Ltrs.)	N.A.	0.10	0.11
EXPANDED PVC FLOATS			
Electricity (kwh)	N.A.	7.89	8.01
Furnace oil			
L.D.O. (Ltrs.)	N.A.	0.64	0.59
NYLON MONOFILAMENT			
Electricity (kwh)	N.A.	NIL	NIL

CONSERVATION OF ENERGY DURING THE PERIOD UNDER REIEW :

- 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.
- 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.



FORM B

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company :

The Company has been carrying out applied research on an "on going basis" in processing / stretching of Nets and processing of Floats, as a result of which the quality of the products has improved considerably.

2. Benefits derived as a result of the above R & D:

Improved acceptance of products in the Market.

3. Further plan of action :

The Company intends to pursue its policy of carrying out applied research on an "on going" and concentrate on areas where there is positive gain to the Company.

4. Expenditure on R & D :

Nominal amount was spent on R & D during the period.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards Technology Absorption, Adaptation and Innovation :

Not applicable.

2. Benefits derived as a result of the above efforts :

Not applicable.

3. Information regarding technology imported during the last 5 years reckoned from the beginning of the financial year :

Not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total foreign exchange earned — NIL

Total foreign exchange used — NIL

On behalf of the Board of Directors

