



GARWARE MARINE INDUSTRIES LIMITED



**THIRTY FIRST ANNUAL REPORT
2008-09**



GARWARE MARINE INDUSTRIES LIMITED

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

BOARD OF DIRECTORS	ASHOK GARWARE (Chairman)	M.A. (Cantab)
	ADITYA GARWARE (Vice-chairman)	M.B.A. (U.S.A.)
	V. V. DESAI	B.Com., L.L.B., D.A.M.
	DR. B. M. SARAIYA	M.B.B.S.
	RAJIV KHANNA	B.Com., (Economics) (appointed as an additional Director w.e.f. 7/9/09)
	C.V. RAMACHANDRAN	B.Com., L.L.B., F.C.S., D.T.M. DIP. A. (Resigned w.e.f. 20/7/2009)
	S. V. ATRE (Executive Director)	B.Sc. ENGG., D.M.M.
BANKERS	IDBI BANK LTD.	
	THE SHAMRAO VITHAL CO-OP. BANK. LTD.	
AUDITORS	MESSRS. RAMAN S. SHAH & ASSOCIATES Chartered Accountants	
SOLICITORS	V. DESHPANDE & CO. Advocates & Solicitors	
REGISTERED OFFICE	302, Swapnabhoomi, A Wing, S. K. Bole Road, Dadar (W.), Mumbai - 400 028.	
FACTORY	E-9/10, M.I.D.C. Industrial Area, Ahmednagar - 414 001 (Maharashtra)	
REGISTRAR & SHARE TRANSFER AGENT	Bigshare Services Pvt. Ltd. E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072.	

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Thirty First Annual Report 2008-09

NOTICE

NOTICE is hereby given that the Thirty first Annual General Meeting of the Members of Garware Marine Industries Limited will be held on Tuesday, 29th December, 2009 at 9.30 A.M. at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai - 400 034 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 30th June, 2009 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr.A.B.Garware, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors' and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Rajiv Khanna who was appointed as an Additional Director of the Company and holds office till the date of the ensuing Annual General Meeting and in respect of whom the Company has received a Notice from a Shareholder under Section 257 of the Companies Act, 1956 proposing his candidature for the Office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

Registered Office :

302, Swapnabhoomi, 'A' Wing,
S.K.Bole Road, Dadar (W),
MUMBAI - 400 028.

By Order of the Board

S.V.ATRE
EXECUTIVE DIRECTOR

Date : 26th November, 2009.

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 THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement for item No. 5 of accompanying notice pursuant to Section 173 of the Companies Act, 1956, is enclosed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd December, 2009 to 29th December, 2009 (both days inclusive).
4. Brief Profile of Directors to be appointed / re-appointed.

Name of Director	Mr. A.B.Garware	Mr.Rajiv Khanna
Date of Birth	15.10.1938	04.01.1972
Nationality	Indian	Indian
Date of Appointment on the Board	11.02.1982	07.09.2009
Qualifications	M.A. (Cantab)	B.Com. (Economics)
Expertise in Functional Area	Industrialist	Industrialist, manufacturer of technical textiles supplied to mass transport organisation. He has vast experience of 16 years in this field and is now spearheading the expansion of his company. Mr. Khanna is also actively involved in the field of financial investments.



No. of Shares held in the Company.	6,23,456 (10.81%)	NIL
List of Directorships held in other Companies	<ul style="list-style-type: none"> • Garware Offshore Services Limited • Garware Offshore International Services Pte.Limited, Singapore • Adsu Trading & Investment Co, Pvt. Ltd. • Asuad Trading & Investment Co, Pvt. Ltd. • Aybeegee Investment Co. Pvt. Ltd. • Masu Trading & Investment Co. Pvt. Ltd. • Mauve Trading & Investment Co. Pvt. Ltd. • Universal Investment Services Pvt. Ltd. • Veebeegee Investment Co. Pvt. Ltd. 	NIL
Chairman/Member Committee of the Boards of other Companies in which he is a Director	ONE	N.A.

5. For the Convenience of Members, an Attendance Slip is annexed to the Proxy Form, Members are requested to fill in and affix their signatures at the space provided therein 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 / Proxyholder.
6. Members are requested to address all their future correspondence including change of address, Transfer of Shares and Dematerialisation etc., to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072. Tel. No.28560652, Fax No.28525207.

REQUEST TO THE MEMBERS :

7. 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.
8. Members are requested to bring their copy of Annual Report at the Meeting.

Registered Office :
302, Swapnabhoomi, 'A' Wing,
S.K.Bole Road, Dadar (W),
MUMBAI - 400 028.

By Order of the Board

S.V.ATRE
EXECUTIVE DIRECTOR

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO.5

Mr.Rajiv Khanna was appointed as an Additional Director on 7th September, 2009 and as per the provisions of Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office till date of the ensuing Annual General Meeting.

The Company has received Notice from a Shareholder proposing his candidature for the office of Director of the Company.

Accordingly, approval for the same is sought from the members for item No.5 of this Notice.

The Directors therefore recommend the Resolution for approval.

Except Mr. Rajiv Khanna, no other Director is interested or concerned in the Resolution.

Registered Office :
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S.K.Bole Road, Dadar (W),
MUMBAI - 400 028.

By Order of the Board

S.V.ATRE
EXECUTIVE DIRECTOR

Date : 26th November, 2009

GARWARE MARINE INDUSTRIES LIMITED

Thirty First Annual Report 2008-09

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH JUNE, 2009****TO
THE MEMBERS**

	Rs. in Lacs	
	Year ended 30.06.09	Year ended 30.06.08
1. FINANCIAL RESULTS :		
Income from Operations / Other Income	1,377.95	1,199.48
Expenses	1,120.70	1,079.87
Profit before Interest, Depreciation & Tax	257.25	119.61
Interest & Finance Charges	46.42	45.80
Profit before Depreciation & Tax	210.83	73.81
Depreciation & Amortization	27.57	16.00
Provision for Tax (including Fringe Benefit Tax)	33.13	11.50
Net Profit for the year	150.13	46.31

2. DIVIDEND :

The Board of Directors is pleased to recommend Dividend @ 5% (previous year – 5%) subject to the approval of the Members at the ensuing Annual General Meeting out of the Current Profits of the company on 57,66,184 (Previous year 49,46,184) fully paid up Equity Shares of Rs.10/- each. The Cash Outflow on account of Dividend will be Rs.33.73 Lacs (previous year – Rs. 28.93 Lacs) inclusive of tax on Dividend.

3. OPERATIONS :

During the year under review, income from operations marginally increased to Rs.1,165 lacs from Rs.1,155 lacs for the previous year, as a result of better realizations.

As on 30th June, 2009, 10 employees left the organization.

4. INSTALLATION OF NEW MACHINERY

New Net making Machines were installed at the Ahmednagar Plant. All the Machines were commissioned and commercial production commenced in July, 2008. This has helped improve cost of production at the factory.

5. FUTURE OUTLOOK:

New Japanese Machines have been ordered. Production from these machines is expected to commence from March/April, 2010. Productivity will improve further.

6. PREFERENTIAL ALLOTMENT AND PAID-UP SHARE CAPITAL

Pursuant to the Shareholders' approval 8,20,000 Share Warrants allotted to Promoters and Non-Promoters were fully converted into Equity Shares. All 8,20,000 Equity Shares are listed on Bombay Stock Exchange Limited and the trading permission for the same has been obtained.

Consequently the paid-up Equity Share Capital now stands at Rs.5.77 crores.

7. RESPONSIBILITY STATEMENT :

The Directors confirm:

- a. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. That 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 that period.



- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for detecting and preventing fraud and other irregularities.
- d. That they have prepared the Annual Accounts on a going concern basis.

8. FIXED DEPOSITS :

During the year under review, the Company has not accepted any deposit from public and shareholders.

9. DIRECTORS :

Mr.C.V.Ramachandran resigned w.e.f. 20th July, 2009.

Mr. Rajiv Khanna was appointed as Additional Director w.e.f. 7th September, 2009 and holds Office till the date of the ensuing Annual General Meeting. Notice from a Member proposing his candidature for the Office of the Director has been received. Members are requested to appoint him as Director of the Company.

Mr. A.B.Garware, Director, retires by rotation and being eligible, offers himself for re-election. The members are requested to re-elect him.

10. AUDITORS & AUDITORS' REPORT :

You are requested to appoint Auditors for the current year ending 30th June, 2010 and to fix their remuneration. With regard to Auditors' Report, the Notes to the Accounts are self explanatory.

11. PERSONNEL :

The relations with Employees continue to be cordial.

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

12. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Management Discussion and Analysis Report and Corporate Governance Report along with the Auditors Statement of its compliance are given in a separate Annexure.

13. 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 Form A & B in annexure 1 of the Report.

14. ACKNOWLEDGEMENT :

The Board wishes to record the dynamic role of Senior Executives of the Company.

The Board is grateful to the Company's Bankers viz. IDBI Bank Ltd. and The Shamrao Vithal Co-operative Bank Ltd. for their continued support and the role played by them.

By Order of the Board

**ASHOK B. GARWARE
CHAIRMAN**

Place : Mumbai

Dated : 26th November, 2009

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Thirty First Annual Report 2008-09

ANNEXURE 1 TO DIRECTORS' REPORT**FORM - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

		Year ended 30.06.2009	Year ended 30.06.2008
A. POWER AND FUEL CONSUMPTION			
FISH KNITTED FABRICS / TWINE			
Electricity			
(a)	Purchased Units (in Kwh)	4,24,083	4,76,292
	Total Amount (Rs.)	20,85,431	24,82,091
	Rate Per Unit (Rs.) (Avg.)	4.92	5.21
(b)	Own Generation		
	1) Through Diesel Generator		
	Unit (in Kwh)	34,739	25,852
	Total Amount (Rs.)	11,66,723	8,31,538
	Cost per litre (Rs.) (Avg.)	33.61	32.16
(B) CONSUMPTION PER UNIT (KG.) OF PRODUCTION			
	Standard (If any)	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008
FISH KNITTED FABRICS/TWINE			
	Electricity (Kwh)	N.A.	1.28
	H.S.D. (Ltrs.)	N.A.	0.10

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, improve 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.



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, 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 throughout India.

3. Further plan of action :

The Company intends to pursue its policy of carrying out applied research on an "on going basis" 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

Place : Mumbai
Dated : 26th November, 2009

ASHOK B. GARWARE
Chairman

GARWARE MARINE INDUSTRIES LIMITED

Thirty First Annual Report 2008-09

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRIAL STRUCTURE & DEVELOPMENT :**

Your Company caters to Fishing Industry situated along the coastline of India. The Company manufactures Nylon Fishing Nets in various sizes. The Company is one of the few Net Makers in the organized sector and its products, sold under the "GARWARE" brand, is preferred by most fishermen.

New machines installed in the factory last year are working well. As a result, the Company has decided to install more machines in the factory. Commercial production of these machines should commence in March/April next year.

24 workmen left during the period 2008-09.

OPPORTUNITIES & THREATS :

With the installation of the new machines, the Company has been able to cater to a wider market, thereby improving price realization in sales.

The main threat that the Company faces is from the unorganized sector and the increasing presence of Chinese Fishing Nets at very competitive prices.

Further, the World Fish population has not grown over the year.

OUTLOOK :

We anticipate further improvement of productivity at the plant level with the addition of new machines.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :

Your Company has a defined Internal Control System for all the functions which is satisfactory.

FINANCIAL & OPERATIONAL PERFORMANCE :

- | | | | |
|------|-----------------------------------------|---|----------|
| i) | Operating profit ratio's of the Company | : | 10.48% |
| ii) | Current ratio of the Company | : | 3.51 : 1 |
| iii) | The Company has a debt-equity ratio | : | 0.24 : 1 |

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Relations with the workers and the Staff are cordial.

The total strength of the employees of the Company stands at 152.

FORWARD-LOOKING STATEMENTS.:

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. 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.



REPORT ON CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS :

The Board of the Directors comprises of Professionally Well-Qualified Individuals and consists of Six Members. Shri Ashok Garware is the Chairman, Shri Aditya Garware is the Vice Chairman and Shri S.V. Atre is the Executive Director of the Company. All other Directors are Independent and Non-Executive Directors.

Five Board Meetings were held during the year ended 30th June, 2009 on following dates :

30th July, 2008

24th October, 2008

17th November, 2008

30th January, 2009

28th April, 2009

Attendance of Directors at each Board Meetings and the AGM during the year under review.

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM	No. of other	
			Directorship	Committee Membership
Mr. Ashok Garware - Chairman	5	Yes	9	1
Mr. Aditya Garware - Vice Chairman	5	Yes	12	1
Dr. B.M. Saraiya	5	Yes	--	--
Mr. V.V. Desai	3	Yes	2	--
Mr. C.V. Ramachandran (resigned w.e.f. 20.07.09)	5	Yes	1	--
Mr. Rajiv Khanna (appointed w.e.f. 07.09.09)	N.A.	N.A.	--	--
Mr. S.V. Atre Executive Director	4	Yes	--	--

During the year under review, the Directors were paid sitting fees of Rs.2,000/- for the meeting held on 30.07.2008. Thereafter, w.e.f. 24.10.2008, Rs.4,000/- was paid for attending each meeting of the Board of Directors. The Sitting Fees payable to the Directors was increased to Rs.6000/- w.e.f. 20.10.2009 for attending each meeting of the Board of Directors. No Sitting fees are paid to any Directors for attending any meeting of Committee of Directors viz., Audit Committee and Share Transfer and Investor Grievance Committee.

Details of the remuneration paid to Mr. S.V. Atre, Executive Director during the year under review.

S.No.	Particulars	Amount (Rs.)
1.	Salary	6,61,516
2.	Leave Travel Allowance	30,000
3.	Medical Allowance	30,000
4.	Ex-gratia	72,000
	Total	7,93,516