



GARWARE MARINE INDUSTRIES LIMITED

**THIRTY SECOND ANNUAL REPORT
2009-10**



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)
	S. V. ATRE (Executive Director)	B.Sc. ENGG., D.M.M.
COMPANY SECRETARY	Ms. T. P. JOSHI	B.Com, A.C.S, B.G.I
BANKERS	IDBI BANK LTD.	
	THE SHAMRAO VITHAL CO-OP. BANK. LTD.	
AUDITORS	MESSRS. RAMAN S. SHAH & ASSOCIATES Chartered Accountants	
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.	

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Members of Garware Marine Industries Limited will be held on Thursday, 30th December, 2010 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 receive, consider and adopt the Audited Balance Sheet as at 30th June, 2010 and Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Aditya A. Garware, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. B.M. Saraiya, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Messrs. Raman S. Shah & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To pass with or without modification(s) the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be required, the consent of the Members of the Company be and is hereby accorded to the re-appointment and payment of remuneration as set out in the Explanatory Statement to Mr. S.V. Atre as the Executive Director of the Company for a further period of three years with effect from 31st October, 2010, on the terms and conditions as set out in the draft Agreement to be executed between Mr. S.V. Atre and the Company and submitted to this meeting and initialed by the Chairman for the purpose of identification.

Registered Office:

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

Date: 9th November, 2010

By Order of the Board

Ms. T.P.JOSHI
COMPANY SECRETARY

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. An Explanatory Statement for item no.6 of accompanying Notice pursuant to Section 173(2) of the Companies Act, 1956, is appended herewith.
3. The Register of Members and Share Transfer books of the Company will remain closed from 23.12.2010 to 30.12.2010 (both days inclusive).
4. For the Convenience of Members, an attendance slip is annexed to the Proxy form. Members are requested to fill in and append their signatures at the space provided thereof 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.
5. Members are requested to notify the change in Bank details, address, if any, immediately, quoting their Client ID No./ Folio No., Number of Shares held, etc. to the Company's Share Transfer Agents, 'M/s Bigshare Services Pvt. Ltd.'



6. Members holding shares in identical order of names in more than one Folio are requested to write to the Company's Registered Office and / or Share Transfer Agent, and send their Share Certificates to enable Consolidation of their holding into one Folio.
7. All enquiries and Correspondence regarding Transfer/Transmission of Shares, Dematerialisation, etc. should be addressed to Registrars and Share Transfer Agents of the Company, M/s Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072.
8. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

Name of Director	S.V. Atre	Aditya A. Garware	Dr. B. M. Saraiya
Date of Birth	02/11/1944	11/02/1971	08/06/1944
Nationality	Indian	Indian	Indian
Date of Appointment on Board	31/10/2007	24/05/1993	18/10/2001
Qualifications	B.E. (Electronics)	M.B.A. (U.S.A)	M.B.B.S.
Expertise in Functional Area	He has expertise in Sales & Marketing. He also has vast experience in the field of Management.	Industrialist	Senior General Practitioner. He is also the Architect of claim processing in start-up of Third Party Insurance.
No. of Shares held in the Company	NIL	1,43,760	NIL
List of Directorships held in other Companies	Garware Goa Nets Limited	1. Garware Offshore Services Limited. 2. Garware Offshore International Services Pte. Limited. 3. Garware International Management Limited 4. Indian National Shipowners' Association 5. Adsu Trading & Investment Co. Pvt. Ltd. 6. Asuad Trading & Investment Pvt. Ltd. 7. Aybeegee Investment Pvt. Ltd. 8. Garware Goa Nets Ltd. 9. Masu Trading & Investment Pvt. Ltd. 10. Mauve Trading Pvt. Ltd. 11. Shesu Trading & Investment Pvt. Ltd. 12. Universal Investment Services Pvt. Ltd. 13. Veebeegee Investment Pvt. Ltd.	NIL
Chairman/Member of Committee of the Board of other Companies in which he is a Director	NIL	ONE (as member)	NIL

REQUEST TO THE MEMBERS:

1. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least Ten (10) working 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 given to the Members.
2. Members are requested to bring their Copy of the Annual Report to the Meeting.

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Date: 9th November, 2010

By Order of the Board

**Ms. T.P.JOSHI
COMPANY SECRETARY**



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.6:

Mr. S.V. Atre was appointed as an Executive Director of the Company for a period of 3 years w.e.f. 31st October, 2007. Keeping in view his wide experience and the contributions made by him in the past years in working and business of the Company, the Board of Directors have subject to the approval of the Members of the Company, re-appointed Mr. S.V. Atre, as an Executive Director of the Company on such terms and conditions as enumerated in the Draft Agreement, to be entered in to between Mr. S. V. Atre and the Company, for a further period of 3 years w.e.f. 31st October, 2010.

The following remuneration is proposed to be paid to him:

(a)	Salary	Rs.42,000/- per month or such higher amount as may be approved by the Board of the Directors or its Committee from time to time.
(b)	Performance Allowance	Rs.17,000/- per month.
(c)	House Rent Allowance	Rs. 12,000/- per month.
(d)	Perquisites	<p>Mr. S.V. Atre will, in addition to salary be entitled to benefits like Ex-Gratia and other perquisites such as reimbursement of medical expenses of Rs. 4,500/- per month incurred for self and family, leave travel allowance of Rs. 4,500 per month for self and family, provision of a car with a driver, telephone at residence and other allowances as per the rules of the Company. Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable.</p> <p>Mr. S.V. Atre shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling of remuneration:</p> <ul style="list-style-type: none">(i) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.(ii) Encashment of leave at the end of his tenure.(iii) Mr. S.V. Atre will be entitled leave on full remuneration, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.(iv) Mr. S.V. Atre will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.(v) Mr. S.V. Atre will also be entitled to receive from the Company traveling, hotel and other expenses, incurred in performance of the duties on behalf of the Company.

Notwithstanding anything contained where in any financial year during the tenure of three years when the Company has no profits, or the profits are inadequate, the Company shall pay remuneration by way of Salary and Perquisites as stated above as minimum remuneration, but shall not exceed the limits prescribed under schedule XIII of the Companies Act, 1956, and other provisions thereof or any amendments, variations, modifications or re-enactments.

The above shall be treated as an abstract of the terms & conditions u/s. 302(7) of the Companies Act, 1956. The Draft agreement proposed to be entered into between the Company and Mr. S.V. Atre is available for inspection to the members on any working day between 2.00 P.M. and 4.00 P.M. at the Registered Office of the Company till the date of the conclusion of the Annual General Meeting.

Except Mr. S.V. Atre himself, none of the Directors are interested in passing of this resolution.

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Date: 9th November, 2010

By Order of the Board

Ms. T.P.JOSHI
COMPANY SECRETARY

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE, 2010

**TO
THE MEMBERS**

	Rs. in Lacs	
	Year ended 30.06.10	Year ended 30.06.09
1. <u>FINANCIAL RESULTS :</u>		
Income from Operations / Other Income	1299.97	1377.95
Less: Expenses	<u>(1158.17)</u>	<u>(1120.70)</u>
Profit before Interest, Depreciation & Tax	141.80	257.25
Less: Interest & Finance Charges	<u>(31.38)</u>	<u>(46.42)</u>
Profit before Depreciation & Tax	110.42	210.83
Less: Depreciation & Amortization	30.02	(27.57)
Provision for Tax (including Fringe Benefit Tax)	<u>(8.44)</u>	<u>(33.13)</u>
Net Profit for the year	71.96	150.13
2. <u>DIVIDEND:</u>		
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 fully paid up Equity Shares of Rs.10/- each. The Cash Outflow on account of Dividend will be Rs.33.62 Lacs (previous year Rs. 33.73 Lacs) inclusive of tax on Dividend.-		
3. <u>OPERATIONS:</u>		
During the year under review, the Company sold 328.896 MT of Fishing nets as against 329.495 MT in the previous year. Income from operations for the year under review was Rs. 942.27 Lacs as against Rs.830.47 Lacs. Even though the quantity of sales had fallen by 1 ton appx, the gross revenue increased in view of the price realization.		
4. <u>INSTALLATION OF NEW MACHIERY:</u>		
Two new machines were installed and commissioned in August, 2010.		
5. <u>FUTURE OUTLOOK:</u>		
Installation of new machines will increase productivity of the plant. The Company is striving to reduce overheads by further streamlining operations.		
6. <u>RESPONSIBILITY STATEMENT:</u>		
The Directors confirm:		
a)	That 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 the Directors' Report) 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 year and the profit of the Company for that year ended as on 30.06.2010.	
c)	That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of the Companies Act, 1956, for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.	
d)	That they have prepared the Annual Accounts on a going concern basis.	
7. <u>LISTING FEES TO STOCK EXCHANGES:</u>		
The Company has paid the Listing Fees for the year 2010-11 to Bombay Stock Exchange Ltd. where the Shares of the Company are listed.		



8. FIXED DEPOSITS:

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

9. DIRECTORS:

Mr. Aditya A. Garware and Dr. B.M. Saraiya, Directors, retire by rotation and being eligible, offers themselves for re-election. The members are requested to elect them.

The Board of Directors, subject to the shareholders' approval have re-appointed Mr. S.V. Atre, Executive Director, for further period of 3 years w.e.f. 31.10.2010. The members are requested to approve his re-appointment and payment of remuneration payable to him.

10. AUDITORS & AUDITOR'S REPORT:

You are requested to re-appoint Statutory Auditors, Messrs. Raman S. Shah & Associates, Chartered Accountants for the current year and to fix their remuneration.

The Company has obtained a Certificate from Auditors certifying that their re-appointment, if made at the ensuing Annual General Meeting shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

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 REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report and Corporate Governance Report along with the Auditors Statement of its compliance are enclosed 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 the Officers of the Company.

On Behalf of the Board

Place: Mumbai

Dated: 9th November, 2010

ASHOK GARWARE
CHAIRMAN

ANNEXURE 1 TO DIRECTORS' REPORT

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 01.07.2009 to 30.06.2010	Previous Year 01.07.2008 to 30.06.2009
A. <u>POWER AND FUEL CONSUMPTION:</u>		
FISH KNITTED FABRICS/TWINE		
Electricity		
(a) Purchased Units (in Kwh)	431,046	424,083
Total Amount(Rs.)	2,332,430	2,085,431
Rate Per Unit(Rs.) (Avg.)	5.41	4.92
(b) Own Generation		
I) H.S.D.		
Purchased Units (in ltrs)	25,478	34,739
Total Amount (Rs.)	959,953	1,167,723
Cost per litre (Rs.) (Avg.)	37.68	33.61
	Standard, (if any)	01.07.2009 to 30.06.2010
		01.07.2008 to 30.06.2009
B. <u>CONSUMPTION PER UNIT(K.G.) OF PRODUCTION:</u>		
FISH KNITTED FABRICS/TWINE		
Electricity (Kwh)	N.A.	1.28
Furnance Oil		
H.S.D.(Ltrs.)	N.A.	0.10

CONSERVATION OF ENERGY DURING THE YEAR 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.



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 within India and Internationally.

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 - Rs. 76.36 lacs.