



GARWARE MARINE INDUSTRIES LIMITED

**35TH ANNUAL REPORT
2012-13**



GARWARE MARINE INDUSTRIES LIMITED

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

BOARD OF DIRECTORS

ASHOK B. GARWARE (Chairman)	M.A. (Cantab)
ADITYA A. 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 S. KHANNA	B.Com., (Economics)
S. V. ATRE (Executive Director)	B.Sc. ENGG., D.M.M.

COMPANY SECRETARY

Ms. P. S. NAMBIAR B.Com, LL. B, A.C.S, PGDFM, DISM

BANKERS

IDBI Bank Ltd.
United Bank of India
Indian Overseas Bank

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-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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NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of Garware Marine Industries Limited will be held on Friday, 15th November 2013 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 2013 and Profit and Loss Account 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, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint a Director in place of Mr. Vikas V. Desai, who retires by rotation and being eligible, offers himself for re-appointment;
4. To re-appoint Messers. 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:

5. To pass with or without modification(s) the following resolution as an **ORDINARY 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 to Mr. S.V. Atre as the Executive Director of the Company for a further period of three years with effect from 31st October, 2013, 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

By Order of the Board

Sd/-

**P. S. NAMBIAR
COMPANY SECRETARY**

Date : 29th August 2013

Place: Mumbai

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. The Register of Members and Share Transfer books of the Company will remain closed from Friday, 8th November 2013 to Friday, 15th November 2013 (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 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.
4. 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.'.
5. Members holding shares in identical order of names in more than one folio/(s) 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.
6. 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.

GARWARE MARINE INDUSTRIES LIMITED35th Annual Report 2012-13**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	Mr. Shyamsunder V. Atre	Mr. Aditya A. Garware	Mr. Vikas Vishwanath Desai
Date of Birth	02/11/1944	11/02/1971	15.11.1958
Nationality	Indian	Indian	Indian
Date of Appointment on Board	31/10/2007	24/05/1993	12.07.1999
Qualifications	B.E. (Electricals)	M.B.A. (U.S.A)	B.Com, L.L.B.,D.A.M.
Expertise in Functional Area	Mr. Atre is an expert in the field He has expertise in Sales & Marketing. He also has vast experience in overall management & dealing with labors.	Industrialist	Administrative, Marketing & Manufacturing
No. of Shares held in the Company (As on 30.06.2013)	1,000 Equity Shares	1,49,600 Equity Shares	100 Equity Shares
List of Directorships held in other Companies	Garware Goa Nets Limited	1. Garware Goa Nets Ltd. 2. Global Offshore Services Ltd. 3. Adsu Trading & Investment Company Pvt. Ltd. 4. Garware Offshore International Services Pte. Ltd 5. Indian National Shipowners' Association 6. Masu Trading & Investment Company Pvt. Ltd. 7. Mauve Trading Company Pvt. Ltd. 8. Shesu Trading & Investment Company Pvt. Ltd. 9. Universal Investment Services Pvt. Ltd. 10. Global Offshore Services B.V.	1. Nirantan Bio-tech Private Limited 2. Shree Eco Energies Enviro Private Limited
Chairman/Member of Committee of the Board of other Companies in which he is a Director	NIL	One	NIL

REQUEST TO THE MEMBERS:

- Members seeking 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 can be furnished will be given to the Members.
- Members are requested to bring their Copy of the Annual Report to the Meeting.

Registered Office:

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

Date : 29th August 2013**Place:** Mumbai**By Order of the Board**

Sd/-

**P. S. NAMBIAR
COMPANY SECRETARY**



ANNEXURE TO NOTICE

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

ITEM NO.5:

Mr. S.V. Atre was appointed as an Executive Director of the Company for a period of 3 years w.e.f. 31st October, 2013. Keeping in view his wide experience and the tremendous contribution made by him since his association with the Company in 2001, 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, 2013. For the information of members, these terms are the same as they were in the previous contract of appointment of Mr. S.V. Atre.

The following remuneration is proposed to be paid to him:

(a)	Salary	Rs.69,740/- per month or such higher amount as may be approved by the Board of the Directors or its Committee from time to time.
(b)	House Rent Allowance	Rs. 14,300/- per month.
(c)	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. 5,500/- per month incurred for self and family, leave travel allowance of Rs. 5,500 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> <p>(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>(ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.</p> <p>(iii) Encashment of leave at the end of his tenure.</p> <p>(iv) 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.</p> <p>(v) 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.</p> <p>(vi) 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.</p>

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 shall be deemed to be interested in passing of this resolution.

By Order of the Board

Sd/-

**P. S. NAMBIAR
COMPANY SECRETARY**

Registered Office:

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

Date : 29th August 2013

Place : Mumbai

DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

**TO,
THE MEMBERS**

1. FINANCIAL RESULTS :

	Year ended	(Rs. in Lacs)
	30th June 13	Year ended 30th June 12
Income from Operations (including Other Income)	985.67	1144.57
Less: Expenses	951.26	1062.21
Profit before Interest, Depreciation & Tax	34.41	82.36
Less: Interest & Finance Charges	13.38	21.88
Profit before Depreciation & Tax	21.03	60.48
Less: Depreciation & Amortization	33.75	37.47
Provision for Tax	0.00	0.00
Net Profit for the year	-12.72	23.01

2. DIVIDEND:

In view of the loss during the year under review, as a reason of dismal fishing season, the Board of Directors has not recommended any dividend for the year 2012-13.

3. OPERATIONS:

During the year under review, the Company sold 203.43 MT of Fishing nets as against 265.401 MT in the previous year. Income from operations for the year under review was Rs. 985.67 Lacs as against Rs. 1144.57 Lacs which was mainly due to an increase in the Selling Price of the Company's Product. However, the increase in Selling Price was not enough to offset the increase in the cost of raw material. In view of the increase in raw material price 8 % and poor demand in certain areas, production decreased by approximately 20%. The company also witnessed poor demand in certain markets during the year on account of unexpected & unusual weather changes, such as extended winter & delayed monsoon. Extremely poor catch, particularly in western coast resulted in poor demand. As a last resort, a lay-off was declared at the Company's factory at Ahmednagar w.e.f. 22nd April 2013.

4. FUTURE OUTLOOK:

Though the Company has seen a slight improvement in demand, the market for the fishing nets is remains to be lackluster due to the extended monsoon and the fact that world fish population, according to reports, has reduced by 3% which has led to a reduction in fish catch. The Company does not anticipate a major increase in the demand for nets and therefore sought for approval for extension of lay-off in the factory. This extension has been approved. The Company has also offered a Scheme of Severance to the workmen & staff at the Company's factory, Depots and Head Office.

5. 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 (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 30th June 2013;
- 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.



6. LISTING FEES TO STOCK EXCHANGES:

The Company has paid the Listing Fees for the year 2013-14 to Bombay Stock Exchange Limited where the Shares of the Company are listed.

7. FIXED DEPOSITS:

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

8. DIRECTORS:

Mr. Aditya A. Garware and Mr. Vikas V. Desai, Directors, retire by rotation and being eligible, offer themselves for re-election. The members are requested to elect them.

The Board of Directors, subject to member's approval, have re-appointed Mr. S.V.Atre as an Executive Director for further period of three years w.e.f.31st October 2013. The members are requested to approve his re-appointment and payment of remuneration payable to him.

9. AUDITORS & AUDITORS' 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.

10. 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.

11. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

12. 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.

13. ACKNOWLEDGEMENT:

The Board wishes to record the dynamic role of the Officers of the Company.

On Behalf of the Board

Sd/-

ASHOK GARWARE

Chairman

Date : 29th August 2013

Place : Mumbai

ANNEXURE 1 TO DIRECTORS' REPORT

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year 01.07.2012 to 30.06.2013*	Previous Year 01.07.2011 to 30.06.2012
A. POWER AND FUEL CONSUMPTION:			
FISH KNITTED FABRICS/TWINE			
Electricity			
(a) Purchased Units(in Kwh)		3,37,235	4,00,402
Total Amount(Rs.)		27,03,672	27,66,191
Rate Per Unit(Rs.) (Avg.)		8.02	6.91
(b) Own Generation			
l) H.S.D.			
Purchased Units (in ltrs)		11,416	21,073
Total Amount (Rs.)		5,73,000	9,31,670
Cost per litre(Rs.)(Avg.)		50.19	44.21
	Standard, (if any)	01.07.2012 to 30.06.2013	01.07.2011 to 30.06.2012
B. COST PER UNIT(KG.) OF PRODUCTION:			
FISH KNITTED FABRICS			
Electricity (Rs.)	N.A.	18.42	11.38
H.S.D.(Rs.)	N.A.	3.90	3.83

* includes period of lay-off between 22nd April 2013 & 30th June 2013

CONSERVATION OF ENERGY DURING THE YEAR UNDER REVIEW:

- Wherever possible, energy conservation measures have been implemented. Further efforts to conserve and optimize the use of energy improved operational methods and other means continue;
- Additional investment and proposals, if any, being implemented for reduction of consumption of energy : NIL;
- 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:

Nil

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

Not applicable.

3. Further plan of action:

Nil

4. Expenditure on R & D:

No amount was spent on R & D during the period.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

1. Efforts in brief made towards Technology Absorption, Adaption 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

Sd/-

ASHOK GARWARE

Chairman

Date : 29th August 2013

Place : Mumbai