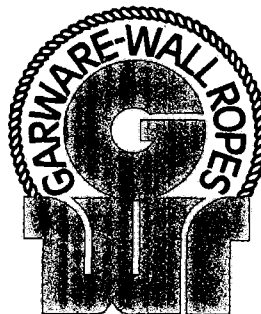


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YE	<input checked="" type="checkbox"/>			

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GARWARE-WALL ROPES LIMITED



Smt. Vimlabai B. Garware
(1911 - 1998)



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FOUNDER CHAIRMAN

LATE SHRI B. D. GARWARE

BOARD OF DIRECTORS

R. B. GARWARE

Chairman

S. M. KUVELKER

Vice-Chairman

Dr. V. B. LELE

S. N. TALWAR

Alternate to Dr. V. B. LELE

M. A. BAKRE

P. M. CHANDRACHUD

Wholetime Director

R. M. TELANG

Wholetime Technical Director

V. R. GARWARE

Wholetime Director

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COMPANY SECRETARY

S. B. MARULKAR

REGISTERED OFFICE

Plot No. 11,
Block D-1,
MIDC, Chinchwad,
Pune - 411 019.

WORKS

Plot No.11,
Block D-1,
MIDC, Chinchwad,
Pune - 411 019.

Plot No. C-1,
MIDC, Wai-412 803,
Dist. Satara,
Maharashtra.

MUMBAI OFFICE

Chowpatty Chambers,
Sandhurst Bridge,
Mumbai - 400 007.

**GARWARE-WALL ROPES LIMITED****FOREIGN BRANCHES**

P.O. Box : 3081, Ajman,
United Arab Emirates

P.O. Box : 1833,
137 North Main Street,
Davidson, N C 28036
U.S.A.

BANKERS

Bank of India
Bank of Baroda
Bank of Maharashtra
ABN AMRO Bank N.V.

AUDITORS

Narkar & Associates
Chartered Accountants

SOLICITORS AND ADVOCATES

M/s. Crawford Bayley & Co.

TRANSFER AGENTS

MCS Ltd.,
116/118, Akshay Complex,
Off Dhole Patil Road,
Near Ganesh Mandir,
Pune - 411 001.
(Phone / Fax : 0212-629597)



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NOTICE

Notice is hereby given that the TWENTY-FIRST ANNUAL GENERAL MEETING of the Company will be held on Saturday, the 26th September, 1998 at 11.00 a.m. at Pimpri Chinchwad Corporation Auditorium, Opp. TELCO, Chinchwad, Pune - 411 033, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at and Profit and Loss Account for the year ended 31st March, 1998, together with the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. S.M. Kuvelker, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Dr. V.B. Lele, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. R.M. Telang, who retires by rotation and being eligible, offers himself for reappointment.
6. To consider, and if thought fit, to pass, with or without modification(s), as a Special Resolution, the following :

“RESOLVED THAT M/s. Narkar & Associates, Chartered Accountants, Mumbai, be and are hereby appointed as Auditors of the Company from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to fix the remuneration payable to M/s. Narkar & Associates, as Auditors.”

7. To consider, and if thought fit, to pass, with or without modification(s), as a Special Resolution, the following :

“RESOLVED THAT M/s. BDO Patel & Co., Chartered Accountants, Dubai, UAE, be and are hereby reappointed as Branch Auditors of the Company to hold office upto the conclusion of next Annual General Meeting, to audit the books of account of Trading Branch of the Company at Ajman, UAE, for the financial year 1998-99 on a remuneration to be decided by the Board of Directors of the Company, in consultation with the Statutory Auditors of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any other legislation and subject to the approval of the Central Government, the approval of the Company be and it is hereby accorded to the appointment of Mr. P.M. Chandrachud, as Wholtime Director of the Company for a period of five (5) years with effect from 1st April, 1998 and payment of remuneration to him as per the terms and conditions set out in the draft agreement, initialled by Mr. S.M. Kuvelker, Vice-Chairman, for the purpose of identification, to be entered into between the Company and Mr. P.M. Chandrachud.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and it is hereby accorded to the increase in remuneration of Mr. R.M. Telang, Wholtime Technical Director as set out in the Second Supplementary Agreement dated 6th December, 1997 entered into between the Company and Mr. R.M. Telang.”



GARWARE-WALL ROPES LIMITED

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any other legislation, the approval of the Company be and it is hereby accorded to the increase in remuneration of Mr. V.R. Garware, Wholetime Director as set out in the Supplementary Agreement dated 6th December, 1997 entered into between the Company and Mr. V.R. Garware.”

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

“RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the members of the Company do hereby approve the proposed actions of mortgaging and charging of all movable and immovable properties of the Company, present and future, by the Board of Directors of the Company (“the Board”), in favour of the following bank(s) as security for the repayments of Term Loan/ Working Capital Loan granted by them, together with interest at the agreed rates, compound interest, additional interest, commitment charges, premia on prepayment or on redemption, costs, charges and all other moneys payable by the Company in terms of the respective Loan Agreement/s, Heads of Agreement/s, Letters of Sanction, Memoranda of Terms and Conditions entered into and/or to be entered into by the Company in respect of the said loan/s.

Sr. No.	Bank(s)	Sanctioned Amount
I.	Term Loan	
1.	Bank of India	Rs. 1,080 lacs
II.	Working Capital Facilities from the Consortium Bankers	
1.	Bank of India (Lead Bank)	Rs. 3,145 lacs
2.	Bank of Baroda	Rs. 2,175 lacs
3.	Bank of Maharashtra	Rs. 1,065 lacs
4.	ABN AMRO Bank N.V.	Rs. 710 lacs
		Rs. 7,095 lacs.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and it is hereby authorised to obtain necessary consents, clearances, finalise necessary agreements/documents for the aforesaid mortgages/charges and to do all such acts and things as may be necessary for giving effect to the aforesaid resolution.”

By Order of the Board of Directors,

Mumbai,
30th June, 1998

S. B. Marulkar
Company Secretary

Registered Office:

Garware-Wall Ropes Limited
Plot No. 11, Block D-1, MIDC,
Chinchwad, Pune - 411 019.



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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 TO VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form should be deposited at the Registered Office not less than forty-eight hours before the time fixed for the Meeting.
3. Members/Proxies should bring their Attendance Slips duly filled in for attending the meeting.
4. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Item Nos. 6 to 11 is annexed hereto.
5. Members are requested to notify immediately any change in their addresses to the Company/Transfer Agents, quoting Folio No. and giving complete address in block capitals with PIN code of the postal district.
6. The Register of Members and Share Transfer Books will remain closed from Tuesday, the 15th September, 1998 to Saturday, the 26th September, 1998 (both days inclusive) for the purpose of payment of dividend.
7. Subject to the provisions of Sections 205 and 206A of the Companies Act, 1956, dividend on the shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those members (or their mandate/s) whose names appear in the Register of Members as on 26th September, 1998. However, dividend on all the shares of those members, who have not paid allotment and/or call money for Rights shares issued in 1995, as per the records of the Company, may be lawfully adjusted by the Board of Directors against such unpaid allotment/call amount in conformity with the provisions of the Companies Act, 1956 and the Articles of Association of the Company.
8. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March, 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those members who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Office of the Registrar of companies, Pune, PMT Commercial Building, 3rd Floor, Deccan Gymkhana, Pune - 411 004.

The unclaimed dividend for the year ended 31st March, 1995 is due for transfer on 8th November, 1998 to the 'General Revenue Account' of the Central Government.



GARWARE-WALL ROPES LIMITED

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

Items 6 & 7

The business of reappointment of Statutory Auditors and Branch Auditors is an ordinary business and as per the provisions of the Companies Act, 1956 it does not require an explanatory statement. However, for information of the members, the following explanatory statement is given :

Section 224A(1) of the Companies Act, 1956, provides that in the case of a company in which not less than 25% of the subscribed share capital is held, whether singly or in any combination, by a public financial institution or other specified entities (collectively referred to "these entities"), the appointment or reappointment at each Annual General Meeting of the auditors, shall be done by a special resolution. Further, the shareholding of these entities is to be ascertained as on the date of Annual General Meeting.

As on 30th June, 1998, at the time of approval of notice of the 21st Annual General Meeting, the shareholding in the Company of these entities was around 25.76%.

It is proposed to reappoint M/s. Narkar & Associates, Chartered Accountants, as the Statutory Auditors of the Company, who have conveyed their eligibility for the reappointment.

Further, in terms of approval of the Reserve Bank of India (RBI) dated 14th January, 1997, the books of account of the Ajman, UAE branch are required to be audited by Government recognised auditors in the country concerned. The Board proposes to reappoint M/s. BDO Patel & Co., Chartered Accountants, Dubai, UAE as the Branch Auditors on a remuneration to be mutually decided, in consultation with the Statutory Auditors of the Company.

The resolution is recommended for your approval. None of the Directors of the Company is concerned or interested in these resolutions.

A copy of RBI's final approval letter dated 14th January, 1997 is open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days except Sundays till the date of Annual General Meeting.

Item 8

The Company envisages an excellent growth in the exports to USA, Canada, Mexico and the neighbouring countries thereto, and to exploit this market potential, the Company has opened a Non-trading Branch in the USA, in February, 1998. The Board of Directors felt it essential to have a senior experienced management person stationed in the USA to personally look after the activities of the Branch. Accordingly, the Board of Directors, at its meeting held on 9th March, 1998, appointed Mr. P.M. Chandrachud, Director of the Company as a Wholtime Director to be in charge of the USA Branch.

Mr. Chandrachud, associated with the Company since its incorporation in 1976, has been actively responsible for development of Company's exports and product development for exports.

As per the provisions of Section 269 of the Companies Act, 1956 ("the Act"), read with Schedule XIII thereto, during a financial year, a company can pay remuneration to a single managerial person upto a limit of 5% of the profits of the Company calculated in the manner prescribed under Sections 349 and 350 of the Act and in case of loss or inadequacy of profits, remuneration can be paid as a 'minimum remuneration' upto a limit which is determined on the basis of 'effective capital' of the Company. This limit is Rs. 87,500/- per month in case of your Company. Payment of remuneration over and above these limits requires approval of the Central Government in addition to that of members in the General Meeting. The Company has made an application to the Central Government for its approval considering that the proposed remuneration payable to Mr. P.M. Chandrachud as a Wholtime Director (details of which are given below) is approximately Rs. 2,41,000/- per month and it is likely that the proposed remuneration for one or more years during his tenure of 5 years may exceed any of the limits as mentioned above.



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Major terms and conditions of the appointment of Mr. Chandrachud as Wholetime Director of the Company as per the draft agreement to be entered into with him and the Company, are as under :

I) Mr. P.M. Chandrachud will be looking after the operations of branch office of the Company in the USA, in addition to any other duties as may be entrusted to him by the Chairman/Vice Chairman/Board of Directors of the Company.

II) Period of Agreement : 5 years with effect from 1st April, 1998.

III) Mr. P.M. Chandrachud is entitled to a following remuneration in U.S. Dollars to be remitted to the USA :

A] Monthly Remuneration : U.S. Dollars

a) Salary	3,750
b) Medical Insurance for self and family	420
c) Car Lease Allowance	1,000
d) Car Insurance, Petrol, Maintenance	500
	<u>5,670</u>

B] One time 'Personal Belongings Relocation Allowance' upto U.S. Dollars 5,000

(As per the current exchange rate, one U.S. Dollar is equivalent to approximately Rupees 42.50.)

IV) Mr. P.M. Chandrachud shall not, during the continuance of the Agreement, without previous written consent of the Chairman/Vice Chairman/Board of Directors and the Central Government wherever necessary,

- a) become interested or otherwise concerned directly or indirectly in any agency of the Company.
- b) engage or interest himself directly or indirectly in similar or competing business.
- c) divulge or disclose any of the Company's secrets or confidential information.

V) Mr. Chandrachud, upon ceasing to be in the employment of the Company, shall

- a) not for a period of 3 years engage in similar or competing business.
- b) return any property of the Company in his possession or under his control.

VI) The Agreement may be terminated

- a) by either party giving to the other 90 days notice in writing, or
- b) in the event of Mr. Chandrachud being guilty of misconduct or gross negligence in the discharge of his duties.

Since Mr. Chandrachud is required to stay in the USA, the remuneration is payable to him in U.S. Dollars. The members are requested to approve the appointment of Mr. Chandrachud as a Wholetime Director and payment of remuneration to him as per the draft agreement to be entered into with him.

Mr. Chandrachud, himself being the appointee, is interested in the resolution. Mr. Chandrachud is the son of deceased daughter of late Smt. V.B. Garware, a Director of the Company who expired on 19th April, 1998. Further, late Smt. V.B. Garware was the mother of Mr. R.B. Garware, Chairman, and grandmother of Mr.V.R. Garware, Wholetime Director. No other director except Mr. P. M. Chandrachud, Mr. R. B. Garware and Mr. V. R. Garware is concerned or interested in this resolution.

A copy of the draft agreement, initialled by Mr. S.M. Kuveller, Vice-Chairman for the purpose of identification, to be entered into with Mr. P. M. Chandrachud is open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days except Sundays till the date of the Annual General Meeting.



GARWARE-WALL ROPES LIMITED

Items 9 & 10

Mr. R.M. Telang, Wholetime Director of the Company was re-appointed for a period of 5 years with effect from 1st July, 1994 as per the terms and conditions contained in the Agreement dated 21st May, 1994 and his appointment and remuneration was approved by the Company at the Annual General Meeting held on 6th July, 1994. Further, the remuneration payable to Mr. Telang, was increased as per the Supplementary Agreement dated 22nd March, 1996, which was also approved by the Company at the Annual General Meeting held on 27th September, 1996.

Mr. V.R. Garware was appointed a Wholetime Director of the Company for a period of 5 years with effect from 1st December, 1996, as per the terms and conditions contained in the Agreement dated 10th December, 1996 and his appointment and remuneration was approved by the Company at the Annual General Meeting held on 26th September, 1997.

The Board of Directors of the Company, at its meeting held on 25th November, 1997, revised the remuneration payable to Mr. R. M. Telang and Mr. V. R. Garware (hereinafter collectively referred to as "the Wholetime Directors"), as per the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956, subject to the Members' approval and such other approval(s) as may be required in this behalf. The Company has, accordingly, entered into separate Supplementary Agreements with the said Wholetime Directors on 6th December, 1997.

Abstract of the terms and conditions of the said Supplementary Agreements, which was circulated amongst members of the Company vide Company's communication dated 8th December, 1997, pursuant to Section 302 of the Companies Act, 1956, is reproduced hereunder :

I. Revised remuneration and perquisites payable to Mr. R.M. Telang with effect from 1st April, 1997 :

- a) Basic Salary of Rs. 26,500/- per month.

The annual increment(s) will be decided by the Board or its sub committee.

- b) House Rent Allowance :

The expenditure incurred by the Company on hiring an unfurnished accommodation will be paid subject to a ceiling of 60% of the salary, over and above 10% payable by the Wholetime Director. In case no accommodation is provided, House Rent Allowance of Rs. 3,200/- per month will be paid. The Board may increase the House Rent Allowance payable subject to a ceiling in this paragraph.

- c) Special Allowance of Rs. 4,300/- per month.

- d) Educational Allowance of Rs. 350/- per month.

- e) Medical Reimbursement :

Expenditure incurred on self and family, subject to a ceiling of one month's basic salary in a year or three months salary over a period of three years.

- f) Leave Travel Concession :

Leave Travel Concession benefit to the extent of Rs. 22,000/- per annum for himself and his family as per the rules specified by the Company.

II. Revised remuneration and perquisites payable to Mr. V.R. Garware on non-repatriation basis, with effect from 1st December, 1997 :

- a) Basic Salary of Rs. 36,000/- per month.

The annual increment(s) will be decided by the Board or its sub committee.