

# 24th Annual Report 2000-2001

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## **GARWARE-WALL ROPES LIMITED**

**RBG Group**



**GARWARE WALL ROPES LIMITED**

**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  
R. M. TELANG  
R. R. SARDESAI  
Wholetime Director (Technical)  
V. R. GARWARE  
Wholetime Director

**COMPANY SECRETARY**

S. B. MARULKAR

**REGISTERED OFFICE**

Plot No. 11,  
Block D-1,  
MIDC, Chinchwad,  
Pune - 411 019.  
*Tel. No. : 020-7473931/32*

**WORKS**

Plot No.11,  
Block D-1,  
MIDC, Chinchwad,  
Pune - 411 019.  
*Tel. No. : 020-7473931/32*

Plot No. C-1,  
MIDC, Wai-412 803,  
Dist. Satara,  
Maharashtra.  
*Tel. No. : 02167-65051/52*

**MUMBAI OFFICE**

Chowpatty Chambers,  
Sandhurst Bridge,  
Mumbai - 400 007.  
*Tel. No. : 022-3634696*

**GARWARE WALL ROPES LIMITED****FOREIGN BRANCH**

P.O. Box : 1833,  
432 South Main Street,  
Suite 202, Davidson, NC 28036  
U.S.A.

**BANKERS**

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

**AUDITORS**

Narkar & Associates  
Chartered Accountants

**ADVOCATES AND SOLICITORS**

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 : 020-6129597*

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## 24TH ANNUAL REPORT 2000-2001

### NOTICE

Notice is hereby given that the TWENTY- FOURTH ANNUAL GENERAL MEETING of the Company will be held on Saturday, 22<sup>nd</sup> September, 2001 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 31<sup>st</sup> March, 2001, 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, M/s. Narkar & Associates, Chartered Accountants as Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

6. To appoint Mr. R.R. Sardesai as a Director of the Company liable to retire by rotation.
7. 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 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and it is hereby accorded to the appointment of Mr. R.R. Sardesai as Wholetime Director (Technical) of the Company for a period of 5 years from 19<sup>th</sup> January, 2001, on the terms set out in the Agreement dated 19<sup>th</sup> January, 2001, entered into between the Company and Mr. R.R. Sardesai.”

By Order of the Board of Directors,

Mumbai  
25<sup>th</sup> May, 2001

**S. B. Marulkar**  
Company Secretary &  
General Manager - Commercial

### **Registered Office :**

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



**GARNWARE WALL ROPES LIMITED**

## 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 A 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. Members/Proxies should bring their Attendance Slips duly filled in for attending the meeting.
- 3) An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Items No. 6 & 7 of the notice is annexed hereto.
- 4) Members are requested to notify immediately any change in their addresses to the Company/ Transfer Agents, quoting folio number and giving complete address in block capitals with PIN code of the postal district. The Beneficial Owners of the dematerialised shares may inform the concerned Depository Participant of any change in their addresses.
- 5) The Register of Members and Share Transfer Books will remain closed from Tuesday, 4<sup>th</sup> September, 2001 to Saturday, 22<sup>nd</sup> September, 2001 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
- 6) 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 22<sup>nd</sup> September, 2001. In case of dematerialised shares, the dividend will be payable to the 'Beneficial Owners' of the shares of the Company as of the end-of-day of 3<sup>rd</sup> September, 2001, as per the data to be submitted by NSDL and CDSL.
- 7) The Company has already transferred unclaimed dividend declared upto the financial year ended 31<sup>st</sup> 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 for the aforesaid financial year may claim their dividend from the Office of the Registrar of companies, Pune, PMT Commercial Building, 3<sup>rd</sup> Floor, Deccan Gymkhana, Pune 411004.

As per the provisions of the Companies Act, 1956, dividends for the years 1994-95, 1995-96, 1996-97, 1997-98, 1998-99 and interim dividend paid for the year 1999-2000 which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund within the specified time period.



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### EXPLANATORY STATEMENT

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

#### Item 6

The Board of Directors of the Company, at its meeting held on 19<sup>th</sup> January, 2001 appointed Mr. R.R. Sardesai as an Additional Director of the Company under Article 120 of the Articles of Association of the Company and pursuant to the provisions of Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting. The Company has received notice in writing from a member, proposing Mr. R.R. Sardesai as candidate for the office of Director, liable to retire by rotation. The necessary deposit of Rs. 500 has also been made.

Mr. R.R. Sardesai, Associate Vice President (Technical), age 44 years, is a Bachelor of Technology in Chemical Engineering from Indian Institute of Technology (IIT), Powai, Mumbai and is also a member of the Institute of Cost & Works Accountants of India (ICWAI). Mr. R.R. Sardesai has been in the employment of the Company for more than 18 years.

Approval of shareholders is therefore sought for appointment of Mr. R.R. Sardesai as a Director liable to retire by rotation.

No Director other than Mr. R.R. Sardesai is concerned or interested in the appointment of Mr. R.R. Sardesai.

#### Item 7

The Board of Directors of the Company, at its meeting held on 19<sup>th</sup> January, 2001, appointed Mr. R.R. Sardesai, an Additional Director of the Company as a Wholetime Director (Technical) for a period of 5 years, with effect from 19<sup>th</sup> January, 2001. The Company accordingly entered into an agreement ("the Agreement") with Mr. R.R. Sardesai on 19<sup>th</sup> January, 2001. The appointment of Mr. R.R. Sardesai is as per the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956 and subject to approval of shareholders.

Mr. R.R. Sardesai, age 44 years, is a Bachelor of Technology in Chemical Engineering from Indian Institute of Technology (IIT), Powai, Mumbai and is also a member of the Institute of Cost & Works Accountants of India (ICWAI). Mr. R.R. Sardesai has been working with the Company since last 18 years and has worked in all the important departments of the Company viz. Production, Marketing, Technical Services, etc.

The important terms and conditions of the agreement dated 19<sup>th</sup> January, 2001 are as under:

- I. Mr. R.R. Sardesai will be mainly looking after Technical, Research & Development and Projects related activities of the Company and such additional duties as may be assigned by the Board from time to time.
- II. Period of Agreement: 5 years i.e. from 19<sup>th</sup> January, 2001 to 18<sup>th</sup> January, 2006.
- III. The remuneration and perquisites payable to Mr. R.R. Sardesai, with effect from 19<sup>th</sup> January, 2001 are as under :
  1. Salary : Basic Salary of Rs. 31,554/- per month.
  2. Perquisites :
    - a) Mr. R.R. Sardesai shall be entitled to various perquisites including House Rent Allowance, Duty Allowance, Soft Furnishing Allowance, Education Allowance, Medical Reimbursement, Leave Travel Allowance, Bonus and other allowances as per the rules of the Company, not exceeding Rs. 15,400/- per month.
    - b) Mr. R.R. Sardesai shall be entitled to the Company's contribution to Provident Fund, Family Pension Fund and Superannuation Fund upto the tax exempt limit, benefits of Gratuity as per the scheme for Senior Executives and earned leave and encashment of earned leave at the end of the tenure which shall not be included in computation of perquisites.



**GARWARE-WALL ROPES LIMITED**

- c) A car with a driver for the use of Company's business and a telephone at the residence of Mr. R.R. Sardesai will be provided, which will not be considered as perquisites. However, use of car for private purpose and personal long distance calls on telephone shall be billed by the Company to Mr. R.R. Sardesai.

The remuneration of Mr. R.R. Sardesai is governed by the provisions of Section I or II (as the case may be) of Part II of Schedule XIII to the Companies Act, 1956.

IV. Mr. R.R. Sardesai shall not, during the continuance of the Agreement without previous written consent of the Chairman/ Vice Chairman/ Board of Directors 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. R.R. Sardesai, 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 by giving to the other 180 days' notice in writing, or
- b) in the event of Mr. R.R. Sardesai being guilty of misconduct or gross negligence in the discharge of his duties.

Approval of shareholders is therefore sought to the appointment and payment of remuneration to Mr. R.R. Sardesai, as Wholetime Director (Technical) as detailed above.

No Director other than Mr. R.R. Sardesai is concerned or interested in the appointment of Mr. R.R. Sardesai as Wholetime Director.

Copy of the Agreement dated 19<sup>th</sup> January, 2001 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.

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By Order of the Board of Directors,

Mumbai  
25<sup>th</sup> May, 2001

**S. B. Marulkar**  
Company Secretary &  
General Manager - Commercial

**Registered Office :**

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



## 24TH ANNUAL REPORT 2000-2001

### DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001

#### TO THE MEMBERS,

Your Directors have pleasure in presenting the Twenty-fourth Annual Report and Audited Accounts of the Company for the year ended 31st March, 2001.

#### WORKING RESULTS :

	(Rupees in lacs)	
	2000-2001	1999-2000
Profit subject to Depreciation & Taxation	1,604.37	1,571.90
Less : Depreciation, net of transfer from Revaluation Reserve	663.89	694.12
Profit Before Tax	940.48	877.78
Less : Provision for Taxation	70.00	90.00
Profit After Tax	870.48	787.78
Add : i) Profit brought forward from the Previous Year	1,243.95	909.49
ii) Transfer from Debenture Redemption Reserve	—	41.50
Amount available for appropriation	2,114.43	1,738.77
<b>APPROPRIATIONS</b>		
Interim Dividend	—	391.73
Tax on Interim Dividend	—	43.09
Proposed Final Dividend	391.73	—
Tax on Proposed Final Dividend	39.96	—
General Reserve	71.00	60.00
	502.69	494.82
Balance in Profit & Loss Account	1,611.74	1,243.95
	2,114.43	1,738.77

#### 2000-2001 - THE YEAR IN RETROSPECT :

Despite the overall recessionary trend prevailing in the economy, your Board is happy to inform that the Company has maintained its growth. The domestic sales turnover showed an encouraging performance by registering growth of more than 12% from Rs.9,300.35 lacs for the previous year to Rs.10,453.95 lacs this year. The profit before tax has increased to Rs.940.48 lacs from Rs.877.78 lacs during the previous year.

Your Company has achieved an exports turnover of Rs.5,350.32 lacs as compared to Rs.4,801.62 lacs in the previous year, a growth of more than 11%. The realisation from exports has also improved on account of growth in sale of value added products. The Company is developing new markets in Japan, Thailand, Vietnam and certain South American countries, which is expected to boost exports in the years to come.

The Company converted its Trading Branch at UAE into a Liaison Office, considering the economies of scale, without losing its market share.

Your Directors are glad to inform you that during the year, your Company received Certificate of Export Excellence in Sports Goods Exports category from The Sports Goods Export Promotion Council, New Delhi.



## GARWARE-WALL ROPES LIMITED

Continuing the trend of the previous years, the Company's Net Foreign Exchange Earnings increased from Rs.2,913.10 lacs to Rs.3,376.96 lacs during the year under review.

Looking at the encouraging global market for netting, your Company has embarked on capacity expansion for netting at the Wai factory of the Company. Construction of a new building is in progress, to facilitate the expansion.

### AUDIT COMMITTEE :

In terms of new Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges, an Audit Committee of Directors has been formed consisting of Mr. S.M. Kuvelker, an independent Director as Chairman and Mr. R.B. Garware, Mr. M.A. Bakre and Mr. R.M. Telang as the other members. The Clause 49 on Corporate Governance is applicable to the Company during the year 2001-2002 and accordingly necessary steps are being taken by the Company to ensure complete compliance before 1<sup>st</sup> April, 2002.

### GARWARE ELASTOMERICS LIMITED :

Garware Elastomerics Limited (GEL), a company in which your Company has substantial stake, has shown encouraging performance in the year 2000-2001. GEL is in the process of widening its customer base in the USA and thereby strengthening its position in the US market. Also, GEL has started supplying to the newly developed markets in a few South Asian countries and Europe.

### DIVIDEND :

The Directors have recommended a dividend of 20% (Rs. 2/- per share) for the year 2000-2001. The proposed dividend will absorb Rs.391.73 lacs.

The Company had paid dividend of Rs. 2/- per share absorbing Rs. 391.73 lacs for the previous year.

### DIRECTORS :

Mr. R.R. Sardesai, who has been working with the Company for the last 18 years in important departments like Production, Marketing, Technical Services was appointed as an Additional Director as well as a Wholetime Director. Members' approval is now sought for appointment of Mr. R.R. Sardesai as a Director retiring by rotation as well as Wholetime Director - Technical for a period of five years from 19<sup>th</sup> January, 2001.

Pursuant to Article 133 of the Articles of Association of the Company, Mr. S.M. Kuvelker and Dr. V.B. Lele retire by rotation and being eligible, offer themselves for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm :

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. that they have selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2001 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2001;
3. that they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. that the annual accounts have been prepared on going concern basis.



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### **FIXED DEPOSITS :**

There are no claimed unpaid deposits.

### **INFORMATION PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 :**

Information in accordance with Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report is given at 'Annexure I'.

### **PERSONNEL :**

The relations with employees at all levels remained cordial throughout the year.

### **PARTICULARS OF EMPLOYEES :**

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is enclosed at 'Annexure II' and forms part of the Directors' Report.

### **ACKNOWLEDGMENT :**

The Directors place on record their appreciation of the wholehearted co-operation received by the Company during the year from the various departments of the Central and State Governments, Local Authorities, Maharashtra Industrial Development Corporation (MIDC), Company's Bankers and Financial Institutions, suppliers and distributors/dealers. The Directors also appreciate the sincere services of the officers and workers of the Company, at all levels.

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On behalf of the Board of Directors,

Mumbai,  
25<sup>th</sup> May, 2001

**R.B. GARWARE**  
Chairman