

# 27th Annual Report 2003-2004



## **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

V.R. GARWARE  
Wholtime Director

## **COMPANY SECRETARY**

A.S. WAGLE

## **REGISTERED OFFICE**

Plot No. 11,  
Block D-1,  
MIDC, Chinchwad,  
Pune 411 019.  
Tel. No. 020-27473931/32  
Website : [www.garwareropes.com](http://www.garwareropes.com)

## **WORKS**

Plot No. 11,  
Block D-1,  
MIDC, Chinchwad,  
Pune 411 019.  
Tel. No. 020-27473931/32

Plot No. C-1,  
MIDC, Wai-412803,  
Dist. Satara,  
Maharashtra.  
Tel. No. 02167-265051/52

Plot No. 75, 80, 81 and 86,  
Danudyog Industrial Estate,  
Silvassa 396 230

## **MUMBAI OFFICE**

Chowpatty Chambers,  
Sandhurst Bridge,  
Mumbai 400 007.  
Tel. No. 022-23634696

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

Narrows Reach Business Centre,  
Unit # 500,  
6102 North 9th Street,  
Tacoma, WA, 98406  
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.

**SHARE TRANSFER AGENT**

MCS Ltd.  
116/118, Akshay Complex,  
Off Dhole Patil Road,  
Near Ganesh Mandir,  
Pune 411 001.  
Tel. / Fax No. 020-26129597  
Email: [mcpune@vsnl.net](mailto:mcpune@vsnl.net)

Report



Junction



## 27TH ANNUAL REPORT 2003-2004

### NOTICE

Notice is hereby given that the TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held at Pimpri Chinchwad Corporation Auditorium, Opp. TELCO, Chinchwad, Pune - 411 033, on Tuesday, 22nd June, 2004 at 10.30 a.m. to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2004, together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2004.
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 of the Company and to fix their remuneration.

By Order of the Board of Directors,

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Mumbai  
14th May, 2004

**A.S. WAGLE**  
Company Secretary

#### Registered Office:

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

### 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 in order to be effective, must be deposited at the Registered Office not less than forty-eight hours before the time fixed for commencement of the Meeting.
- 3) Members and /or their Proxies should bring the Attendance Slips duly filled in for attending the meeting.
- 4) Members are requested to notify immediately the change of address, if any, to the Company's Share Transfer Agent, quoting folio number and giving complete address in block capitals along with PIN code of the postal district. The Beneficial Owners of the dematerialised shares may inform the concerned Depository Participant of the change of address.



## GARWARE-WALL ROPES LIMITED

- 5) The Register of Members and Share Transfer Books of the Company will remain closed from 17th June, 2004 to 22nd June, 2004 (both days inclusive) for the purpose of declaration of dividend.
- 6) The dividend, if declared, will be paid, subject to the provisions of the Companies Act, 1956, on or after 22nd June, 2004, in respect of shares held in physical form, to those Members whose names appear on the Register of Members as on 22nd June, 2004, and in respect of shares held in dematerialised form, to those "deemed members" whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 16th June, 2004.
- 7) **In respect of the members having their shareholding in the electronic form, the Company proposes to disburse dividend through direct deposit into the respective bank accounts, the particulars of which have been given by the members to their Depository Participant. In case members do not wish to receive the credit of dividend in the said account, kindly change the bank account accordingly.**
- 8) Members are encouraged to utilise the Electronic Clearing System (ECS) for receiving dividends. ECS mandate Form for the benefit of Members desiring to receive dividends through the ECS mode is attached separately.
- 9) With a view to provide protection against fraudulent encashment of dividend warrant, members are requested to provide the bank account numbers along with the names and addresses of the concerned banks to enable the Company to incorporate the said details in the dividend warrants.
- 10) 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 General Revenue Account of the Central Government) Rules, 1978. Those Members who have so far not claimed or collected their dividend declared for the aforesaid financial year or for any period prior to 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.
- 11) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial years ended 31st March, 1995 and 31st March, 1996 has been transferred to the "Investor Education and Protection Fund" under Section 205C of the Companies Act, 1956.

As per the relevant provisions under the Companies Act, 1956, dividends for the years 1996-97, 1997-98, 1998-99, 2000-2001, 2001-2002, 2002-2003 and interim dividend 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.

It may kindly be noted that once the unclaimed dividend is transferred to the "Investor Education and Protection Fund" as above, no claim against the said Fund or the Company shall lie in respect thereof.

- 12) Members are requested to intimate the Company, their permanent account number (PAN) or General Index Register (GIR) Number allotted to them by the Income Tax Department and the details of the Income Tax Ward/ Range.
- 13) Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 14) In terms of section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in Form 2B, in duplicate to the Secretarial Department at the Registered Office of the Company or the Share Transfer Agent.
- 15) Members who have multiple folios in identical names or on joint names in the same order are requested to send all the share certificate(s) to the Secretarial Department at the Registered Office of the Company or the Share Transfer Agent for the consolidation of all such shareholding into one folio to facilitate better services.



## 27TH ANNUAL REPORT 2003-2004

### **ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING**

At the forthcoming Annual General Meeting, Mr. S.M. Kuvelker, Vice Chairman and Dr. V.B. Lele, Director retire by rotation and being eligible, offer themselves for reappointment.

*The information and details relating to the aforesaid Directors to be provided pursuant to clause 49(VI) of the listing agreement, dealing with Corporate Governance is set out below:*

#### **Mr. S.M. Kuvelker**

Mr. S.M. Kuvelker, aged 69 years, is a Fellow Member of Institute of Chartered Accountants of India. He started his practice in 1962 and was Advisor to various companies. Mr. Kuvelker has been associated with Garware Group of companies since 1970. He was an Executive Director of Garware-Wall Ropes Limited (GWRL) from 1st October, 1977 till 31st March, 1983 and continued thereafter in the capacity of a Director. He is Vice Chairman of the Company since 17th September, 1986.

Mr. Kuvelker is one of the promoters of M/s Tulsiani Builders Private Limited, a company having diverse interest in the property development and manufacturing of synthetic yarn with manufacturing units in Gujarat and Dadra & Nagar Haveli.

Mr. Kuvelker is also a Director on the board of various Companies viz. Garware Capital Markets Limited, Garware Securities Broking Limited, Garware Elastomerics Limited (GEL), Garware Indus Consulting Limited, Garware Utzon (Cordage) Limited, InterMedia Interactive Solutions Limited, Bestretch Elastomers International Limited and Automobile Corporation of Goa Limited.

Mr. Kuvelker is Chairman of the Audit Committee of GWRL, GEL; a Member of Shareholders/Investors Grievance Committee of GWRL, and a Member of Audit Committee of Automobile Corporation of Goa Limited.

#### **Dr. V.B. Lele**

Dr. V.B. Lele, aged 58, is M.B.B.S. from University of Bombay. He is also a Member of Royal Australian College of General Practitioners, Designated Aviation Medical Officer and Designated Medical Officer - CAMS (Confederation of Australian Motor Sport).

Dr. Lele has been practicing since 1970 in Australia. He has hospital attachments and other attachments to the Medical Bodies and Government Organizations in Australia.

Dr. Lele has been associated with the Company since 25th May, 1993 in the capacity of a Director.



# GARWARE-WALL ROPES LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2004

### TO THE MEMBERS,

Your Directors have pleasure in presenting the Twenty-Seventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 2004.

### WORKING RESULTS:

	(Rupees in lacs)	
	2003-2004	2002-2003
Profit subject to Depreciation & Taxation	1,891.27	1,794.31
Less : Depreciation, net of transfer from Revaluation Reserve	754.71	712.81
Profit Before Tax	1,136.56	1,081.50
Less: Provision for Taxation		
Current Tax	75.00	70.00
Deferred Tax	85.00	175.00
Profit After Tax	976.56	836.50
Add: Profit brought forward from the Previous Year	2,276.56	2,010.18
Amount available for Appropriation	3,253.12	2,846.68
APPROPRIATIONS		
Proposed Dividend	430.91	430.91
Tax on Proposed Dividend	55.21	55.21
General Reserve	98.00	84.00
	584.12	570.12
Balance in Profit & Loss Account	2,669.00	2,276.56
	3,253.12	2,846.68

### 2003-2004 - THE YEAR UNDER REVIEW:

The current year was characterised by increased raw material prices essentially due to effect of international oil prices firming up. Your Company successfully faced this challenge and recorded a growth of 6% in turnover despite the unfavourable fishing industry scenario. The turnover grew from Rs. 17,759.11 lacs to Rs. 18,902.91 lacs.

The Company continues to have a dominant share in the domestic market and the turnover grew by 5%. The increased focus on Global market has resulted in a sustained growth of 10% over last year.

The Company earned a profit before tax of Rs. 1,136.56 lacs against a profit of Rs. 1,081.50 lacs last year. The adverse effect of raw material price increase has been neutralized by increase in the sale of value added products like fishnets, sports nets, fabricated nets.

The Company has, during the year, set-up a manufacturing facility at Silvassa with a view to augment production capacity, besides catering to customer requirement in the nearby areas.

### DIVIDEND:

Your Directors are pleased to recommend for your consideration payment of dividend at 22% (Rs. 2.20 per share) for the year 2003-2004. The total amount of dividend outgo (including Dividend tax) will be Rs. 486.12 Lacs.





## 27TH ANNUAL REPORT 2003-2004

### DIRECTORS :

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, they have followed the applicable accounting standards;
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 31st March, 2004 and of the profit of the Company for the year ended 31st March, 2004;
3. that they have taken proper and sufficient care for the 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 they have prepared the annual accounts on a going concern basis.

### FIXED DEPOSITS:

The Company did not accept any fixed deposits during the year under review. 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 continued to be 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.

### CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Management Discussion and Analysis, Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance is set out in Annexure forming part of this report.

### ACKNOWLEDGMENT:

The Directors take this opportunity to 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, suppliers and distributors/dealers. The Directors also appreciate the sincere services of the officers and workers of the Company, at all levels.

On behalf of the Board of Directors,

Mumbai,  
14th May, 2004

**R.B. GARWARE**  
Chairman





# GARWARE-WALL ROPES LIMITED

## ANNEXURE I TO DIRECTORS' REPORT

As per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2004

### A. CONSERVATION OF ENERGY

- i) The Company constantly takes effective steps to attain energy conservation.

The Company has taken following measures for energy conservation during the year:

Various energy saving devices were installed and other steps were taken in the nature of change in the system from electrical heating to steam heating, insulation of various installations.

- ii) The Company is not covered by Schedule of Industries which are required to furnish information in Form 'A'.

### B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per "Form 'B'" of the Annexure to the rules:

#### Research & Development :

1. Specific areas in which R & D activities are carried out by the Company:

The Company has a well-equipped R & D Laboratory recognised by The Department of Science and Technology, Government of India. The Company's R & D efforts are aimed at developing new products and improvement in production process.

2. Benefits derived/to be derived as a result of the R & D activities:

The Company has indigenously developed various new products during the year.

3. Future Plan of Action:

The Company plans to develop more new value added products.

4. Expenditure on R & D:

	(Rs. in Lacs)
a) Capital	67.78
b) Revenue	16.52
c) Deferred Revenue Expenditure (including Rs. 15.59 Lacs written off during the year)	69.83
d) Total	<u>154.13</u>
e) Total of R & D as a Percentage of total turnover	0.82 %

#### Technology Absorption, Adaptation and Innovation:

The Company does not employ any foreign technology which needs absorption or adaptation. The Company has developed various new applications in the field of soil and structural engineering.



## 27TH ANNUAL REPORT 2003-2004

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans

Your Company is the country's leading manufacturer exporter of Synthetic Cordage and Netting. The Company has earned net foreign exchange of Rs.4,029.82 lacs during the year. Your Company is a Government recognised 'Export House' and repeatedly receives Export Awards for its excellent performance.

2. Total Foreign Exchange earned and used :

(Rs. in Lacs)

#### A. Total Foreign Exchange earned :

Total value of exports	6,922.49
	<u>6,922.49</u>

#### B. Total Foreign Exchange used :

a) Import of raw materials, stores & spares, traded goods and capital goods	2,134.88
b) Expenditure in foreign currencies for business travel, subscription, consumable stores, commission on export sales, customs duty on capital assets, etc.	757.79
	<u>2,892.67</u>

On behalf of the Board of Directors,

Mumbai,  
14th May, 2004

**R.B. GARWARE**  
Chairman