

GARWARE-WALL ROPES LIMITED

32nd Annual Report 2008-2009



Success through
Customer Satisfaction



Established in the year 1976, Garware-Wall Ropes Ltd. (GWRL) is one of the largest manufacturers of synthetic cordage and netting in the world. An ISO 9001:2000 certified organisation, GWRL is renowned for its quality products. Its vast customer base spread across India and 55 countries world over is a testimony to brand loyalty.

GWRL products are designed with Quality, Reliability and Value to customer in mind to meet exacting global standards using state-of-the-art manufacturing facilities. Dedicated to offer its customer the best services, the year 2009-10 at GWRL is aimed at focusing organisational priorities towards just one goal : Customer Satisfaction.

A logo in the form of the 'Bulls Eye' was designed to depict this very aim. To achieve this objective, all the employees of the Company re-drew their customer satisfaction matrix on May 13, 2009 and came up with solutions that will enhance their daily activities, eventually leading to customer satisfaction.

The employees came up with slogans, captions and their application on a daily basis to make GWRL an organisation that truly understands customer needs and addresses it with precision in satisfying the end user.

GARWARE-WALL ROPES LIMITED**FOUNDER CHAIRMAN**

Late Shri B. D. GARWARE

BOARD OF THE DIRECTORS

R. B. GARWARE - Chairman & Managing Director
 S. M. KUVELKER - Vice Chairman
 Dr. V. B. LELE
 S. N. TALWAR (alternate to Dr. V. B. LELE)
 M. A. BAKRE (upto 24th May 2009)
 R. M. TELANG
 S. P. KULKARNI
 Ms. DIYA GARWARE IBANEZ
 V. R. GARWARE (Whole-time Director)

COMPANY SECRETARY

A. S. WAGLE

REGISTERED OFFICE

Plot No: 11, Block D-1, MIDC, Chinchwad,
 Pune - 411 019.
 Tel : +91-20-3078 0000
 Website : www.garwareropes.com

WORKS

Plot No. 11, Block D-1, MIDC, Chinchwad,
 Pune - 411 019.
 Tel : +91-20-3078 0000

Plot No. C-1 & B-226, MIDC, Wai - 412 803,
 Dist. Satara, Maharashtra.
 Tel : +91-2167-308 300 / 01

Plot No. 75, 80, 81 and 86,
 Danudyog Sahakari Sangh Ltd., Piparia, Amli - 396 230.
 Tel : +91-260-2640 867

MUMBAI OFFICE

Chowpatty Chambers, Sandhurst Bridge,
 Mumbai - 400 007.
 Tel : +91-22-2363 1388

39, S. K. Hafizuddin Marg, Byculla,
 Mumbai - 400 008.
 Tel : +91-22-2309 1164 / 65

FOREIGN BRANCH

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

BANKERS

Bank of India
 Bank of Baroda
 Bank of Maharashtra
 ABN AMRO Bank N.V.
 HDFC Bank Ltd.
 Industrial Development Bank of India Ltd.

AUDITORS

Patki & Soman,
 Chartered Accountants

SOLICITORS AND ADVOCATES

Talwar Thakore & Associates

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
 (formerly known as Intime Spectrum Registry Ltd.)
 202, 2nd Floor, Akshay Complex,
 Off Dhole Patil Road, Near Ganesh Mandir,
 Pune - 411 001.
 Tel : +91-20-2605 1629
 Telefax : +91-20-2605 3503

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Customer Speak



Vonin, Faeroe Islands

If I had looked out through the window before I put out the purse seine I would not have put it out, because the weather had become so bad. I said to the first mate now we will not have any purse seine. I expected it to be torn up, but against all odds not a single mesh in the purse seine was gone and we caught 1000 tonnes of Mackerel in this shot.

- Kristian Martin Rasmussen
Captain - Christian í Grótinum



Boat Owner Association, Kollam, Kerala, India

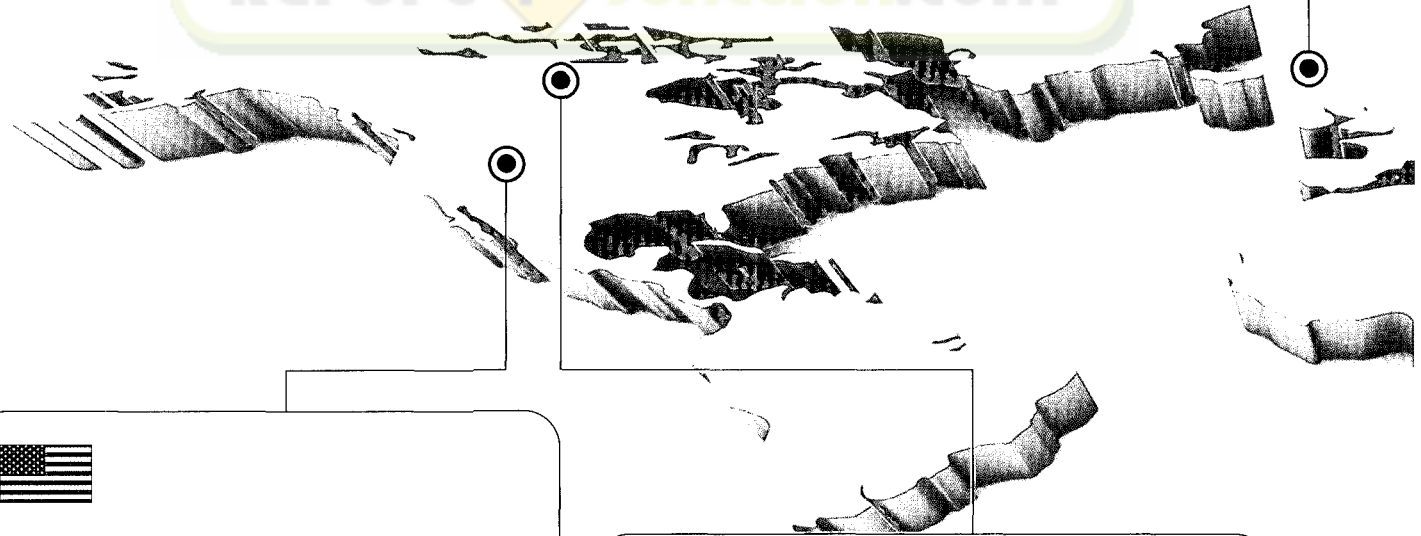
We always prefer to go for Garfil materials, be it Ropes, Nets or Twines as it is renowned for its quality. We find it confident to use when we venture the sea and as this material is easily available in the market too.

- Charlie Joseph
President & Boat Owner

Vesawa Machhimar VKS Society Ltd.

We have been associated with GWRL for more than 20 years and we have been using Garfil products like ropes, twines, nets. We are satisfied with the quality and service of the products.

- Narayan Devji Koli
Hon. Secretary



Awesome, your guys have built a hell of a net. The net comes back like a dream... The Turbo lead line works even better than I hoped, it doesn't have any drag... The new Plateena / PES bridles work fantastic... The crew LOVES it as it is so easy to handle and it is such a small pile on deck... I can't wait to try the new Plateena / PES purseline.

- John Barry
Owner, Pillar Bay Boat




Source Atlantic / CFM

The efforts taken by all in producing those long length coils and the sturdy wooden reels are appreciated. Great job; everything has been received and delivered in Newfoundland. Congratulations are in order for a job well done.

- John Alty
CFM Hydraulics / Rigging / Rubber

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**Murman Trawl, Murmansk, Russia**

We are satisfied with the cooperation we have with Garware-Wall Ropes Ltd. Especially, careful attention provided by the Net Assembly Shop (NAS) specialists when discussing the very tiny details of construction, required materials characteristic, methodology applied by NAS engineers as well as engineers of other concerned departments of GWRL. We are happy with the quality of assembly of fishing gears we receive from GWRL. 

- **Sergei Potapov**

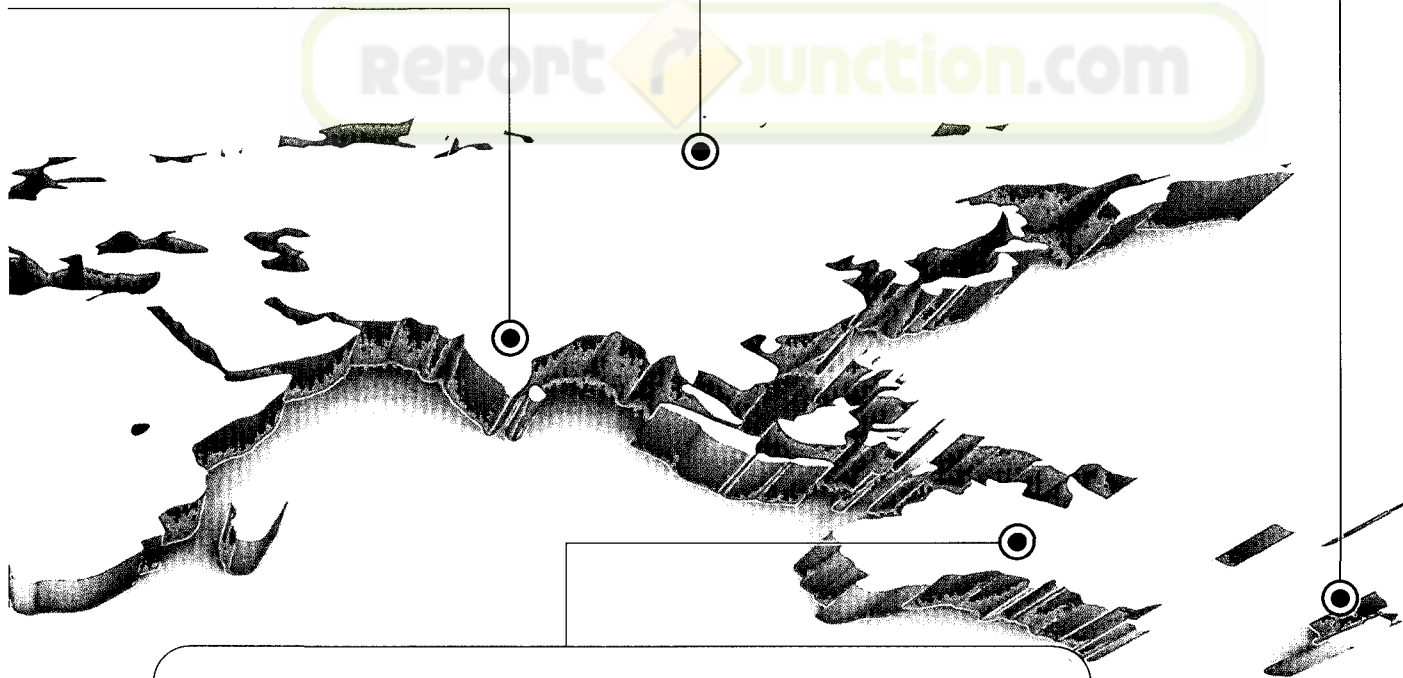
Production Chief - Netloft Murman Trawl


**Gourock, New Zealand**

The Trawl is going very well. We had some very big storms, going up the east coast. 35-40 knot winds, big swells. The Thomas Harrison (boat) was able to carry on towing into this weather, catching fish. Sealord did many tows and have really given the net a big workout, towing and turning putting a lot of pressure on the gear. The net has been catching a lot of fish. 

- **Bill Healy**

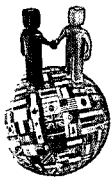
Manager, Operations - Sealord

**A Raptis & Sons Pty Ltd**

We at A Raptis & Sons have been purchasing shrimp trawls from GWRL for the last several years and are in the process of advancing purchase of pelagic fish trawls. The workmanship and quality of all equipment has been of the highest quality. 

- **Phillip Robson**

Fleet Master, Northern Fishing Fleet



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DIRECTORS' REPORT**FOR THE YEAR ENDED 31ST MARCH, 2009****TO THE MEMBERS,**

Your Directors have pleasure in presenting the Thirty Second Annual Report and Audited Accounts of the Company for the year ended 31st March, 2009.

(Rs. in Lacs)

WORKING RESULTS:

	2008-2009		2007-2008	
Profit subject to Depreciation & Taxation	3,115.92		3,959.40	
Less: Depreciation, net of transfer from Revaluation Reserve	1,230.17		1,101.92	
Profit Before Tax	1,885.75		2,857.48	
Less: Provision for Taxation				
Current Tax	203.50		323.55	
Deferred Tax	8.59		61.88	
Fringe Benefit Tax	51.50		50.11	
Wealth Tax	2.25	265.84	2.25	437.79
Profit After Tax	1,619.91		2,419.69	
Add: Profit brought forward from the Previous Year	7,065.86		5,523.19	
Amount available for Appropriation	8,685.77		7,942.88	
APPROPRIATIONS				
Proposed Dividend	592.71		542.81	
Tax on Proposed Dividend	100.73		92.25	
General Reserve	162.00	855.44	241.97	877.03
Balance in Profit & Loss Account		7,830.33		7,065.85
		8,685.77		7,942.88

2008-2009 - THE YEAR UNDER REVIEW:

The economic downturn in the domestic as well as in the international market had its impact on overall business of your Company and in particular on the demand side, beginning from October 2008. Hence, the Sales growth achieved in the first six months of the Financial Year could not maintained in the balance period of the Financial Year. On this backdrop, your Company had a total turnover of Rs.44,021.27 lacs for the year ended 31st March, 2009 as against Rs.40,017.59 lacs for the previous year, a reasonable increase of 10% over previous year. Domestic Sales were at Rs.28,580.68 lacs and Exports were at Rs. 15,164.32 lacs as against Rs. 26,106.48 lacs and Rs. 13,767.74 lacs respectively of the previous year.

The slump in demand along with the fluctuations in the raw material prices led to severe price reductions in the

market place and eroded margins. This together with wide and very volatile Foreign Currency Rates adversely affected the profitability of the Company reducing profits after tax to Rs.1,619.91 lacs as against Rs.2,419.69 lacs of the earlier year.

DIVIDEND:

Your Directors have recommended a dividend at 25% (Rs. 2.50 per share) for the year 2008-2009 for your consideration. The proposed dividend will absorb (including Dividend tax) an amount of Rs. 693.44 Lacs.

DIRECTORS:

Mr. M. A. Bakre, a senior member of Board of Directors of the Company expired on Sunday, 24th May, 2009. The Board places on record its appreciation of the valuable guidance and support provided by late Mr. M. A. Bakre during his tenure as a Director spreading over 25 years

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and as a Member of Audit Committee of the Board of Director for more than 8 years.

Pursuant to Article 133 of the Articles of Association of the Company, Mr. R. B. Garware and Mr. R. M. Telang 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 judgments and estimate 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, 2009 and of the profit of the Company for the year ended 31st March, 2009;
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 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.

SUBSIDIARY COMPANY

Garware Environmental Services Private Limited ("GESPL"), which became Wholly-Owned Subsidiary of your Company on 9th April 2008, ceased to be Subsidiary effective from 26th March, 2009.

GESPL had not undertaken any activity since its inception.

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:

Your Directors take this opportunity to express their thanks to the Customer, Dealers, Distributors, Suppliers, Bankers, Central and State Governments, Local Authorities and the Shareholders for their continuous cooperation and support to the Company.

Your Directors appreciate the sincere services of the employees at all levels.

Mumbai,
27th May, 2009

On behalf of the Board of Directors,
R.B. GARWARE
Chairman & Managing Director

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, 2009.

A. CONSERVATION OF ENERGY:

- i) The Company constantly takes effective steps to attain energy conservation.
Installation of various energy saving devices, use of energy efficient motors, change in the power distribution layout, replacement of street lights by energy saving light fixtures, fixing of timers, etc.



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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 recognized by The Department of Science and Technology, Government of India. Main thrust of R&D has been the development of new products both ropes and nettings with different / new applications.

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

New products helps the Company to tap new market/ customers. It also helps the Company to provide solutions meeting customers requirements.

3. Future Plan of Action:

The Company has invested resources in developing sophisticated next generation products.

4. Expenditure on R & D :	(Rs. in Lacs)
a) Capital	54.55
b) Revenue / Recurring	0.26
c) Product Development Expenditure	306.47
d) Total	<u>361.28</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.

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.9,711.08 lacs during the year. Your Company is a Government recognized 'Export House' and has received Export Awards for its excellent performance.

2. Total Foreign Exchange earned and used:	(Rs. in Lacs)
A. Total Foreign Exchange earned:	15,164.32
Total value of exports	<u>15,164.32</u>
B. Total Foreign Exchange used:	
a) Import of raw materials, stores & spares, traded goods and capital goods	5,602.29
b) Expenditure in foreign currencies for business travel,	
subscription, consumable stores, commission on	1,094.53
export sales, customs duty on capital assets, etc.	
	<u>6,696.82</u>

Mumbai,
27th May, 2009

On behalf of the Board of Directors,
R. B. GARWARE
Chairman & Managing Director

GARWARE-WALL ROPES LIMITED



ANNEXURE II TO DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975, as amended and forming part of the Directors' Report for the year ended 31st March, 2009.

Sr. No.	Name of the Employee	Remuneration Received Rs.	Designation	Qualification	Age in years	Experience in Years	Date of Commencement of Employment	Last Employment held, Name of Employer, Post held & Period
1.	Mr. R.B. Garware	54,06,996	Chairman & Managing Director	Educated in a Public School called Dulwich College, U.K., Graduated with Honors Degree in Moral Sciences & Law from Jesus College, Cambridge, Brief Course in French at Sorbonne in Paris.	68	45	01.11.2006	---
2.	Mr. V.R. Garware	62,48,075	Whole-time Director	Graduate Cum Laude in BSc Economics (Specialisation in Finance) from Wharton Business School of University of Pennsylvania, U.S.A.	37	13	07.12.1995	--
3.	Mr. P.M. Chandrachud	49,07,299	President (U.S.A. Br.)	B.E.	58	35	01.10.1998	--
4.	Mr. O'Neli David	50,57,932	Manager (U.S.A. Br.)	Graduated from St. Thomas Aquinas Secondary School (Glasgow, Scotland)	51	23	01.10.2001	Seattle Marine & Fishing Supply
5.	Mr. Einar Ask	30,39,041	Manager	B.A. (In English)	49	27	01.02.2005	Seattle Marine & Fishing Supply
6.	Mr. M.V. Subbarao	47,23,016	President	B.Tech., Madras, Post Graduate Diploma in Business Management from XLRI Jamshedpur	58	33	11.12.2002	Pidilite Industries Ltd., President-Business Planning
7.	Mr. M.P. Mone	32,56,552	President Geo Synthetics	B Tech (Mechanical) from IIT, Madras	55	30	01.07.1995	Sunflag (Thailand) Works Manager
8.	Mr. S.H. Bamne	26,88,576	Vice President - Corporate	B.Com , ICWA	47	24	16.08.1996	Fujitsu ICIM Ltd Controller- Factory Accounts
9.	Mr. P.S. Kamat	24,84,372	AVP - Operation	B.E, MMS, Diploma in Computer Science	52	28	06.06.2005	DGP Hinoday Industries Ltd. VP - Operations
10.	Mr. Harbinder Singh	60,73,680	Business Head- MSW	Bachelor of Laws (Hons) from Univ. of Manchester, UK MBA from University of Chicago, US	40	18	02.03.2008	Infrastructure & Utilities Malaysia, Project Manager

Notes :-

1. Remuneration received includes Salary, House Rent Allowance, Company's contribution to Provident Fund / Family Pension Fund, Superannuation, Gratuity Fund, Bonus, Medical benefits, LTA & Other perquisites.
2. Designation represents nature of duties.
3. Employment of all mentioned above is contractual.
4. None of the above Employees/ Directors is related to any of the Directors, except Mr. V.R. Garware, who is son of Mr. R.B. Garware, Chairman & Managing Director and brother of Ms. Diya Garware Ibanez, Director.

Mumbai,
27th May, 2009

On behalf of the Board of Directors,
R.B. GARWARE
Chairman & Managing Director



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ANNEXURE TO DIRECTORS' REPORT: CORPORATE GOVERNANCE REPORT

Your Company has already complied with the mandatory requirements on Corporate Governance of Clause 49 of the Listing Agreements. A detailed report is set out below.

I. MANDATORY REQUIREMENTS

1) PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors and the Management of the Company commit themselves to the following:-

- To achieve the first position in our field globally and strive to maintain the same.
- To adhere to the prudent corporate practices.
- To adhere to conservative financial management policy.

2) BOARD OF DIRECTORS

i. Composition: The Board of Directors of the Company as on 31st March, 2009 consisted of:

Sr. No.	Name of Director	Designation	Position
1	Mr. R. B. Garware	Chairman & Managing Director	Promoter - Executive
2	Mr. S. M. Kuvelker	Vice-Chairman	Independent - Non-Executive
3	Dr. V. B. Lele	Director	Independent - Non-Executive
4	Mr. S. N. Talwar	Alternate Director to Dr. V. B. Lele	Independent - Non-Executive
5	Mr. M. A. Bakre	Director	Independent - Non-Executive
6	Mr. R. M. Telang	Director	Non-Executive
7	Mr. S.P. Kulkarni	Director	Independent - Non-Executive
*8	Ms. Diya Garware Ibanez	Director	Promoter Non-Executive
9	Mr. V.R. Garware	Wholtime Director	Promoter Executive

* Ms. Diya Garware Ibanez was appointed as a Director of the Company at the Annual General Meeting held on 27th September, 2008.

ii. Attendance at the meetings of the Board of Directors and last Annual General Meeting and details of memberships of Directors in other Boards and Board Committees.

- Four meetings of the Board were held during the financial year on 22nd May, 2008, 12th July, 2008, 24th October, 2008, and 31st January, 2009.

Name of Director	No of Board Meetings attended	Sitting Fees paid (Rs.)	Whether attended last A.G.M.	Directorships in Companies other than GWRL and Membership of Committees and post held in committees as on 31st March, 2009			No of Equity Shares held as on 31st March, 2009
				Other Boards	Other Board committees		
					Chairman	Member	
Mr. R.B. Garware	4	N.A.	Yes	8	---	2	14,29,449
Mr. S.M. Kuvelker	4	80,000	Yes	11	3	---	29,358
Dr. V.B. Lele	---	---	Yes	---	---	---	---
Mr. S.N. Talwar	2	40,000	---	20	4	9	14,595
Mr. M.A. Bakre	4	80,000	Yes	2	2	1	---
Mr. R.M. Telang	4	80,000	Yes	2	---	---	200
Mr. S.P. Kulkarni	4	80,000	Yes	2	---	---	---
Ms. Diya Garware Ibanez	1	20,000	Yes	6	---	---	---
Mr. V.R. Garware	3	N.A.	Yes	6	---	---	3,505

Note 1: Excludes Foreign Companies, Private Limited Companies and Alternate Directorships.

Note 2: Only Remuneration Committee, Audit Committee and Shareholders/Investors Grievance Committee are reckoned for this purpose.