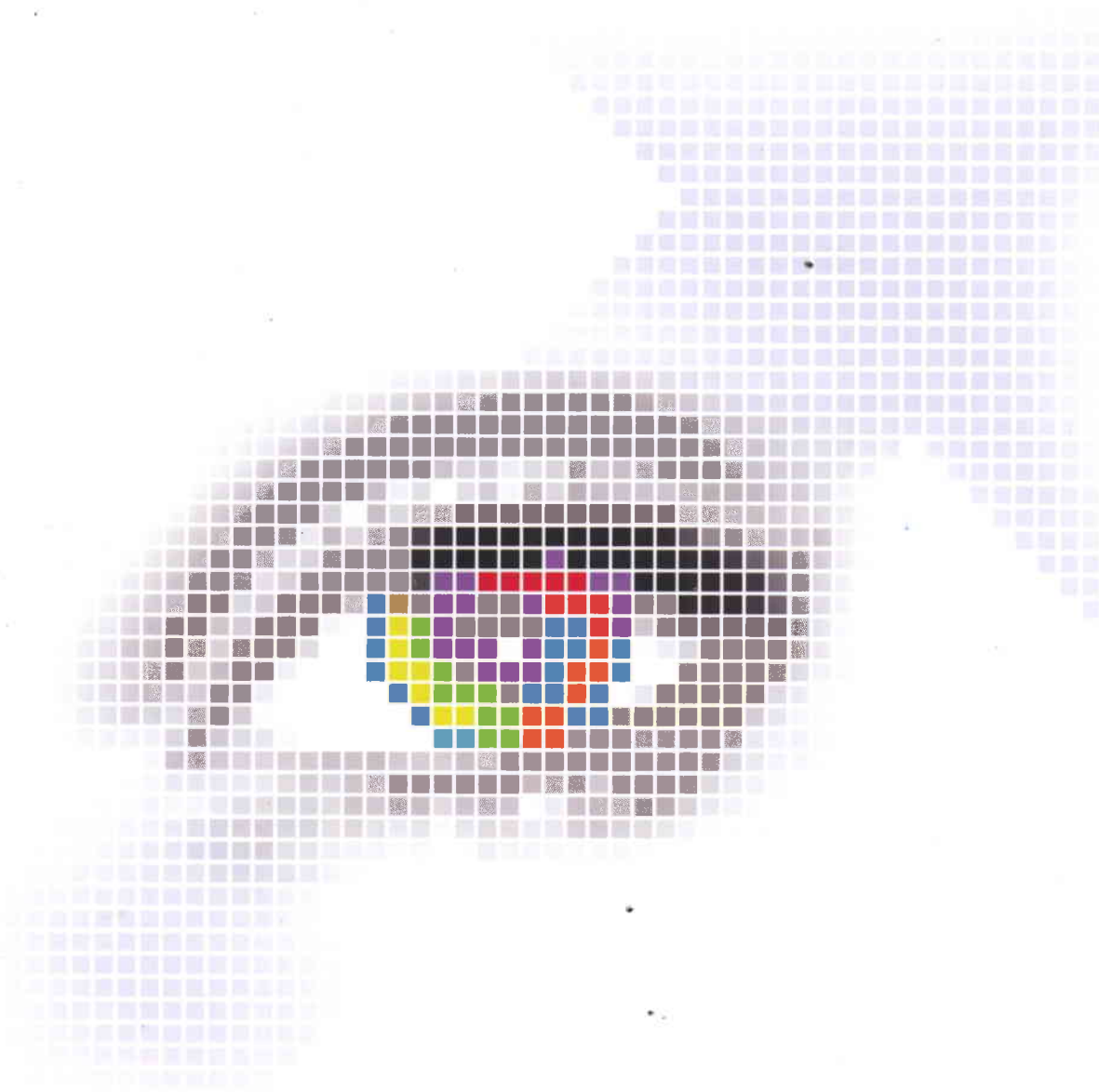


Fishing • Mooring • Aquaculture • Sports • Infrastructure • Geo-systems
Agriculture • Defence • Technical Textiles



Envisioning a promising future



GARWARE-WALL ROPES LIMITED

33rd Annual Report 2009-2010

33rd Annual General Meeting

Day & Date : 18th September, 2010

Time : 10.30 am

Venue : Auto Cluster Auditorium, Auto Cluster
Development and Research Institute Limited,
H-Block, Plot No. C-181,
Off Old Pune-Mumbai Highway, Chinchwad,
Pune - 411019.

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Corporate Information

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)
- Ms. Diya Garware Ibanez
- R. M. Telang
- S. P. Kulkarni
- V. R. Garware - Whole-time Director

Company Secretary

- A. S. Wagle

Bankers

- Bank of India
- Bank of Baroda
- Bank of Maharashtra
- Royal Bank of Scotland N.V.
- HDFC Bank Ltd.
- IDBI Ltd.

Auditors

- Patki & Soman,
Chartered Accountants

Solicitors and Advocates

- Talwar Thakore & Associates

Registered Office

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

Tel : +91-20-3078 0000

Fax : +91-20-3078 0141

Website : www.garwareropes.com

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 / 68

Foreign Branch

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

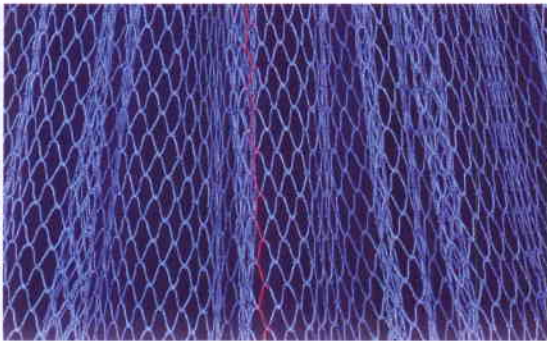


Solid Foundation...

Garware-Wall Ropes Ltd. is a world leader in the manufacture of Synthetic Cordage and Nettings. While providing a wide range of products for fishing and aquaculture industries, the Company has also spread its wings in sports, fibre, industrial products and projects business.

Garfil^{STR}
Strength Trust Relationship

A unique fishing net with strength and quality for unmatched performance.



sportiva

A preferred name in the international sports tournaments for its quality nets for Tennis, Soccer, Volleyball, Basketball, Badminton, Cricket, Hockey and Golf.



GARWARE
PLATEENA

Made from Dyneema®, world's strongest manmade fibre. A heavy-duty rope, 'Plateena' is the buzz word for fishing, mooring and towing applications.

...Promising Future

The Company is focusing on promising opportunities in agriculture, geo-systems, defence and technical textiles to reach new heights of success.

Agriculture

A wide range of nets for farming and agri business :
sericulture nets, floriculture nets, anti-bird nets,
raisin nets, anti-hail nets and shed nets.

Geo-systems

Geo-textile tubes, geo-textile bags
and geo-textile containers
fabricated from woven geo-textiles
for coastal protection.



Landfill Engineering

The best available technical option
for secured landfills of
municipal and industrial wastes.



DIRECTORS' REPORT**FOR THE YEAR ENDED 31ST MARCH, 2010****TO THE MEMBERS,**

Your Directors have pleasure in presenting the Thirty Third Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

(Rs. in Lacs)

WORKING RESULTS:

Profit subject to Depreciation & Taxation

Less: Depreciation, net of transfer from Revaluation Reserve

Profit Before Tax

Less: Provision for Taxation

Current Tax

Deferred Tax

Fringe Benefit Tax

Wealth Tax

Profit After Tax

Add: Profit brought forward from the previous year

Amount available for Appropriation

APPROPRIATIONS

Proposed Dividend

Tax on Proposed Dividend

General Reserve

Balance in Profit & Loss Account

**Year ended
2009-2010****Year ended
2008-2009****3,896.52**

3,115.92

1,292.42

1,230.17

2,604.10

1,885.75

523.33

203.50

138.73

8.59

-

51.50

4.00

2.25

666.06

265.84

1,938.04

1,619.91

7,830.33

7,065.86

9,768.37

8,685.77

592.71

592.71

100.73

100.73

194.00

162.00

887.44

855.44

8,880.93

7,830.33

9,768.37

8,685.77

2009-2010 - THE YEAR UNDER REVIEW:

During the year under the review, your Company has earned 38% higher profit before tax as compared to the previous year, which was a year of exceptional and difficult market scenario. Higher profit is attributable amongst others to well planned cost reduction measures, value additions through new products and addition of new customers globally.

The sluggish demand due to global recession and slower growth in domestic market continued in the initial part of the year and showed modest recovery in the latter part of the year. It was a year of mixed market response impacting the revenue for the year. Your Company's turnover for the year was Rs.451.70 crores as compared to Rs.444.19 crores of previous year, while export sales were at Rs 145.22.crores as against Rs.144.16 crores of previous year.

DIVIDEND:

Your Directors have recommended a dividend at 25% (Rs.2.50 per share) for the year 2009-2010 for your consideration. The proposed dividend will absorb (including Dividend tax) an amount of Rs.693.44 Lacs.

DIRECTORS:

Pursuant to Article 133 of the Articles of Association of the Company, Dr. V. B. Lele and Mr. S. P. Kulkarni 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:

I. 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, 2010 and of the profit of the Company for the year ended 31st March, 2010;
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.

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.

CORPORATE SOCIAL RESPONSIBILITY:

As a part of Social Responsibility, your Company has been supportive and is actively participating in various activities of social benefit & cause. The sphere of activities includes organizing health camps, blood donations camps, summer vacation camps, tree plantation drive etc. The Company also supports the schools and colleges by providing them educational equipments and its own manufactured sport nets.

ACKNOWLEDGMENT:

Your Directors gratefully acknowledge the support given by the Customers, Dealers, Distributors, Suppliers, Bankers, various departments of the Central and State Governments, Local Authorities and also the Shareholders of the Company.

Your Directors would further like to record their appreciation for the unstinted efforts put-in by all employees of the Company during the year.

On behalf of the Board of Directors,

Mumbai,
21st May, 2010

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, 2010.

A. CONSERVATION OF ENERGY:

- i) The Company constantly takes effective steps to attain energy conservation.
Installation of various energy saving devices, replacement of Thyristorised DC Drive by AC Drive, installation light energy savers, change in the power distribution layout, replacement of street lights by energy saving light fixtures, fixing of timers, etc.

- 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 help 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	182.02
b) Revenue/ Recurring	0.14
c) Product Development Expenditure	230.27
d) Total	<u>412.43</u>
e) Total of R&D as a Percentage of total turnover	0.91%

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 largest manufacturer and exporter of Synthetic Cordage and Netting. The Company has earned net foreign exchange of Rs.8,842.71 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:	
Total value of exports	15,235.02
	<u>15,235.02</u>
B. Total Foreign Exchange used:	
a) Import of raw materials, stores & spares, traded goods and capital goods	7,995.11
b) Expenditure in foreign currencies for business travel, subscription, professional fees, commission on export sales, and overseas branch expenses etc.	847.60
	<u>8,842.71</u>

Mumbai,
21st May, 2010

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

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, 2010.

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.	69	46	01.11.2006	—
2.	Mr. V. R. Garware	85,74,628	Whole-time Director	Graduate Cum Laude in BSc Economics (Specialisation in Finance) from Wharton Business School of University of Pennsylvania, U.S.A.	38	14	07.12.1995	—
3.	Mr. P. M. Chandrachud	54,09,746	President (U.S.A. Br.)	B.E.	59	36	01.10.1998	—
4.	Mr. O'Neil David	53,95,283	Manager (U.S.A. Br.)	Graduated from St. Thomas Aquinas Secondary School (Glasgow, Scotland)	52	24	01.10.2001	Seattle Marine & Fishing Supply
5.	Mr. Einar Ask #	21,32,026	Manager (U.S.A. Br.)	B.A. (English)	50	28	01.02.2005	Seattle Marine & Fishing Supply
6.	Mr. M. V. Subbarao	51,31,991	President	B.Tech., Madras, Post Graduate Diploma in Business Management from XLRI, Jamshedpur	59	30	11.12.2002	Pidilite Industries Ltd., President-Business Planning
7.	Mr. M. P. Mone	35,24,476	President Geo Synthetics	B Tech (Mechanical) from IIT, Chennai	56	31	01.07.1995	Sunflag (Thailand) Works Manager
8.	Mr. S. H. Bamne	27,96,412	VP -Corporate	B.Com, ICWA	48	25	16.08.1996	Fujitsu ICIM Ltd Controller- Factory Accounts
9.	Mr. P. S. Kamat	25,91,152	VP -Operation	B.E, MMS, Diploma in Computer Science	53	29	06.06.2005	DGP Hindoday Industries Ltd. VP - Operations
10.	Mr. S. V. Raut	24,65,714	VP- R & D	B.Text, DBM	57	35	12.07.1994	Nikko Industries, Nigeria (Tolaram Group)
11.	Mr. Harish Nandwani	24,72,379	VP -Human Resources	B.Com, M.B.A. (HR)	49	26	11.10.2008	Tata Autocom GY Batteries Pvt. Ltd. Head - Human Resources
12.	Col. R. N. Shukla (Retd.)	29,52,030	Manager -Aviation	B.Sc (First Year)	55	35	06.04.2007	Indian Army
13.	Mr. Harbinder Singh #	25,61,697	Business Head - MSW	Bachelor of Laws (Hons) from Univ. of Manchester, UK. MBA from University of Chicago, US	41	19	02.03.2008	Infrastructure & Utilities Malaysia, Project Manager
14.	Mr. Swapan Das #	19,27,325	AVP - Finance & Tender Cell	M.Com, CA & ICWA	51	23	01.07.2009	Essar Constructions (India) Ltd., General Manager-Finance
15.	Mr. Thirumalai Kulkarni #	2,33,931	AVP - Marketing, Sales and Designing (Geo)	BE (Construction Engg.) from Mumbai University and Post Graduate Diploma in Construction Mgmt.	40	17	26.02.2010	Maccaferri Asia, Kuala Lumpur, Regional General Manager

- Notes :-
1. Remuneration received includes Salary, House Rent Allowance, Company's contribution to Provident Fund / Family Pension Fund, Superannuation, Bonus, Medical benefits, LTA & Other perquisites.
 2. In addition to the above remuneration, employees are entitled to Gratuity in accordance with the Company's rules.
 3. Designation represents nature of duties.
 4. The nature of the employment in all cases is contractual.
 5. # Indicate that the employee was in service only for part of the year.
 6. None of the above Employees/Directors is related to any of the Directors, except Mr. R.B. Garware, Mr. V.R. Garware & Ms. Diya Garware Ibanez, who are related to each other.

Mumbai,
21st May, 2010

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

Management Discussion and Analysis

Industry Structure and Development

Marine fishing had traditionally been the main focus of cordage business of your Company. The share of non fishing and non marine applications is increasing steadily by focusing on application requirements. While dominant share of the local markets continues to be corner stone of Company's overall business, the global markets and newer applications are taking a larger share. Pursuit of innovative and cost effective solutions catering to the customer needs has resulted in a slew of new products made with a large range of fibers, netting technologies and processes. We have been able to enhance the value for our customers by fabricating complex and sophisticated products to help our customers become dominant players in their markets. New customers for existing and new applications and in new geographies has widened



customer base. The wide range of solutions for coastal protection, landfill management, railway applications and road construction has increased the business opportunity in infrastructure sector which is the focus area for growth of Indian Economy.

Demand of the fishing industry depends largely upon the world wide demand for fish whereas, the demand for the industrial and mooring ropes is dependent on the trade and industrial development of our country. The infrastructure business depends on the fiscal allocation and actual amount spent by the Central and State Governments and local bodies and the speed of change from traditional construction methodology to newer solutions.

The cost of raw materials used by your Company are based on