



**GARWARE MARINE INDUSTRIES LIMITED**

**THIRTY FIRST ANNUAL REPORT  
2008-09**

**GARWARE MARINE INDUSTRIES LIMITED**

Founder : Padma Bhushan late Dr. B. D. Garware - Founder of the Garware Group

<b>BOARD OF DIRECTORS</b>	ASHOK GARWARE (Chairman)	M.A. (Cantab)
	ADITYA GARWARE (Vice-chairman)	M.B.A. (U.S.A.)
	V. V. DESAI	B.Com., L.L.B., D.A.M.
	DR. B. M. SARAIYA	M.B.B.S.
	RAJIV KHANNA	B.Com., (Economics) (appointed as an additional Director w.e.f. 7/9/09 )
	C.V. RAMACHANDRAN	B.Com., L.L.B., F.C.S., D.T.M. DIP. A. ( Resigned w.e.f. 20/7/2009)
	S. V. ATRE (Executive Director)	B.Sc. ENGG., D.M.M.
<b>BANKERS</b>	IDBI BANK LTD.	
	THE SHAMRAO VITHAL CO-OP. BANK. LTD.	
<b>AUDITORS</b>	MESSRS. RAMAN S. SHAH & ASSOCIATES Chartered Accountants	
<b>SOLICITORS</b>	V. DESHPANDE & CO. Advocates & Solicitors	
<b>REGISTERED OFFICE</b>	302, Swapnabhoomi, A Wing, S. K. Bole Road, Dadar (W.), Mumbai - 400 028.	
<b>FACTORY</b>	E-9/10, M.I.D.C. Industrial Area, Ahmednagar - 414 001 (Maharashtra)	
<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b>	Bigshare Services Pvt. Ltd. E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai - 400 072.	

# GARWARE MARINE INDUSTRIES LIMITED

Thirty First Annual Report 2008-09

## NOTICE

NOTICE is hereby given that the Thirty first Annual General Meeting of the Members of Garware Marine Industries Limited will be held on Tuesday, 29<sup>th</sup> December, 2009 at 9.30 A.M. at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400 034 to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> June, 2009 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr.A.B.Garware, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors' and fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Rajiv Khanna who was appointed as an Additional Director of the Company and holds office till the date of the ensuing Annual General Meeting and in respect of whom the Company has received a Notice from a Shareholder under Section 257 of the Companies Act, 1956 proposing his candidature for the Office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

### Registered Office :

302, Swapnabhoomi, 'A' Wing,  
S.K.Bole Road, Dadar (W),  
MUMBAI – 400 028.

By Order of the Board

S.V.ATRE  
EXECUTIVE DIRECTOR

Date : 26<sup>th</sup> November, 2009.

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement for item No. 5 of accompanying notice pursuant to Section 173 of the Companies Act, 1956, is enclosed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> December, 2009 to 29<sup>th</sup> December, 2009 (both days inclusive).
4. Brief Profile of Directors to be appointed / re-appointed.

Name of Director	Mr. A.B.Garware	Mr.Rajiv Khanna
Date of Birth	15.10.1938	04.01.1972
Nationality	Indian	Indian
Date of Appointment on the Board	11.02.1982	07.09.2009
Qualifications	M.A. (Cantab)	B.Com. (Economics)
Expertise in Functional Area	Industrialist	Industrialist, manufacturer of technical textiles supplied to mass transport organisation. He has vast experience of 16 years in this field and is now spearheading the expansion of his company. Mr. Khanna is also actively involved in the field of financial investments.



No. of Shares held in the Company.	6,23,456 (10.81%)	NIL
List of Directorships held in other Companies	<ul style="list-style-type: none"><li>• Garware Offshore Services Limited</li><li>• Garware Offshore International Services Pte.Limited, Singapore</li><li>• Adsu Trading &amp; Investment Co, Pvt. Ltd.</li><li>• Asuad Trading &amp; Investment Co, Pvt. Ltd.</li><li>• Aybeegee Investment Co. Pvt. Ltd.</li><li>• Masu Trading &amp; Investment Co. Pvt. Ltd.</li><li>• Mauve Trading &amp; Investment Co. Pvt. Ltd.</li><li>• Universal Investment Services Pvt. Ltd.</li><li>• Veebeegee Investment Co. Pvt. Ltd.</li></ul>	NIL
Chairman/Member Committee of the Boards of other Companies in which he is a Director	ONE	N.A.

5. For the Convenience of Members, an Attendance Slip is annexed to the Proxy Form, Members are requested to fill in and affix their signatures at the space provided therein and hand over the Attendance Slip at the entrance of the place of the Meeting. Proxy / Representative of a Member should mark on the Attendance Slip as 'Proxy' or 'Representative' as the case may be. Members are also requested not to bring with them any person, who is not a Member / Proxyholder.
6. Members are requested to address all their future correspondence including change of address, Transfer of Shares and Dematerialisation etc., to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E), Mumbai – 400 072. Tel. No.28560652, Fax No.28525207.

**REQUEST TO THE MEMBERS :**

7. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least ten days in advance of the Annual General Meeting so as to enable the Company to keep the information ready. Only the information which could be furnished will be furnished to the Members.
8. Members are requested to bring their copy of Annual Report at the Meeting.

**Registered Office :**  
302, Swapnabhoomi, 'A' Wing,  
S.K.Bole Road, Dadar (W),  
MUMBAI – 400 028.

**By Order of the Board**

S.V.ATRE  
EXECUTIVE DIRECTOR

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.**

**ITEM NO.5**

Mr.Rajiv Khanna was appointed as an Additional Director on 7<sup>th</sup> September, 2009 and as per the provisions of Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office till date of the ensuing Annual General Meeting.

The Company has received Notice from a Shareholder proposing his candidature for the office of Director of the Company.

Accordingly, approval for the same is sought from the members for item No.5 of this Notice.

The Directors therefore recommend the Resolution for approval.

Except Mr. Rajiv Khanna, no other Director is interested or concerned in the Resolution.

**Registered Office :**  
302, Swapnabhoomi, 'A' Wing,  
S.K.Bole Road, Dadar (W),  
MUMBAI – 400 028.

**By Order of the Board**

S.V.ATRE  
EXECUTIVE DIRECTOR

Date : 26th November, 2009

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2009**

**TO  
THE MEMBERS**

	<u>Rs. in Lacs</u>	
	Year ended 30.06.09	Year ended 30.06.08
<b>1. FINANCIAL RESULTS :</b>		
Income from Operations / Other Income	1,377.95	1,199.48
Expenses	1,120.70	1,079.87
Profit before Interest, Depreciation & Tax	257.25	119.61
Interest & Finance Charges	46.42	45.80
Profit before Depreciation & Tax	210.83	73.81
Depreciation & Amortization	27.57	16.00
Provision for Tax (including Fringe Benefit Tax)	33.13	11.50
Net Profit for the year	150.13	46.31

**2. DIVIDEND :**

The Board of Directors is pleased to recommend Dividend @ 5% (previous year – 5%) subject to the approval of the Members at the ensuing Annual General Meeting out of the Current Profits of the company on 57,66,184 (Previous year 49,46,184) fully paid up Equity Shares of Rs.10/- each. The Cash Outflow on account of Dividend will be Rs.33.73 Lacs (previous year – Rs. 28.93 Lacs) inclusive of tax on Dividend.

**3. OPERATIONS :**

During the year under review, income from operations marginally increased to Rs.1,165 lacs from Rs.1,155 lacs for the previous year, as a result of better realizations.

As on 30<sup>th</sup> June, 2009, 10 employees left the organization.

**4. INSTALLATION OF NEW MACHINERY**

New Net making Machines were installed at the Ahmednagar Plant. All the Machines were commissioned and commercial production commenced in July, 2008. This has helped improve cost of production at the factory.

**5. FUTURE OUTLOOK:**

New Japanese Machines have been ordered. Production from these machines is expected to commence from March/April, 2010. Productivity will improve further.

**6. PREFERENTIAL ALLOTMENT AND PAID-UP SHARE CAPITAL**

Pursuant to the Shareholders' approval 8,20,000 Share Warrants allotted to Promoters and Non-Promoters were fully converted into Equity Shares. All 8,20,000 Equity Shares are listed on Bombay Stock Exchange Limited and the trading permission for the same has been obtained.

Consequently the paid-up Equity Share Capital now stands at Rs.5.77 crores.

**7. RESPONSIBILITY STATEMENT :**

The Directors confirm:

- a. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. That they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial year and of the profit of the Company for that period.



- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for detecting and preventing fraud and other irregularities.
- d. That they have prepared the Annual Accounts on a going concern basis.

**8. FIXED DEPOSITS :**

During the year under review, the Company has not accepted any deposit from public and shareholders.

**9. DIRECTORS :**

Mr.C.V.Ramachandran resigned w.e.f. 20<sup>th</sup> July, 2009.

Mr. Rajiv Khanna was appointed as Additional Director w.e.f. 7<sup>th</sup> September, 2009 and holds Office till the date of the ensuing Annual General Meeting. Notice from a Member proposing his candidature for the Office of the Director has been received. Members are requested to appoint him as Director of the Company.

Mr. A.B.Garware, Director, retires by rotation and being eligible, offers himself for re-election. The members are requested to re-elect him.

**10. AUDITORS & AUDITORS' REPORT :**

You are requested to appoint Auditors for the current year ending 30<sup>th</sup> June, 2010 and to fix their remuneration. With regard to Auditors' Report, the Notes to the Accounts are self explanatory.

**11. PERSONNEL :**

The relations with Employees continue to be cordial.

The Company did not have any Employee falling within the purview of Section 217(2A) of The Companies Act, 1956.

**12. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

The Management Discussion and Analysis Report and Corporate Governance Report along with the Auditors Statement of its compliance are given in a separate Annexure.

**13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

As required under Rule 2 of The Companies (Disclosure of particulars in the Report of Board of Directors), Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption, Foreign Exchange Outgo / Earnings, etc. are given in Form A & B in annexure 1 of the Report.

**14. ACKNOWLEDGEMENT :**

The Board wishes to record the dynamic role of Senior Executives of the Company.

The Board is grateful to the Company's Bankers viz. IDBI Bank Ltd. and The Shamrao Vithal Co-operative Bank Ltd. for their continued support and the role played by them.

**By Order of the Board**

**ASHOK B. GARWARE  
CHAIRMAN**

Place : Mumbai

Dated : 26<sup>th</sup> November, 2009

**ANNEXURE 1 TO DIRECTORS' REPORT**

**FORM - A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

		Year ended <b>30.06.2009</b>	Year ended 30.06.2008
<b>A. POWER AND FUEL CONSUMPTION</b>			
FISH KNITTED FABRICS / TWINE			
<b>Electricity</b>			
(a)	Purchased Units (in Kwh)	4,24,083	4,76,292
	Total Amount (Rs.)	20,85,431	24,82,091
	Rate Per Unit (Rs.) (Avg.)	4.92	5.21
(b)	Own Generation		
	I) Through Diesel Generator		
	Unit (in Kwh)	34,739	25,852
	Total Amount (Rs.)	11,66,723	8,31,538
	Cost per litre (Rs.) (Avg.)	33.61	32.16
<b>(B) CONSUMPTION PER UNIT (KG.) OF PRODUCTION</b>			
	Standard (If any)	<b>01.07.2008 to 30.06.2009</b>	01.07.2007 to 30.06.2008
FISH KNITTED FABRICS/TWINE			
	Electricity (Kwh)	1.28	1.43
	H.S.D. (Ltrs.)	0.10	0.08

**CONSERVATION OF ENERGY DURING THE PERIOD UNDER REVIEW :**

- a) Wherever possible energy conservation measures have been implemented. Further efforts to conserve and optimise the use of energy, improve operational methods and other means continue.
- b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : NIL
- c) Impact of measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods : Control of energy related costs will enable the Company to remain competitive.



## FORM - B

### FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY

#### RESEARCH AND DEVELOPMENT (R & D)

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

The Company has been carrying out applied research on an "on going basis" in processing / stretching of Nets, as a result of which the quality of the products has improved considerably.

2. **Benefits derived as a result of the above R & D :**

Improved acceptance of products in the Market throughout India.

3. **Further plan of action :**

The Company intends to pursue its policy of carrying out applied research on an "on going basis" and concentrate on areas where there is positive gain to the Company.

4. **Expenditure on R & D :**

Nominal amount was spent on R & D during the period.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts in brief made towards Technology Absorption, Adaptation and Innovation :**

Not applicable.

2. **Benefits derived as a result of the above efforts :**

Not applicable.

3. **Information regarding technology imported during the last 5 years reckoned from the beginning of the financial year :**

Not applicable.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total foreign exchange earned - NIL

Total foreign exchange used - NIL

On Behalf of the Board

Place : Mumbai  
Dated : 26th November, 2009

ASHOK B. GARWARE  
Chairman



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRIAL STRUCTURE & DEVELOPMENT :**

Your Company caters to Fishing Industry situated along the coastline of India. The Company manufactures Nylon Fishing Nets in various sizes. The Company is one of the few Net Makers in the organized sector and its products, sold under the "GARWARE" brand, is preferred by most fishermen.

New machines installed in the factory last year are working well. As a result, the Company has decided to install more machines in the factory. Commercial production of these machines should commence in March/April next year.

24 workmen left during the period 2008-09.

**OPPORTUNITIES & THREATS :**

With the installation of the new machines, the Company has been able to cater to a wider market, thereby improving price realization in sales.

The main threat that the Company faces is from the unorganized sector and the increasing presence of Chinese Fishing Nets at very competitive prices.

Further, the World Fish population has not grown over the year.

**OUTLOOK :**

We anticipate further improvement of productivity at the plant level with the addition of new machines.

**INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :**

Your Company has a defined Internal Control System for all the functions which is satisfactory.

**FINANCIAL & OPERATIONAL PERFORMANCE :**

- |      |   |   |          |
|------|---|---|----------|
| i)   | Operating profit ratio's of the Company | : | 10.48%   |
| ii)  | Current ratio of the Company            | : | 3.51 : 1 |
| iii) | The Company has a debt-equity ratio     | : | 0.24 : 1 |

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

Relations with the workers and the Staff are cordial.

The total strength of the employees of the Company stands at 152.

**FORWARD-LOOKING STATEMENTS.:**

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.



## REPORT ON CORPORATE GOVERNANCE

### 1. BOARD OF DIRECTORS :

The Board of the Directors comprises of Professionally Well-Qualified Individuals and consists of Six Members. Shri Ashok Garware is the Chairman, Shri Aditya Garware is the Vice Chairman and Shri S.V. Atre is the Executive Director of the Company. All other Directors are Independent and Non-Executive Directors.

Five Board Meetings were held during the year ended 30<sup>th</sup> June, 2009 on following dates :

30<sup>th</sup> July, 2008

24<sup>th</sup> October, 2008

17<sup>th</sup> November, 2008

30<sup>th</sup> January, 2009

28<sup>th</sup> April, 2009

Attendance of Directors at each Board Meetings and the AGM during the year under review.

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM	No. of other	
			Directorship	Committee Membership
Mr. Ashok Garware - Chairman	5	Yes	9	1
Mr. Aditya Garware - Vice Chairman	5	Yes	12	1
Dr. B.M. Saraiya	5	Yes	--	--
Mr. V.V. Desai	3	Yes	2	--
Mr. C.V. Ramachandran (resigned w.e.f. 20.07.09)	5	Yes	1	--
Mr. Rajiv Khanna (appointed w.e.f. 07.09.09)	N.A.	N.A.	--	--
Mr. S.V. Atre Executive Director	4	Yes	--	--

During the year under review, the Directors were paid sitting fees of Rs.2,000/- for the meeting held on 30.07.2008. Thereafter, w.e.f. 24.10.2008, Rs.4,000/- was paid for attending each meeting of the Board of Directors. The Sitting Fees payable to the Directors was increased to Rs.6000/- w.e.f. 20.10.2009 for attending each meeting of the Board of Directors. No Sitting fees are paid to any Directors for attending any meeting of Committee of Directors viz., Audit Committee and Share Transfer and Investor Grievance Committee.

**Details of the remuneration paid to Mr. S.V. Atre, Executive Director during the year under review.**

S.No.	Particulars	Amount (Rs.)
1.	Salary	6,61,516
2.	Leave Travel Allowance	30,000
3.	Medical Allowance	30,000
4.	Ex-gratia	72,000
	<b>Total</b>	<b>7,93,516</b>

**2. AUDIT COMMITTEE :**

The Audit Committee consists of 3 members viz. Mr. Aditya A. Garware, Mr. C.V. Ramachandran and Dr. B.M. Saraiya. All three committee members are Non-Executive Directors. Mr. C.V. Ramachandran acted as Chairman of the Committee. Consequent to resignation of Mr.C.V. Ramachandran, Mr.V.V.Desai has been appointed as Member of Audit Committee.

The Audit Committee's role includes the oversight of the Company's financial reporting process and disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment and removal of Auditors, fixation of Audit Fees, reviewing with management the annual financial statements before submission to the Board, reviewing the internal control system, etc.

The Company Secretary acts as Secretary of the Committee.

**DETAILS OF THE AUDIT COMMITTEE MEETING.**

Five Audit Committee meetings were held on 30.07.2008, 24.10.2008, 17.11.2008, 30.01.2009 & 28.04.2009.

Sr.No.	Name of the Director	Total No. of Meeting attended.
1.	Mr. C.V. Ramachandran, Chairman	Five
2.	Mr. A.A. Garware	Five
3.	Dr. B.M. Saraiya	Five

**3. SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE :**

During the year under review, Mr. Aditya A. Garware, Mr. C.V. Ramachandran and Dr. B.M. Saraiya were the members of the Share Transfer Committee. All three Committee members were Non-Executive Directors. Mr. C.V. Ramachandran acted as Chairman of the Committee. Consequent to resignation of Mr.C.V.Ramachandran, Mr.S.V.Atre was appointed as Member and Chairman of the Committee.

The Committee meets once a fortnight to approve, interalia, transfer / transmission of shares, issues of duplicate shares and consolidation of shares. The Committee also reviews the status of Investor grievances and the Company's redressal mechanism and recommends measures to improve the quality of services to Investor.

The Company Secretary acts as the Compliance Officer of the Company.

16 complaints were received during the year. All of them were resolved and there were no pending complaints at the end of the year.

**4. GENERAL BODY MEETINGS :**

The last Three Annual General Meetings (AGM) of the Company were held on 29<sup>th</sup> December, 2006, 31<sup>st</sup> December, 2007 and 29<sup>th</sup> December, 2008 at "Garware Sabhagriha", 5<sup>th</sup> Floor, F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai at 9:30 a.m. All resolutions including special business as set out in the Notice were passed by the Shareholders at the AGM.

No resolution was put through Postal Ballot during the period under review and no resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

**5. DISCLOSURE :**

There were no related Party Transactions, which had potential conflict with the interest of the Company at large.

**6. SHARE PRICE – HIGH AND LOW ON THE MUMBAI STOCK EXCHANGE FOR THE YEAR JULY, 2008 TO JUNE, 2009.**

MONTH	JULY'08	AUG'08	SEPT.'08	OCT'08	NOV'08	DEC'08	JAN'09	FEB'09	MAR'09	APR'09	MAY'09	JUN'09
HIGH	20.00	20.65	17.85	16.25	12.07	10.74	12.90	11.47	11.01	10.93	15.54	16.70
LOW	13.42	14.75	14.15	10.00	9.51	8.70	9.23	7.83	7.85	7.99	9.41	13.00

Source : [www.bseindia.com](http://www.bseindia.com)



## 7. GENERAL SHAREHOLDER INFORMATION :

31 <sup>st</sup> AGM : Date, Time and Venue	29 <sup>th</sup> December, 2009 at 9.30 a.m. at "Garware Sabhagriha", F.P.H. Building, 5 <sup>th</sup> Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai - 400 034.
<b>FINANCIAL CALENDAR</b>	
Financial Year	July, 2009 to June, 2010.
Unaudited Financial Results 1 <sup>st</sup> Quarter Ending 30 <sup>th</sup> September, 2009.	20 <sup>th</sup> October, 2009.
Unaudited Financial Results 2 <sup>nd</sup> Quarter Ending 31 <sup>st</sup> December, 2009.	January, 2010.
Unaudited Financial Results 3 <sup>rd</sup> Quarter Ending 31 <sup>st</sup> March, 2010.	April, 2010.
Unaudited Financial Results 4 <sup>th</sup> Quarter Ending 30 <sup>th</sup> June, 2010.	July, 2010
Annual General Meeting for the Year Ending 30 <sup>th</sup> June, 2010.	Before the end of December, 2010.
Date of Book Closure (Current)	22 <sup>nd</sup> December, 2009 to 29 <sup>th</sup> December, 2009 (both days inclusive)
Dividend Payment Date.(Previous)	5 <sup>th</sup> January, 2009.
Listing on Stock Exchange.	Bombay Stock Exchange Ltd.
Stock Code.	509563
Registrar and Transfer Agent for Physical and Electronic Connectivity.	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate Saki Vihar Road, Saki Naka, Andheri (East) Mumbai - 400 072. Tel : 022 - 28573108 022 - 40430200 Fax : 022 - 28475207 Email ID :bigshare@sify.com
Distribution of Shareholding and Shareholding Pattern	Please Refer Annexure "A".
Dematerialisation of Shares	As on 30 <sup>th</sup> September, 2009, 68.32% of total paid up Equity Capital has been Dematerialised.
ISIN No.	INE 925D01014.
The Quarterly Unaudited Financial Results were published in	English - Free Press Journal Marathi - Navshakti Website - www.garwaremarine.com
GDRS / ADRS	Not Applicable.
Address for Correspondence	Garware Marine Industries Ltd. 302, Swapnabhoomi, 'A' Wing, S.K.Bole Road, Dadar (W), MUMBAI - 400 028. Tel.No.22-2202 8398/2202 0745 Fax No.22-2283 4610 Email:garware.marine@gmail.com
Plant Location	E-9/10,MIDC Industrial Area Ahmednagar - 414 001 Maharashtra.

On Behalf of the Board

ASHOK B. GARWARE  
CHAIRMAN

Place : Mumbai  
Dated : 26<sup>th</sup> November, 2009.

**GARWARE MARINE INDUSTRIES LIMITED**

Thirty First Annual Report 2008-09

**ANNEXURE "A"**

**THE DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 30<sup>TH</sup> SEPTEMBER, 2009 IS AS FOLLOWS**

Share holding of Nominal Value of			Share Holder		Share Amount	
(Rs.)	(1)	(Rs.)	Number (2)	% to Total (3)	In Rs. (4)	% to Total Amount (5)
1	to	5,000	10,377	93.36	1,35,18,060.00	23.45
5,001	to	10,000	416	3.74	32,92,700.00	5.71
10,001	to	20,000	151	1.36	22,67,420.00	3.93
20,001	to	30,000	45	0.41	11,29,300.00	1.96
30,001	to	40,000	17	0.15	6,24,430.00	1.08
40,001	to	50,000	24	0.22	11,16,160.00	1.94
50,001	to	1,00,000	29	0.26	22,15,660.00	3.84
1,00,001	and	Above	56	0.50	3,34,98,110.00	58.09
<b>TOTAL</b>			<b>11,115</b>	<b>100.00</b>	<b>5,76,61,840.00</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 30<sup>TH</sup> SEPTEMBER, 2009 IS AS FOLLOWS :**

Sl. No.	Category	No. of Shares Held	% of Total Paid up Capital
A)	<b>Promoters Holding</b>		
	• Individuals/HUFs	9,53,728	16.54
	• Bodies Corporates (Holding Co./Subsidiaries & Affiliates)	9,97,896	17.31
	• Foreign Promoters/Bodies Corporates	--	--
	<b>Total - Promoter Holding</b>	<b>19,51,624</b>	<b>33.85</b>
B)	<b>Non-Promoters Holding</b>		
	1. Institutional Investors :		
	a. UTI/Mutual Fund	100	0.00
	b. Financial Institution/Banks	325	0.01
	c. State Government	--	--
	<b>Sub Total</b>	<b>425</b>	<b>0.01</b>
	2. Foreign Holding :		
	a. FII's	--	--
	b. NRIs	10,591	0.18
	<b>Sub Total</b>	<b>10,591</b>	<b>0.18</b>
	3. Other Bodies Corporates	4,23,697	7.35
	4. Indian Public	32,03,932	55.56
	5. Others-Trusts	1,75,915	3.05
	<b>Total - Non Promoter Holding</b>	<b>38,14,560</b>	<b>66.15</b>
	<b>Grand Total</b>	<b>57,66,184</b>	<b>100.00</b>



**Auditors' Certificate on Compliance with the conditions of Corporate Governance under  
Clause 49 of the Listing Agreement**

**To the Members of Garware Marine Industries Limited.**

We have examined the compliance of the conditions of Corporate Governance by Garware Marine Industries Ltd. (the Company) for the year ended 30<sup>th</sup> June, 2009 with the relevant Records and Documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor expression of opinion on the financial statement of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated Clause 49 of the Listing Agreement with the Stock Exchange has been complied with in all material respect by the Company.

**For RAMAN S. SHAH & ASSOCIATES**

Chartered Accountants

**Santosh A. Sankhe**

Partner

M.No.100976

Place : Mumbai

Date : 26th November, 2009

## **AUDITOR'S REPORT**

### **TO THE MEMBERS OF M/S. GARWARE MARINE INDUSTRIES LTD.**

1. We have audited the attached Balance Sheet of **M/S. GARWARE MARINE INDUSTRIES LIMITED** as at 30th JUNE, 2009 and also the Profit and Loss Account for the year ended on that date and Cash Flow statement annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :-
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and with the audited returns from the branches.
  - (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (e) On the basis of written representations received from the directors, as on 30th JUNE, 2009 and taken on record by the Board of Directors we report that none of the directors is disqualified, as on 30th JUNE, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, and subject to **(I) Note No.1(g) regarding non-provision of gratuity liability, (II) Note No.9 regarding to non-provision for diminution in the value of shares and amount recoverable from GARWARE NYLONS LTD.**, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th JUNE, 2009 and
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

**For RAMAN S. SHAH & ASSOCIATES**  
Chartered Accountants

**SANTOSH A. SANKHE**  
Partner  
M.No.100976

PLACE : Mumbai  
DATE : 26th November, 2009



## ANNEXURE TO AUDITOR'S REPORT

### REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

- 1 a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.  
b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.  
c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.  
b. In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3 a. We are informed that the Company has taken unsecured loans, from companies, listed in the register maintained under Section 301 of the Companies Act, 1956 on terms and conditions which are not prejudicial to the interest of the Company.  
b. The Company has not granted any loan, secured or unsecured to companies, firms; other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- 5 a. In our opinion and according to the information and explanations given to us the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, have been so entered.  
b. According to the information and explanations given to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regards to prevailing market prices at the relevant time in the opinion of the management.
- 6 The Company has not accepted any deposits from the public. Hence the requirements of clause (vi) of paragraph 4 of the Order is not applicable to the Company.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central government has not prescribed maintenance of the cost records under section 209(1)(d) of the Companies Act, 1956 in the year under review for any of the products of the Company.
- 9 According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess which are outstanding as at for a period of more than six months from the date they became payable.
- 10 The Company has accumulated losses of Rs. 83.52 lakhs and has not incurred any cash losses during the year covered by our audit or in the immediately preceding financial year.



## **GARWARE MARINE INDUSTRIES LIMITED**

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- 11 In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions or bank or debentureholder .
- 12 In our opinion and according to the information & explanation given to us ,no loan and advances have been granted by the Company on the basis of security by way of pledge of shares , debentures and other securities.
- 13 In our opinion,the Company is not a Chit fund, Nidhi or mutual benefit Society. Hence, the requirements of clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
- 14 The Company is not dealing or trading in shares, securities, debentures and other investments. Hence the requirements of clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
- 15 According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from the Banks.
- 16 In our opinion and according to the information and explanations given to us, the company has not taken any term loans during the year from banks and therefore, the provisions of clause 4(xvi) of the Order are not applicable to the company.
- 17 According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.
- 18 The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- 20 The Company has not raised any money by way of public issues during the year,except conversion of warrants into equity shares referred to in Note 12 to Schedule K to the financial statements.
- 21 In our opinion & according to the information and explanations given to us, a fraud on or by the Company has not been noticed or reported during the year.

**For RAMAN S. SHAH & ASSOCIATES**  
Chartered Accountants

**SANTOSH A. SANKHE**  
Partner  
M.No.100976

PLACE : Mumbai  
DATE : 26th November, 2009



## BALANCE SHEET AS AT 30TH JUNE, 2009

Particulars	Schedule	Rupees	As at 30.06.2009 Rupees	As at 30.06.2008 Rupees
<b><u>SOURCES OF FUNDS</u></b>				
SHAREHOLDERS' FUNDS				
Share Capital	A	5,73,73,090		5,59,44,340
Reserves & Surplus	B	4,04,75,096		2,95,62,596
			9,78,48,186	8,55,06,936
LOAN FUNDS				
Secured	C	2,26,49,736		3,76,83,282
Unsecured	D	9,52,702		26,31,691
			2,36,02,438	4,03,14,973
<b>TOTAL</b>			<b>12,14,50,624</b>	<b>12,58,21,909</b>
<b><u>APPLICATION OF FUNDS</u></b>				
FIXED ASSETS				
Gross Block	E	12,18,37,328		10,63,56,858
Less : Depreciation		8,45,73,685		8,34,53,304
Net Block		3,72,63,643		2,29,03,554
Capital Work-in-Progress		0		1,60,90,474
			3,72,63,643	3,89,94,028
INVESTMENTS	F		90,51,773	90,51,773
NET CURRENT ASSETS				
Current Assets, Loans & Advances	G	9,68,81,460		8,64,05,679
Less : Current Liabilities & Provisions	H	3,09,90,170		2,95,12,877
			6,58,91,290	5,68,92,802
DEFERRED TAX ASSETS			8,91,920	8,91,920
PROFIT & LOSS ACCOUNT BALANCE			83,51,998	1,99,91,386
<b>TOTAL</b>			<b>12,14,50,624</b>	<b>12,58,21,909</b>
NOTES FORMING PART OF THE ACCOUNTS	K			

As per our Report of even date

**For Raman S. Shah & Associates**  
Chartered Accountants

**Dr. B. M. Saraiya**  
Director

**S. V. Atre**  
Executive Director

**Santosh A. Sankhe**  
Partner

Mumbai, 26th November, 2009.

M. No. 100976

Mumbai, 26th November, 2009

**GARWARE MARINE INDUSTRIES LIMITED**

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2009**

Particulars	Schedule	Rupees	Year Ended	Year Ended
			30.06.2009 Rupees	30.06.2008 Rupees
<b>INCOME</b>				
INCOME FROM OPERATIONS			<b>11,65,40,224</b>	11,55,17,061
OTHER INCOME	I		<b>2,12,54,506</b>	44,30,797
<b>TOTAL</b>			<b>13,77,94,730</b>	<b>11,99,47,858</b>
<b>EXPENDITURE</b>				
MANUFACTURING AND OTHER EXPENSES	J		<b>11,20,69,748</b>	10,79,87,482
INTEREST & FINANCE CHARGES				
Interest on fixed loans		<b>41,23,758</b>		38,88,453
Other Interest & Finance charges		<b>5,18,671</b>		6,91,619
			<b>46,42,429</b>	<b>45,80,072</b>
OPERATING PROFIT/(LOSS)			<b>11,67,12,177</b>	11,25,67,554
DEPRECIATION AND AMORTISATION			<b>27,56,690</b>	15,99,556
PROFIT / (LOSS) BEFORE TAX FOR THE YEAR			<b>1,83,25,863</b>	57,80,748
LESS : PROVISION FOR TAXATION				
CURRENT TAX		<b>32,68,000</b>		11,00,000
FRINGE BEBENEFIT TAX		<b>45,257</b>		49,780
			<b>33,13,257</b>	<b>11,49,780</b>
PROFIT / (LOSS) AFTER TAX			<b>1,50,12,606</b>	46,30,968
ADD / LESS : PROFIT / (LOSS) BROUGHT FORWARD FROM LAST YEAR			<b>(1,99,91,386)</b>	(2,17,28,960)
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>			<b>(49,78,780)</b>	<b>(1,70,97,992)</b>
<b>APPROPRIATIONS</b>				
PROPOSED DIVIDEND			<b>28,83,092</b>	24,73,092
TAX ON DIVIDEND			<b>4,90,126</b>	4,20,302
BALANCE IN PROFIT AND LOSS ACCOUNT			<b>(83,51,998)</b>	(1,99,91,386)
<b>TOTAL</b>			<b>(49,78,780)</b>	<b>(1,70,97,992)</b>
EARNING PER SHARE (REFER NOTE NO. 15)				
Basic Earning per share			<b>2.92</b>	0.94
Diluted Earning per share			<b>2.87</b>	0.94

As per our Report of even date

For Raman S. Shah & Associates  
Chartered AccountantsDr. B. M. Saraiya  
DirectorS. V. Atre  
Executive DirectorSantosh A. Sankhe  
Partner

Mumbai, 26th November, 2009

M. No. 100976

Mumbai, 26th November, 2009



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE,2009

	As at 30.06.2009 Rupees	As at 30.06.2008 Rupees
<b>SCHEDULE A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
99,00,000 Equity Shares of Rs.10/- each	9,90,00,000	9,90,00,000
10,000 11% Cumulative Redeemable Preference Shares of Rs.100/- each, Redeemable at par on the expiry of 15 years from the date of allotment but at the option of the Company at any time after 12 years from the date of allotment by giving 3 months previous notice.	<u>10,00,000</u>	<u>10,00,000</u>
<b>TOTAL</b>	<u><b>10,00,00,000</b></u>	<u><b>10,00,00,000</b></u>
<b>Issued, Subscribed and Paid-up</b>		
56,73,684 (Previous year 49,46,184) Equity Shares of Rs.10/- each fully paid (Of the above 3,20,000 Equity Shares of Rs.10/- each were issued as fully paid Bonus Shares by capitalisation of General Reserve)	5,67,36,840	4,94,61,840
Share Warrants	<u>6,36,250</u>	<u>64,82,500</u>
<b>TOTAL</b>	<u><b>5,73,73,090</b></u>	<u><b>5,59,44,340</b></u>
<b>SCHEDULE B</b>		
<b>RESERVES AND SURPLUS</b>		
1. CAPITAL REDEMPTION RESERVE	5,00,000	5,00,000
2. GENERAL RESERVE	77,29,644	77,29,644
3. SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	2,08,07,872	2,08,07,872
Add : On account of fresh issue	<u>1,09,12,500</u>	<u>0</u>
	<u>3,17,20,372</u>	<u>2,08,07,872</u>
4. CAPITAL RESERVE	<u>5,25,080</u>	<u>5,25,080</u>
<b>TOTAL</b>	<u><b>4,04,75,096</b></u>	<u><b>2,95,62,596</b></u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE,2009**

	<b>As at 30.06.2009 Rupees</b>	<b>As at 30.06.2008 Rupees</b>
<b><u>SCHEDULE C</u></b>		
<b>SECURED LOANS</b>		
<b>SHORT TERM LOANS :</b>		
From Bank		
Working Capital Term Loan from IDBI Bank Ltd.	<b>1,22,60,490</b>	1,51,67,521
Working Capital Term Loan from The Shamrao Vithal Co.op. Bank Ltd.	<b>1,03,89,246</b>	1,27,92,577
Term Loan from IDBI Bank Ltd.	<b>0</b>	97,23,184
<b>TOTAL</b>	<b><u>2,26,49,736</u></b>	<b><u>3,76,83,282</u></b>
<b><u>SCHEDULE D</u></b>		
<b>UNSECURED LOANS</b>		
Inter Corporate Deposit	<b>9,52,702</b>	26,31,691
<b>TOTAL</b>	<b><u>9,52,702</u></b>	<b><u>26,31,691</u></b>

# SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 2009

## SCHEDULE E

### FIXED ASSETS



Description of Assets	GROSS BLOCK (AT COST / BOOK VALUE)				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.07.2008 Rupees	Additions Rupees	Deductions Rupees	As on 30.06.2009 Rupees	As at 01.07.2008 Rupees	During the Period	On Sale of Assets	As on 30.06.2009 Rupees	As at 30.06.2009 Rupees	As on 30.06.2008 Rupees
1. LAND (LEASEHOLD)	5,68,191	0	0	5,68,191	1,65,780	5,966	0	1,71,746	3,96,445	4,02,411
2. BUILDING	1,01,41,524	0	0	1,01,41,524	50,32,221	1,81,596	0	52,13,817	49,27,707	51,09,303
3. PLANT & MACHINERY	9,24,97,348	1,72,02,900	17,22,430	10,79,77,818	7,56,59,515	24,94,438	16,36,309	7,65,17,644	3,14,60,174	1,68,37,833
4. FURNITURE & FIXTURES	11,83,553	0	0	11,83,553	10,17,456	31,300	0	10,48,756	1,34,797	1,66,097
5. OFFICE EQUIPMENT	6,34,690	0	0	6,34,690	5,96,392	464	0	5,96,856	37,834	38,298
6. VEHICLES	8,43,643	0	0	8,43,643	5,17,501	42,926	0	5,60,427	2,83,216	3,26,142
7. COMPUTERS	4,87,909	0	0	4,87,909	4,64,438	0	0	4,64,438	23,471	23,471
<b>TOTAL</b>	<b>10,63,56,858</b>	<b>1,72,02,900</b>	<b>17,22,430</b>	<b>12,18,37,328</b>	<b>8,34,53,304</b>	<b>27,56,690</b>	<b>16,36,309</b>	<b>8,45,73,685</b>	<b>3,72,63,643</b>	<b>2,29,03,554</b>
(+) CAPITAL W.I.P. (Machine under Installation)	1,60,90,475	0	1,60,90,475	0	0	0	0	0	0	1,60,90,475
<b>GRAND TOTAL</b>	<b>12,24,47,333</b>	<b>1,72,02,900</b>	<b>1,78,12,905</b>	<b>12,18,37,328</b>	<b>8,34,53,304</b>	<b>27,56,690</b>	<b>16,36,309</b>	<b>8,45,73,685</b>	<b>3,72,63,643</b>	<b>3,89,94,029</b>
PREVIOUS YEAR	11,03,26,858	1,63,20,475	42,00,000	12,24,47,333	8,58,43,748	15,99,556	39,90,000	8,34,53,304	3,89,94,029	

See Note No.1 of Accounting Policy.

**GARWARE MARINE INDUSTRIES LIMITED**

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**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE,2009**

	Rupees	As at 30.06.2009 Rupees	As at 30.06.2008 Rupees
<b>SCHEDULE F</b>			
<b>INVESTMENTS (AT COST)</b>			
<b>SHARES :</b>			
<b>Quoted</b>			
14,87,561 (Previous year 14,87,561) equity Shares of face value of Rs.10/- each fully paid of Garware Offshore Services Ltd. (Market Value Rs. 22,06,79,674/-) (Previous Year Rs. 22,07,54,052/-)		<b>81,92,791</b>	81,92,791
<b>Unquoted</b>			
42,550 (Previous Year 42,550) Equity Shares of Rs.10/- each fully paid of Garware Nylon Ltd.		<b>3,96,981</b>	3,96,981
3,000 Equity Shares of Rs.100/- each of Garware Goa Nets Ltd. (Formerly known as Sainet Limited)		<b>4,17,000</b>	4,17,000
2,000 Equity Shares of Rs.10/- each of Kapole Co-operative Bank Limited		<b>20,000</b>	20,000
2,500 Equity Shares of Rs.10/- each of The Shamrao Vithal Co-operative Bank Ltd.		<b>25,000</b>	25,000
<b>TOTAL</b>		<b>90,51,773</b>	<b>90,51,773</b>

**SCHEDULE G**

**CURRENT ASSETS, LOANS & ADVANCES**

**A. Current Assets**

(a) Inventories (At cost as taken valued and certified by a Director)			
Raw Materials (At Cost)	0		6,81,870
Work in Process (At Cost)	97,88,530		1,20,56,915
Stores, Spares, Packing Material & Fuel. (At Cost)	77,85,996		79,40,935
* Finished Goods	1,52,14,936		1,55,32,487
* (At cost or realisable value whichever is lower as certified by a Director)		<b>3,27,89,462</b>	<b>3,62,12,207</b>
(b) Sundry Debtors (Unsecured, Considered Good)			
Debts outstanding for more than six months	1,95,87,788		1,40,43,297
Other Debts	3,00,99,322		2,61,22,534
		<b>4,96,87,110</b>	<b>4,01,65,831</b>
(c) Cash & Bank Balances			
Cash on Hand		2,09,084	2,18,395
Bank Balances with Schedule Banks			
In Current Account	14,51,312		7,99,953
Deposit with Banks	8,22,415		2,22,415
		<b>22,73,727</b>	<b>10,22,368</b>

**B. Loans And Advances**

(Unsecured, Considered Good)			
Advance Tax Paid & Tax Deducted at Source	73,45,792		40,23,594
Advances Recoverable in Cash or in kind	14,07,400		14,07,400
Deposit with other	25,08,898		26,95,898
Balance with Excise Authorities	6,59,986		6,59,986
		<b>1,19,22,076</b>	<b>87,86,878</b>
<b>TOTAL</b>		<b>9,68,81,460</b>	<b>8,64,05,679</b>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE, 2009**

	Rupees	As at 30.06.2009 Rupees	As at 30.06.2008 Rupees
<b>SCHEDULE H</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Overdrawn Book Balances in Current A/C of Banks	12,16,548		34,22,437
Sundry Creditors	93,37,990		76,10,914
Unclaimed Dividend	8,53,396		5,93,412
Other Liabilities	<u>1,06,54,561</u>		<u>1,27,02,940</u>
		<b>2,20,62,495</b>	<b>2,43,29,703</b>
<b>B. PROVISIONS</b>			
Proposed Dividend	28,83,092		24,73,092
Tax on Dividend	4,90,126		4,20,302
F.B.T. Payable	56,457		59,780
Provision for Taxation	<u>54,98,000</u>		<u>22,30,000</u>
		<b>89,27,675</b>	<b>51,83,174</b>
<b>TOTAL</b>		<b><u>3,09,90,170</u></b>	<b><u>2,95,12,877</u></b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE, 2009**

	Year Ended 30.06.2009 Rupees	Year Ended 30.06.2008 Rupees
<b>SCHEDULE I</b>		
<b>OTHER INCOME</b>		
Interest (Gross)	2,17,924	65,074
Dividend on Investments (Gross)	46,18,940	600
Profit on Sale of Investments	0	6,06,200
Profit on Sale of Asset	7,13,879	2,15,000
Miscellaneous Income	1,44,75,757	35,43,923
Credit Balance w/off	<u>12,28,006</u>	<u>0</u>
<b>TOTAL</b>	<b><u>2,12,54,506</u></b>	<b><u>44,30,797</u></b>



**GARWARE MARINE INDUSTRIES LIMITED**

Thirty First Annual Report 2008-09

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE, 2009**

	Year Ended 30.06.2009 Rupees	Year Ended 30.06.2008 Rupees
<b>SCHEDULE J</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
<b>Consumption of Materials and Other Charges</b>		
Raw Materials Consumed		
Opening Stock	6,81,870	6,81,870
Add : Purchases	<u>5,76,77,488</u>	<u>5,52,59,012</u>
	5,83,59,358	5,59,40,882
Less : Closing Stock	<u>0</u>	<u>6,81,870</u>
Material Consumed	5,83,59,358	5,52,59,012
Trading Materials	1,58,24,819	1,53,63,730
Stores, Spares and Packing Materials Consumed	9,77,923	13,46,999
Power, Fuel And Water Charges	<u>35,32,849</u>	<u>35,17,192</u>
	45,10,772	48,64,191
<b>Employees' Remuneration And Benefits</b>		
Salaries, Wages And Bonus	2,10,04,614	1,73,06,123
Contribution to Provident Fund and Other Funds	13,39,598	12,71,377
Staff Welfare	<u>7,03,310</u>	<u>6,24,541</u>
	2,30,47,522	1,92,02,041
<b>Administrative, Selling And General Expenses</b>		
Advertisement	44,302	23,570
Rent	3,35,875	1,62,000
Insurance	1,71,036	4,94,276
Freight	24,34,867	22,78,428
Repairs and Maintenance	2,60,019	2,86,492
Fees, Rates And Taxes	29,861	51,211
Legal & Professional Charges	7,06,366	3,55,437
Travelling And Conveyance	1,95,357	1,47,475
Auditor's Remuneration	1,20,000	1,10,000
Deferred Legal Expenditure Written Off	0	74,837
Other Expenses	<u>34,43,658</u>	<u>34,26,137</u>
	77,41,341	74,09,863
<b>Add : (Accretion to) / Depletion Of Stock of Finished Goods and Work in Process</b>		
Opening Stock	2,75,89,402	3,34,78,047
Less : Closing Stock	<u>2,50,03,466</u>	<u>2,75,89,402</u>
	25,85,936	58,88,645
<b>TOTAL</b>	<u><u>11,20,69,748</u></u>	<u><u>10,79,87,482</u></u>



## SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2009

### SCHEDULE K

#### 1. Significant Accounting Policies

##### A. System of Accounting :

The Company generally follows the accrual basis of accounting both as to Income and Expenditure except those with significant uncertainties. Financial Statements are based on Historical cost.

##### B. Depreciation :

- (i) On original cost of all fixed assets installed upto 30.09.1987 on straight line method at rates prescribed U/S 205(2) (B) of the Companies Act, 1956 read with the circular No.1/86 (No.1.1.86CLV) dated 21.05.1986 of the Department of Company affairs.
- (ii) On all Fixed assets installed after 30.09.1987 on straight line method at rates prescribed in schedule XIV of Companies Act, 1956.
- (iii) On Leasehold land on amortisation basis.

##### C. Fixed Assets :

All Fixed Assets are stated at cost less Depreciation.

##### D. Inventories :

Items of Inventories are valued on the basis given below :

Raw Materials....	At cost
Work - in - Process .....	At cost
Stores, Spare, Packing Material & Fuel .....	At cost
Finished Goods .....	At cost or Realisable value whichever lower

##### E. Investment :

Investments are stated at cost of acquisition. No provision for diminuation of permanent nature has been made on long term Investments.

##### F. Foreign Exchange Transactions :

Transactions are accounted on exchange rate prevailing on the date of Accounting of Transaction.

##### G. Staff Benefits :

The Company has it's own Gratuity Fund for the Employees to cover gratuity liability contribution and is also accounted in the year of payment. Leave encashment is also accounted on actual payment basis.

### Notes to Accounts :

#### 2. Contingent Liabilities in respect of :

Guarantees given by Bankers Rs. 0.36 Lacs. (Previous Year Rs. 0.36 Lacs)

## GARWARE MARINE INDUSTRIES LIMITED

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### 3. Auditors Remuneration :

Particulars	Year Ended 30.06.2009	Year Ended 30.06.2008
(a) Audit Fees	100,000	90,000
(b) Tax Audit Fees	20,000	20,000

### 4. Remuneration Paid/ Provided to Wholetime Directors :

Particulars	Year Ended 30.06.2009 (In Rs. Lacs)	Year Ended 30.06.2008 (In Rs. Lacs)
(a) Salaries & Allowances	7.94	4.57
<b>Total</b>	<b>7.94</b>	<b>4.57</b>

### 5. (a) Capacity and Production

Particulars	Unit	Licenced Capacity @		Installed Capacity		Actual Production	
		Year Ended 30.06.2009	Year Ended 30.06.2008	Year Ended 30.06.2009	Year Ended 30.06.2008	Year Ended 30.06.2009	Year Ended 30.06.2008
(i) Fish Knitted Fabrics	M.T.	<b>C.O.B. Licence for 256.000 Applied for</b>	C.O.B. Licence for 256.000 Applied for	256.000	256.000	331.053	333.633

@ The Company has also applied for COB Licence for Nylon - Twine with capacity of 220 M.T. Although the installed capacity has been indicated as above most of the machines being common for different constructions and mesh sizes of Fish Knitted Fabrics manufactured by the Company, the installed capacity thus may vary from time to time.

The figures of installed capacity are as certified by a Director and accepted by the Auditors.

### (b) Stocks of Finished Goods :

Particulars	Year Ended 30.06.2009				Year Ended 30.06.2008			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees
(i) Fish Knitted Fabrics	58.303	1,39,34,424	55.861	1,36,85,884	68.022	1,52,77,517	58.303	1,39,34,424
(ii) Expanded PVC Floats	0.252	69,011	0.000	0	0.252	69,011	0.252	69,011
(iii) Nylon Mono filament	9.156	15,29,052	9.156	15,29,052	9.156	15,29,052	9.156	15,29,052
(iv) Nylon Twine	0.000	0	0.000	0	0.057	11,970	0.000	0
<b>Total</b>		<b>1,55,32,487</b>		<b>1,52,14,936</b>		<b>1,68,87,550</b>		<b>1,55,32,487</b>



**Transactions of Goods Traded during the year**

Particulars	Year Ended 30.06.2009							
	Opening Stock		Purchases		Sales		Closing Stock	
	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees
Nylon Yarn	0	0	89.239	1,58,24,819	89.239	1,59,65,347	0	0

**(c) Sales**

Particulars		Year Ended 30.06.2009		Year Ended 30.06.2008	
		Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees
(i)	Fish Knitted Fabrics	329.495	8,30,43,689	343.352	8,05,53,723
(ii)	Income from other Operations		1,75,31,188		1,94,03,967
	<b>Total</b>		<b>10,05,74,877</b>		<b>9,99,57,690</b>

**(d) Raw Material Consumed**

Particulars		Year Ended 30.06.2009		Year Ended 30.06.2008	
		Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees
(i)	Nylon Yarn	314.652	5,83,59,358	311.568	5,52,59,012
			5,83,59,358		5,52,59,012

**(e) Value of imported and indigenous raw material, stores & spares consumed and percentage of each to the total consumption :**

Particulars		Year Ended 30.06.2009		Year Ended 30.06.2008	
		Value Rupees	Percentage to Total	Value Rupees	Percentage to Total
(i)	Raw Materials				
	Imported	-	-	-	-
	Indigenous	5,83,59,358	100%	5,52,59,012	100%
	<b>Total</b>	<b>5,83,59,358</b>	<b>100%</b>	<b>5,52,59,012</b>	<b>100%</b>
(ii)	Stores & Spares ( * )				
	Imported	-	-	-	-
	Indigenous	6,84,480	100%	11,56,545	100%
	<b>Total</b>	<b>6,84,480</b>	<b>100%</b>	<b>11,56,545</b>	<b>100%</b>

( \* ) Excludes packing material Rs. 2,93,443/- (Previous Year Rs. 1,90,455/-)

**6. Taxes on Income:-**

Provision for deferred tax assets and deferred tax liability are not provided as per AS-22 as the Company has unabsorbed losses.

**7. In the opinion of the Board, current assets, loans and advances have a value of at least equal to the amounts shown in the Balance Sheet, if realized in the ordinary course of business. The provision for all the known liabilities**

## GARWARE MARINE INDUSTRIES LIMITED

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is adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities other than those stated in Note No.2.

8. Reconciliation of Sundry Debtors & Sundry Creditors has been completed in part and the same has been reflected in the Accounts.
9. Garware Nylons Limited has gone into liquidation and Bombay High Court has appointed Official Liquidator on 18th December, 1998. No provision for diminution in the value of investment of 42,550 equity shares and an amount of Rs 10,97,791/- recoverable from them is made in the accounts.
10. The Company has no information as to whether any of its suppliers constitute Small Scale Undertaking and therefore, the amount due to such suppliers has not been identified.
11. The Company has certified that the Company does not have any related party as per the requirement of accounting standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India.
12. The amount received on account of conversion of warrants into equity shares allotted by way of Preferential allotment including premium (Rs. 123.41 lacs ) was utilised for the purpose of acquiring new machines.
13. As per the information available with the Company, there are no Micro and Medium Enterprises, as defined in the Micro small, Medium Enterprise Development Act 2006 to whom the Company owes on account of principal amount together with the interest and according no additional disclosures have been made.
14. **Segment Reporting**

Particulars	Year Ended 30.06.2009 Rupees
Revenue by Industry Segement	
Manufacturing	9,90,09,036
Repairs / Contracts	1,75,31,188
Total	11,65,40,224
Less : Inter-Segment Revenue	0
	11,65,40,224
Segment Profit / (Loss) before Tax and Interest	
Manufacturing	1,35,30,935
Repairs / Contracts	1,21,94,047
	2,57,24,982
Less : Interest	46,42,429
Depreciation	27,56,690
Profit before Tax	1,83,25,863

### Principal Segments

The Company's operations mainly relate to manufacture of Nylon Fishing Nets and providing ship repair services. Accordingly, revenues segmental information set out above.

### Segmental Capital Employed

Fixed Assets and Liabilities pertain to fishnet division of the Company. Accordingly, no disclosure relating to total segment assets and liabilities have been made.



15. Earning Per Share :

Particulars		30.06.2009	30.06.2008
A	<b>Basic Earning Per Share :</b>		
	<b><u>Earning for Computing Earning Per Share :</u></b>		
	Profit before Taxation	1,83,25,863	57,80,748
	(Less) : Provision for Taxation	33,13,257	11,49,780
	<b>(A)</b>	<b>1,50,12,606</b>	46,30,968
	<b><u>Weighted Average No. of Equity Share Capital :</u></b>		
	Equity Share At The Beginning Of The Year	49,46,184	49,46,184
	(+) Fresh Issue During The Year	1,97,637	0
	(-) Redeemed/ Forefeited During The Year	0	0
	<b>(B)</b>	<b>51,43,821</b>	49,46,184
	<b>(A / B)</b>	<b>2.92</b>	0.94
B	<b>Diluted Earning Per Share :</b>		
	<b><u>Diluted Earning for Computing Diluted Earning Per Share :</u></b>		
	Profit before Taxation	1,83,25,863	57,80,748
	(Less) : Provision for Taxation	33,13,257	11,49,780
	<b>(A)</b>	<b>1,50,12,606</b>	46,30,968
	<b><u>Weighted Average No. of Equity Share Capital :</u></b>		
	Equity Share At The Beginning Of The Year	49,46,184	49,46,184
	(+) Fresh Issue During The Year (In weighted Average for time)	1,97,637	0
	(+) Potential No. of Shares to be issued on conversion	92,500	0
	<b>(B)</b>	<b>52,36,321</b>	49,46,184
	<b>(A / B)</b>	<b>2.87</b>	0.94

**Note :**

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the Year.

Signatures to Schedules A to K

As per our Report of even date

**For Raman S. Shah & Associates**  
Chartered Accountants

**Dr. B. M. Saraiya**  
Director

**S. V. Atre**  
Executive Director

**Santosh A. Sankhe**  
Partner

M. No. 100976

Mumbai, 26th November, 2009

Mumbai, 26th November, 2009

# GARWARE MARINE INDUSTRIES LIMITED

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2009

PARTICULARS	Year Ended 30.06.2009 (Rupees)		Year Ended 30.06.2008 (Rupees)	
<b>A. Cash Flow arising from Operating Activities :</b>				
Net profit before tax and extraordinary items		1,83,25,863		57,80,748
Add / (Less) back :				
a) Depreciation charges (Net)	27,56,690		15,99,556	
b) Interest charges	46,42,429		45,80,072	
c) Deferred Revenue Expenditure written off.	0		74,837	
d) Profit on sale of Asset	(7,13,879)		0	
e) Profit on sale of investment	0		(6,06,200)	
f) Dividend Income	(46,18,940)		(600)	
g) Interest Income	(2,17,924)		(65,074)	
h) Taxes Paid	(33,13,257)	(14,64,881)	(11,49,780)	44,32,811
<b>Operating Profit before working charges</b>		<b>1,68,60,982</b>		<b>1,02,13,559</b>
Deduct / a) Decrease in Trade Payable	17,27,075		(20,85,169)	
Add : b) Increase in Loans & Advances	(31,35,198)	(14,08,123)	2,75,666	(18,09,503)
		<b>1,54,52,859</b>		<b>84,04,056</b>
Add / (Less)				
a) Decrease in Trade & Other Receivables	(95,21,280)		13,51,262	
b) Decrease in Investment	0		29,250	
c) Increase in Current Liability	(7,29,606)		4,40,976	
d) Decrease in Inventories	34,22,745	(68,28,141)	55,75,760	73,97,248
<b>Net cashflow from operating Activity</b>	<b>[ A ]</b>	<b>86,24,718</b>		<b>1,58,01,304</b>
<b>B. Cash Flow arising from Investing Activities :</b>				
<b>Outflow on account of investing activity</b>				
a) Acquisition of fixed assets (Incl. Capital WIP)	(11,12,426)		(1,63,20,474)	
<b>Inflow on account of investing activity</b>				
a) Sale of fixed assets	8,00,000	(3,12,426)	2,10,000	(1,61,10,474)
<b>Net cashflow from investing Activity</b>	<b>[ B ]</b>	<b>(3,12,426)</b>		<b>(1,61,10,474)</b>
<b>C. Cash Flow arising from Finance Activities :</b>				
<b>Inflow on account of Financing activity</b>				
a) Share warrants / equity issued at premium	14,28,750		64,82,500	
b) Share Premium	1,09,12,500		0	
c) Loan Taken	0		1,00,00,000	
d) Interest Income	2,17,924		65,074	
e) Profit on sale of investment	0		6,06,200	
f) Dividend Income	46,18,940	1,71,78,114	600	1,71,54,374
<b>Outflow on account of Financing activity</b>				
a) Repayment - Loans	(1,67,12,535)		(1,00,24,574)	
b) Dividend with tax paid	(28,93,394)		(28,93,394)	
c) Repayment - Interest on loan	(46,42,429)	(2,42,48,358)	(45,80,072)	(1,74,98,040)
<b>Net cashflow from financing Activity</b>	<b>[ C ]</b>	<b>(70,70,244)</b>		<b>(3,43,666)</b>
<b>Net increase in cash / cash equivalent [ A + B + C ]</b>		<b>12,42,049</b>		<b>(6,52,836)</b>
Add : Balance at the beginning of the year		12,40,763		18,93,599
<b>Cash / Cash equivalents at the close of the year</b>		<b>24,82,812</b>		<b>12,40,763</b>
<b>Notes to cash flow :</b>				
<b>(1) Components of cash flow :</b>				
Cash - On - Hand		2,09,084		2,18,395
Demand deposits with bank (Bank balances)		22,73,727		10,22,368
		<b>24,82,812</b>		<b>12,40,763</b>
Place : Mumbai Date : 26th November, 2009		Dr. B. M. Saraiya Director		S. V. Atre Executive Director

### Auditor's Certificate

To,  
The Board of Directors,  
Garware Marine Industries Ltd.

We have examined the attached cash flow statement of Garware Marine Industries Ltd. for the year ended 30th June, 2009. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report dated 26th November, 2009 to the members of the Company.

As per our report attached

**For RAMAN S. SHAH & ASSOCIATES**  
Chartered Accountants

Santosh A. Sankhe  
Partner  
M.No-100976

Place : Mumbai  
Date : 26th November, 2009



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details

Registration No. 

	1	8	4	8	1
--	---	---	---	---	---

 State Code 

1	1
---	---

 (Refer Code List 1)

Balance Sheet Date 

3	0	0	6	0	9
---	---	---	---	---	---

  
Date Month Year

### II. Capital Raised during the period (Amount in Rs. Thousands)

Public Issue 

			N	I	L
--	--	--	---	---	---

 Right Issue 

			N	I	L
--	--	--	---	---	---

Bonus Issue 

			N	I	L
--	--	--	---	---	---

 Preferential Allotment 

			6	3	6
--	--	--	---	---	---

### III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 

1	2	1	4	5	1
---	---	---	---	---	---

 Total Assets 

1	2	1	4	5	1
---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital 

	5	7	3	7	3
--	---	---	---	---	---

 Reserves & Surplus 

	4	0	4	7	5
--	---	---	---	---	---

Secured Loans 

	2	2	6	5	0
--	---	---	---	---	---

 Unsecured Loans 

			9	5	3
--	--	--	---	---	---

#### Application of Funds

Net Fixed Assets 

	3	7	2	6	4
--	---	---	---	---	---

 Investment 

			9	0	5	2
--	--	--	---	---	---	---

Net Current Assets 

	6	5	8	9	1
--	---	---	---	---	---

 Deferred Tax Assets 

			8	9	2
--	--	--	---	---	---

Accumulated Losses 

			8	3	5	2
--	--	--	---	---	---	---

### IV. Performance of Company (Amounts Rs. In Thousands)

Turnover 

1	3	7	7	9	5
---	---	---	---	---	---

 Total Expenditure 

1	1	9	4	6	9
---	---	---	---	---	---

Profit / Loss Before Tax 

	1	8	3	2	6
--	---	---	---	---	---

 Profit After Tax 

	1	5	0	1	3
--	---	---	---	---	---

(Please tick Appropriate box + for Profit - for Loss)

Earnings per share in Rs. 

		2		9	2
--	--	---	--	---	---

 Dividend Rate % 

5	%
---	---

### V. Generic Name of Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC code) 

5	6	0	8	0	0
---	---	---	---	---	---

Product Description 

F	I	S	H	I	N	G		N	E	T	S
---	---	---	---	---	---	---	--	---	---	---	---





**ATTENDANCE SLIP**

**GARWARE MARINE INDUSTRIES LIMITED**

REGD. OFFICE : 302, Swapnabhoomi, A Wing, S. K. Bole Road, Dadar (W.), Mumbai - 400 028.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM.

Joint Shareholders may obtain additional slips at the entrance.

Regd. Folio No. / Client ID No. ....
Name of the Member/Proxy ..... (in Block Letters) .....
No. of Share(s) held.....

I hereby record my/our presence at the **31st ANNUAL GENERAL MEETING** at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Mumbai 400 034 on Tuesday, 29th December, 2009 at 9.30 a.m.

SIGNATURE OF THE MEMBER/PROXY .....

(TEAR HERE) .....



**PROXY FORM**

**GARWARE MARINE INDUSTRIES LIMITED**

REGD. OFFICE : 302, Swapnabhoomi, A Wing, S. K. Bole Road, Dadar (W.), Mumbai - 400 028.

I/We .....

of ..... in the District of ..... being  
a Member/Members of GARWARE MARINE INDUSTRIES LIMITED hereby appoint .....

..... of ..... in the District of .....

or failing him/her .....

of ..... in the District of .....

or failing him/her .....

of ..... in the District of .....

as my/our Proxy to attend and vote for me/us on my/our behalf at the **31st ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, 29th December, 2009 and at any adjournment thereof.

Signed this ..... day of ..... 2009

Regd. Folio No. / Client ID No. .... No. of Shares .....

Signed by the said .....

Note : The proxy form must be deposited at the Registered Office of the Company at 302, Swapnabhoomi, A Wing, S. K. Bole Road, Dadar (W.), Mumbai - 400 028. not less than 48 hours before the time of holding the Meeting.

Affix
One Rupee
Revenue
Stamp

PROXY NO. ....

**BOOK-POST**

*If undelivered please return to :*

**GARWARE MARINE INDUSTRIES LIMITED**

302, Swapnabhoomi, 'A' Wing,

S. K. Bole Road, Dadar (West)

Mumbai - 400 028.