



GARWARE MARINE INDUSTRIES LIMITED

**35TH ANNUAL REPORT
2012-13**



GARWARE MARINE INDUSTRIES LIMITED

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

BOARD OF DIRECTORS

ASHOK B. GARWARE (Chairman)	M.A. (Cantab)
ADITYA A. 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 S. KHANNA	B.Com., (Economics)
S. V. ATRE (Executive Director)	B.Sc. ENGG., D.M.M.

COMPANY SECRETARY

Ms. P. S. NAMBIAR B.Com, LL. B, A.C.S, PGDFM, DISM

BANKERS

IDBI Bank Ltd.
United Bank of India
Indian Overseas Bank

AUDITORS

MESSRS. RAMAN S. SHAH & ASSOCIATES
Chartered Accountants

REGISTERED OFFICE

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

FACTORY

E-10, M.I.D.C. Industrial Area,
Ahmednagar - 414 001
(Maharashtra)

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072

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NOTICE

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the Members of Garware Marine Industries Limited will be held on Friday, 15th November 2013 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 receive, consider and adopt the Audited Balance Sheet as at 30th June 2013 and Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon;
2. To appoint a Director in place of Mr. Aditya A. Garware, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint a Director in place of Mr. Vikas V. Desai, who retires by rotation and being eligible, offers himself for re-appointment;
4. To re-appoint Messers. Raman S. Shah & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such other approvals as may be required, the consent of the members of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Mr. S.V. Atre as the Executive Director of the Company for a further period of three years with effect from 31st October, 2013, on the terms and conditions as set out in the draft Agreement to be executed between Mr. S.V. Atre and the Company and submitted to this meeting and initialed by the Chairman for the purpose of identification."

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

By Order of the Board

Sd/-

**P. S. NAMBIAR
COMPANY SECRETARY**

Date : 29th August 2013

Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY / (IES) TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer books of the Company will remain closed from Friday, 8th November 2013 to Friday, 15th November 2013 (both days inclusive).
3. For the Convenience of Members, an attendance slip is annexed to the Proxy form. Members are requested to fill in and append their signatures at the space provided thereof 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 / Proxy.
4. Members are requested to notify the change in Bank details, address, if any, immediately, quoting their Client ID No. / Folio No., Number of Shares held, etc. to the Company's Share Transfer Agents, 'M/s Bigshare Services Pvt. Ltd.'.
5. Members holding shares in identical order of names in more than one folio/(s) are requested to write to the Company's Registered Office and / or Share Transfer Agent, and send their Share Certificates to enable Consolidation of their holding into one Folio.
6. All enquiries and correspondence regarding Transfer/Transmission of Shares, Dematerialisation, etc. should be addressed to Registrars and Share Transfer Agents of the Company, M/s Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.

GARWARE MARINE INDUSTRIES LIMITED35th Annual Report 2012-13**Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement):**

Name of Director	Mr. Shyamsunder V. Atre	Mr. Aditya A. Garware	Mr. Vikas Vishwanath Desai
Date of Birth	02/11/1944	11/02/1971	15.11.1958
Nationality	Indian	Indian	Indian
Date of Appointment on Board	31/10/2007	24/05/1993	12.07.1999
Qualifications	B.E. (Electricals)	M.B.A. (U.S.A)	B.Com, L.L.B.,D.A.M.
Expertise in Functional Area	Mr. Atre is an expert in the field He has expertise in Sales & Marketing. He also has vast experience in overall management & dealing with labors.	Industrialist	Administrative, Marketing & Manufacturing
No. of Shares held in the Company (As on 30.06.2013)	1,000 Equity Shares	1,49,600 Equity Shares	100 Equity Shares
List of Directorships held in other Companies	Garware Goa Nets Limited	1. Garware Goa Nets Ltd. 2. Global Offshore Services Ltd. 3. Adsu Trading & Investment Company Pvt. Ltd. 4. Garware Offshore International Services Pte. Ltd 5. Indian National Shipowners' Association 6. Masu Trading & Investment Company Pvt. Ltd. 7. Mauve Trading Company Pvt. Ltd. 8. Shesu Trading & Investment Company Pvt. Ltd. 9. Universal Investment Services Pvt. Ltd. 10. Global Offshore Services B.V.	1. Nirantan Bio-tech Private Limited 2. Shree Eco Energies Enviro Private Limited
Chairman/Member of Committee of the Board of other Companies in which he is a Director	NIL	One	NIL

REQUEST TO THE MEMBERS:

- Members seeking any information on the Accounts at the Annual General Meeting are requested to write to the Company at least ten (10) working days in advance of the Annual General Meeting so as to enable the Company to keep the information ready. Only the information which can be furnished will be given to the Members.
- Members are requested to bring their Copy of the Annual Report to the Meeting.

Registered Office:

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

Date : 29th August 2013**Place:** Mumbai**By Order of the Board**

Sd/-

P. S. NAMBIAR
COMPANY SECRETARY



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

ITEM NO.5:

Mr. S.V. Atre was appointed as an Executive Director of the Company for a period of 3 years w.e.f. 31st October, 2013. Keeping in view his wide experience and the tremendous contribution made by him since his association with the Company in 2001, the Board of Directors have, subject to the approval of the members of the Company, re-appointed Mr. S.V. Atre, as an Executive Director of the Company on such terms and conditions as enumerated in the Draft Agreement, to be entered in to between Mr. S. V. Atre and the Company, for a further period of 3 years w.e.f. 31st October, 2013. For the information of members, these terms are the same as they were in the previous contract of appointment of Mr. S.V. Atre.

The following remuneration is proposed to be paid to him:

(a)	Salary	Rs.69,740/- per month or such higher amount as may be approved by the Board of the Directors or its Committee from time to time.
(b)	House Rent Allowance	Rs. 14,300/- per month.
(c)	Perquisites	<p>Mr. S.V. Atre will, in addition to salary be entitled to benefits like Ex-Gratia and other perquisites such as reimbursement of medical expenses of Rs. 5,500/- per month incurred for self and family, leave travel allowance of Rs. 5,500 per month for self and family, provision of a car with a driver, telephone at residence and other allowances as per the rules of the Company. Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable.</p> <p>Mr. S.V. Atre shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling of remuneration:</p> <p>(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>(ii) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.</p> <p>(iii) Encashment of leave at the end of his tenure.</p> <p>(iv) Mr. S.V. Atre will be entitled leave on full remuneration, as per the rules of the Company but not exceeding one month's leave for every 11 months of service.</p> <p>(v) Mr. S.V. Atre will also be entitled to reimbursement of entertainment expenses actually incurred by him in the course of business of the Company.</p> <p>(vi) Mr. S.V. Atre will also be entitled to receive from the Company traveling, hotel and other expenses, incurred in performance of the duties on behalf of the Company.</p>

The above shall be treated as an abstract of the terms & conditions u/s. 302(7) of the Companies Act, 1956. The Draft agreement proposed to be entered into between the Company and Mr. S.V. Atre is available for inspection to the members on any working day between 2.00 P.M. and 4.00 P.M. at the Registered Office of the Company till the date of the conclusion of the Annual General Meeting.

Except Mr. S.V. Atre himself, none of the Directors shall be deemed to be interested in passing of this resolution.

By Order of the Board

Sd/-

**P. S. NAMBIAR
COMPANY SECRETARY**

Registered Office:

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

Date : 29th August 2013

Place : Mumbai

DIRECTORS' REPORT
FOR THE YEAR ENDED 30TH JUNE 2013

**TO,
THE MEMBERS**

1. FINANCIAL RESULTS :

	Year ended	(Rs. in Lacs)
	30th June 13	Year ended 30th June 12
Income from Operations (including Other Income)	985.67	1144.57
Less: Expenses	951.26	1062.21
Profit before Interest, Depreciation & Tax	34.41	82.36
Less: Interest & Finance Charges	13.38	21.88
Profit before Depreciation & Tax	21.03	60.48
Less: Depreciation & Amortization	33.75	37.47
Provision for Tax	0.00	0.00
Net Profit for the year	-12.72	23.01

2. DIVIDEND:

In view of the loss during the year under review, as a reason of dismal fishing season, the Board of Directors has not recommended any dividend for the year 2012-13.

3. OPERATIONS:

During the year under review, the Company sold 203.43 MT of Fishing nets as against 265.401 MT in the previous year. Income from operations for the year under review was Rs. 985.67 Lacs as against Rs. 1144.57 Lacs which was mainly due to an increase in the Selling Price of the Company's Product. However, the increase in Selling Price was not enough to offset the increase in the cost of raw material. In view of the increase in raw material price 8 % and poor demand in certain areas, production decreased by approximately 20%. The company also witnessed poor demand in certain markets during the year on account of unexpected & unusual weather changes, such as extended winter & delayed monsoon. Extremely poor catch, particularly in western coast resulted in poor demand. As a last resort, a lay-off was declared at the Company's factory at Ahmednagar w.e.f. 22nd April 2013.

4. FUTURE OUTLOOK:

Though the Company has seen a slight improvement in demand, the market for the fishing nets is remains to be lackluster due to the extended monsoon and the fact that world fish population, according to reports, has reduced by 3% which has led to a reduction in fish catch. The Company does not anticipate a major increase in the demand for nets and therefore sought for approval for extension of lay-off in the factory. This extension has been approved. The Company has also offered a Scheme of Severance to the workmen & staff at the Company's factory, Depots and Head Office.

5. 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 (save and except as stated in the Directors' Report) 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 year and the profit of the Company for that year ended as on 30th June 2013;
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of the Companies Act 1956, for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they have prepared the Annual Accounts on a going concern basis.



6. LISTING FEES TO STOCK EXCHANGES:

The Company has paid the Listing Fees for the year 2013-14 to Bombay Stock Exchange Limited where the Shares of the Company are listed.

7. FIXED DEPOSITS:

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

8. DIRECTORS:

Mr. Aditya A. Garware and Mr. Vikas V. Desai, Directors, retire by rotation and being eligible, offer themselves for re-election. The members are requested to elect them.

The Board of Directors, subject to member's approval, have re-appointed Mr. S.V.Atre as an Executive Director for further period of three years w.e.f.31st October 2013. The members are requested to approve his re-appointment and payment of remuneration payable to him.

9. AUDITORS & AUDITORS' REPORT:

You are requested to re-appoint Statutory Auditors, Messrs. Raman S. Shah & Associates, Chartered Accountants for the current year and to fix their remuneration.

The Company has obtained a Certificate from Auditors certifying that their re-appointment, if made at the ensuing Annual General Meeting shall be within the limits prescribed under Section 224 (1-B) of the Companies Act 1956. With regard to Auditors' Report, the Notes to the Accounts are self explanatory.

10. 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.

11. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

12. 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.

13. ACKNOWLEDGEMENT:

The Board wishes to record the dynamic role of the Officers of the Company.

On Behalf of the Board

Sd/-

ASHOK GARWARE

Chairman

Date : 29th August 2013

Place : Mumbai

ANNEXURE 1 TO DIRECTORS' REPORT

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year 01.07.2012 to 30.06.2013*	Previous Year 01.07.2011 to 30.06.2012
A. POWER AND FUEL CONSUMPTION:			
FISH KNITTED FABRICS/TWINE			
Electricity			
(a) Purchased Units(in Kwh)		3,37,235	4,00,402
Total Amount(Rs.)		27,03,672	27,66,191
Rate Per Unit(Rs.) (Avg.)		8.02	6.91
(b) Own Generation			
l) H.S.D.			
Purchased Units (in ltrs)		11,416	21,073
Total Amount (Rs.)		5,73,000	9,31,670
Cost per litre(Rs.)(Avg.)		50.19	44.21
	Standard, (if any)	01.07.2012 to 30.06.2013	01.07.2011 to 30.06.2012
B. COST PER UNIT(KG.) OF PRODUCTION:			
FISH KNITTED FABRICS			
Electricity (Rs.)	N.A.	18.42	11.38
H.S.D.(Rs.)	N.A.	3.90	3.83

* includes period of lay-off between 22nd April 2013 & 30th June 2013

CONSERVATION OF ENERGY DURING THE YEAR UNDER REVIEW:

- Wherever possible, energy conservation measures have been implemented. Further efforts to conserve and optimize the use of energy improved operational methods and other means continue;
- Additional investment and proposals, if any, being implemented for reduction of consumption of energy : NIL;
- 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:

Nil

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

Not applicable.

3. Further plan of action:

Nil

4. Expenditure on R & D:

No amount was spent on R & D during the period.

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION:

1. Efforts in brief made towards Technology Absorption, Adaption 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

Sd/-

ASHOK GARWARE

Chairman

Date : 29th August 2013

Place : Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ECONOMIC SCENARIO IN FY 2012-13:**

The Indian economy is estimated to have registered a growth rate of 5.0 per cent in 2012-13 in terms of gross domestic product at factor cost at constant 2004-05 prices, following a growth of 6.2 percent in 2011-12. Growth in 2011-12 and 2012-13 is on the lower side, in the context of the decadal average of 7.9 per cent during 2003-04 to 2012-13. This is attributable mainly to weakening industrial growth in the context of tight monetary policy followed by the Reserve Bank of India (RBI) through most of 2011-12, and continued global uncertainty. With some moderation in headline WPI inflation, there has been a reduction in the repo rate by the RBI by 50 basis points in April, 2012 and by 25 basis points in January 2013.

The slowdown in the growth of the economy in 2012-13 is mainly on account of the slowdown in the industrial sector which is estimated to grow at 3.1 per cent in 2012-13 as against 3.5 per cent in 2011-12 and significantly lower growth of 1.8 per cent in agriculture sector on top of a growth rate of 3.6 per cent achieved in 2011-12. Services sector is estimated to grow at a rate of 6.6 per cent in 2012-13, which is also lower than that achieved in 2011-12. The slowdown in 2011-12 and 2012-13 has been precipitated by domestic factors as well as factors emanating from the rest of the world, particularly advanced economies and India's major trading partners.

India's slowest growth in a decade could be worse than anticipated, as the economy has grown 5 percent in fiscal year, underscoring the urgent need for reforms to boost growth.

Further, structural bottlenecks have restricted India's growth potential to around 7 percent, according to the central bank.

However, measures undertaken as part of mid-course correction have helped in improving the expenditure outcome in 2012-13. Measures including the increase in the price of diesel by ₹ 5 per litre, allowing oil marketing companies (OMCs) to raise diesel prices by small amounts regularly, and a cap on the number of subsidized LPG cylinders are expected to rein in the fiscal deficit. Growth of exports for most of the current year remained in negative territory, and with imports picking up in recent months, the trade deficit increased.

Although the Government was, to some extent, successful in cushioning the impact of the global financial crisis on India, it is now clear that a number of MDG (Millennium Development Goals) targets will only be met under the Twelfth Five Year Plan (2012–17).

India's marine products exports touched a record high of Rs.18,856 crore (\$3,511.67 million) in 2012-13. This was a 13.61 per cent growth in rupee and 0.1 per cent growth in US dollar terms, respectively.

According to the Marine Products Export Development Authority (MPEDA), higher production and export of shrimp and chilled items were responsible for exports reaching a new high.

Southeast Asia continued to be the largest buyer of Indian marine products with a share of around 23 per cent. The European Union is the second largest market, followed by the US, Japan, China and the Middle East.

INDUSTRIAL STRUCTURE & DEVELOPMENT:

As you know your Company has mainly been catering to Fishing Industry situated along the coastline of India. The Company manufactures Fishing Nets in various sizes and is one of the few Net Makers in the organized sector. Its products are sold under the "GARWARE" brand and are a preferred choice of most fishermen.

The fisheries sector provides livelihood to approximately 14.49 million people in the country. It is the source of livelihood for a large section of economically backward population of the country.

However, in the past year, even though there has been a substantial jump in the export of sea-food in terms of value, the quantity has not increased marginally.

Wholesale fish prices rose by a "whopping" 131% during past five years as a result of India's growing appetite for fish owing to rising per-capita income, urbanisation and evolving eating patterns. This is fast leading to depletion and over-exploitation of fish stocks in the country.



While index value of fish was over 126 during 2008-09, it rose past 291 as of 2012-13 due to a combination of factors. Falling fish catch owing to rising water pollution, dumping of plastic and other harmful materials, absence of organized retail in fish trade, persistence of age-old distribution system, post-harvest losses and rising operating costs due to unabated diesel price rise resulting are the main factors behind this, said a sector-specific analysis of fish prices.

Alarming, growth of fish production in India has declined to half i.e. from about 7% in 2008-09 to 3.5% during 2012-13.

The aforementioned factors have had a “rippling” effect on the fish catch on the past two seasons, which in turn adversely affected the demand for fishing nets produced by the Company.

As a result, the Company was compelled to declare a lay-off at the factory w.e.f. 22nd April 2013. This lay-off will continue till November 2013, at which point the Company will take a decision on re-commencement of operations.

In any case, the Company has already offered a Severance Scheme to their workmen and staff in the factory, depots and head office. The response to the same is overwhelming.

OPPORTUNITIES:

The European Union continued to be the largest market followed by the US, South-East Asia, Japan, China and West Asia. What was noteworthy was the fact that the US has regained the second slot among export destinations. South-East Asia usurping the third place was also significant, mainly at the cost of Japan.

A global shortage of vannamei shrimp may prove advantageous for India as it awaits the second harvest from the farms. Sea food exporters are expecting higher prices for vannamei in the coming weeks from China and the Southeast Asia.

Growing urbanization and advent of supermarkets has led to growth in fish consumption across India, but lack of poor post-harvesting equipment, inadequate food processing technology and storage facilities is bleeding the fishing industry, hampering its growth prospects.

More investments should be made in value added fish and marine products in ready-to-eat and ready-to-serve categories more so as growing domestic market also offers opportunity for such products in the fast growing retail sector, study said.

However, there is also a need to nurture, protect and carefully exploit marine capture as the industry is directly linked to India’s food and nutritional security. Since this need is generally ignored and has led to a substantial decline in demand for fishing nets, the Company may not re-commence operations at the factory.

The Company’s repair division continues to do well.

THREATS:

Fisheries are a State subject and as such the primary responsibility for its development rests with the State Governments. The major thrust in fisheries development has been on optimizing production and productivity, augmenting export of marine products, generating employment and improving welfare of fishermen and their socioeconomic status.

Further, India’s traditional fishing communities are over-exploiting coastal waters thereby leading to fast depletion of marine resources and shrinking catch from coastal regions. The study also highlighted that due to severe dearth of suitable fishing vessels, fish stocks in India’s territorial deep-sea waters remain untapped leading to potential income loss to fishing community and other stakeholders.

Lack of proper post-harvest fish handling infrastructure in India leads to wastage of about 25% of total fisheries resources thereby causing a staggering of Rs. 15,000 crore of annual losses. Poor handling and processing of catch, inadequate packaging, and storage facilities clubbed with marketing malpractices and other related factors are leading to massive losses worth Rs 61,000 crore to the marine and fish industry.

The main threat that the Company faces is from the unorganized sector and the increasing presence of Chinese Fishing Nets at very competitive prices, but which are relatively inferior. In addition “overfishing”-which is a common phenomenon threatens the quantum of fish catch in the future, which in turn would adversely affect the demand for the Company’s nets.

Indian marine fisheries faces frequent fluctuations as cyclic and climatological effects influence the pelagic stocks. All the coastal federal states have enacted their Marine Fishing Regulation Act with jurisdiction over their territorial waters. Management measures such as closed seasons, delimitation of fishing zones for different categories of fishing craft etc. are implemented for ensuring sustainability. Unfortunately the last twelve months have been one of the worst fishing scenarios of the past several years.

OUTLOOK:

As a result of several consecutive unfavorable fishing seasons, adversely affecting demand for fishing nets and consequently the Company's production, a lay-off had been declared w.e.f. 22nd April 2013 till 5th June 2013. This was further extended till 31st July 2013 and thereafter till 30th November 2013. Since there seemed to be no improvement in the demand for the Company's products, a severance package to the workers/ staff at the Company's Factory at Ahmednagar, Depots and Head-office was offered.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

Your Company has an Internal Control System commensurate with the business of the Company to mitigate various types of risks effectively.

FINANCIAL & OPERATIONAL PERFORMANCE:

- i) Operating Profit to Turnover ratio : 5.77 %
- ii) Cash Profit to Turnover ratio : 2.25 %
- iii) Current Assets to Current Liabilities ratio : 2.49 : 1

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT:

Cordial relations are maintained at all the levels. Strong alignment of all people at all levels has helped build a strong team which is geared to perform continuously.

FORWARD-LOOKING STATEMENTS:

Statements in this Management Discussion and Analysis report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company's actual results could differ materially from those expressed or implied. 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. Further, important factors that could make a difference to the Company's operations which among others include demand & supply of raw materials, changes in prices of raw materials; tax regimes; and acts of God.



REPORT ON CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS:

The Board of Company comprises of Six (6) Professionally Well-Qualified Members. Mr. Ashok B. Garware is the Chairman and Mr. Aditya A. Garware is the Vice Chairman. Mr. S.V. Atre is the Executive Director of the Company.

During the financial year under review, 5 Board Meetings were held as detailed below and the maximum time gap between two Board Meetings did not exceed 4 months.

Date of Board Meetings :

1. 9th August 2012
2. 9th November 2012
3. 19th November 2012
4. 13th February 2013
5. 13th May 2013

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM	Remarks	No. of Other Committee Directorship		No. of other Directorships
				Chairman	Member	
Mr. Ashok B. Garware (Chairman)	5	Yes	Director- Promoter	1	1	8
Mr. Aditya A. Garware (Vice-Chairman)	5	Yes	Director- Promoter	-	1	10
Mr. V.V. Desai	5	Yes	Independent Director	-	-	2
Dr. B.M.Saraiya	5	Yes	Independent Director	-	-	-
Mr. Rajiv S.Khanna	5	Yes	Independent Director	-	-	-
Mr. S. V. Atre	5	Yes	Executive Director	-	-	1

During the year under review, the Directors were paid Sitting fees of Rs. 6,000/- per meeting of the Board of Directors.

As stipulated under Clause 49 (I) (C) of the Listing Agreement, no Director is a Member of more than 10 Committees or a Chairman of more than 5 Committees across all the companies in which he is a Director.

(Note: Committees being Audit Committee and the Shareholders' Grievance Committee)

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

Sr.No.	Particulars		Amount (Rs.)
1.	Salary	:	9,87,675
2.	Leave Travel Allowance	:	64,000
3.	Medical Allowance	:	64,000
4.	Bonus/Ex-gratia	:	43,200
	Total	:	11,58,875

2. AUDIT COMMITTEE:

Composition:

The Audit Committee consists of 3 members' viz. Mr. Aditya A. Garware, Dr. B.M. Saraiya and Mr. V.V. Desai. Dr. B.M. Saraiya acts as a Chairman of the Committee. All three committee members are Non-Executive Directors.

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference:

The Committee is involved in reviewing various matters including Audited/Un-audited Financial Results for the year/quarter of the Company, Investments made by the Company, Compliance with Listing Agreement, Approval of Management Discussion and Analysis Report, discussion / implementation of Accounting Standards and other requirements relating to Financial Statements, recommending the appointment and removal of Auditors, fixation of Audit Fees, etc.

Meetings:

Five Audit Committee Meetings were held during the Financial Year 2012-2013 as detailed herein below:

Date of Audit Committee Meetings	Name of the Members of Audit Committee & Attendance		
	Dr. B.M. Saraiya (Chairman)	Mr. Aditya A. Garware	Mr. V.V. Desai
9 th August 2012	✓	✓	✓
9 th November 2012	✓	✓	✓
19 th November 2012	✓	✓	✓
13 th February 2013	✓	✓	✓
13 th May 2013	✓	✓	✓

3. SHARE TRANSFER COMMITTEE:

Composition:

The Share Transfer Cum Investor Grievance Committee consists of three (3) members' viz. Mr. Aditya Garware, Dr. B.M. Saraiya and Mr. S.V. Atre.

Meetings:

The Committee meets once a fortnight to approve, inter alia, transfer/transmission of shares, issue 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 a Compliance Officer.

Terms of Reference:

The Committee inter alia, approves issue of Duplicate Share Certificates and also reviews matters connected with transfer of Securities including redressal of Investors' /Shareholders' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of Annual Reports, non receipt of duplicate share certificates. 14 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 details of date, time and location of Annual General Meetings (AGM) for last three years are as follows:

Financial Year	Date	Time	Location
2011-12 34 th AGM	28 th December 2012	9:30 A.M.	"Garware Sabhagriha", 5 th Floor, F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034
2010-11 33 rd AGM	29 th December 2011	9:30 A.M.	"Garware Sabhagriha", 5 th Floor, F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034
2009-10 32 nd AGM	30 th December 2010	9:30 A.M.	"Garware Sabhagriha", 5 th Floor, F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034

All resolutions including special business as set out in above Notices were passed by the Shareholders at the AGM.

Details of Special Resolutions passed during the last 3 Annual General Meetings:

Financial Year	Items for Special Resolutions passed
2011-12	: No Special Resolution was passed
2010-11	: No Special Resolution was passed
2009-10	: A Special Resolution was passed for re-appointment of and payment of Remuneration to Mr. S.V. Atre, Executive Director

Postal Ballot:

No Postal Ballots were used for voting at these meetings. Further there is no item on the agenda of the ensuing Annual General Meeting that needs approval by postal ballot.

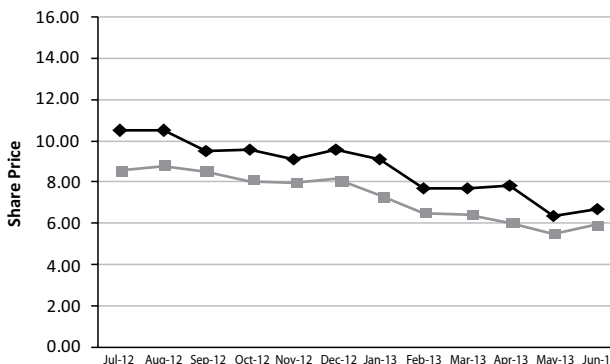
5. DISCLOSURE:

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

6. HIGH AND LOW OF THE SHARE PRICE ON THE BOMBAY STOCK EXCHANGE LIMITED FOR THE YEAR ENDED 30TH JUNE 2013:

Month	BSE	
	HIGH	LOW
July 2012	10.50	8.55
August 2012	10.50	8.77
September 2012	9.55	8.50
October 2012	9.58	8.05
November 2012	9.15	8.01
December 2012	9.60	8.16
January 2013	9.15	7.35
February 2013	7.74	6.50
March 2013	7.71	6.43
April 2013	7.85	6.04
May 2013	6.40	5.51
June 2013	6.72	6.00

BSE Share Price - High & Low



	July 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013
High	10.50	10.50	9.55	9.58	9.15	9.60	9.15	7.74	7.71	7.85	6.40	6.72
Low	8.55	8.77	8.50	8.05	8.01	8.16	7.35	6.50	6.43	6.04	5.51	6.00

7. GENERAL SHAREHOLDER INFORMATION:

35th Annual General Meeting:		
Date :	15 th November 2013, Friday	
Time :	9:30 A.M.	
Venue :	Garware Sabhagriha", F.P.H. Building, 5 th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400034.	
Financial Year	The Company follows July-June as its financial year. The Un-audited result for every quarter is declared within 45 days from the last day of each quarter.	
	Financial Year	1 st July 2013 to 30 th June 2014
	Un-audited Financial Result for the 1 st Quarter Ending 30 th September 2013	Within 45 days from the last day of the quarter
	Un-audited Financial Result for the 2 nd Quarter Ending 31 st December 2013	Within 45 days from the last day of the quarter
	Un-audited Financial Result for the 3 rd Quarter Ending 31 st March 2014	Within 45 days from the last day of the quarter
	Un-audited Financial Result for the 4 th Quarter Ending 30 th June 2014	Within 45 days from the last day of the quarter
	Annual General Meeting for the Year Ending 30 th June 2014	Before the end of December 2014
Date of Book Closure/ Record Date	For 2012-2013: Friday, 8 th November 2013, to Friday, 15 th November 2013, (both days inclusive)	
Dividend Payment Date	N.A.	
Listing on Stock Exchanges	The Company's shares are presently listed on the Bombay Stock Exchange Limited (BSE)	
Stock Code	509563	



ISIN Number	INE 925D01014
Registrar and Transfer Agents	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel : 022 – 2857 3108 / 2847 0652 / 404 30200 Fax 022- 2847 5207 Email: info@bigshareonline.com
Auditors' Certificate on Corporate Governance	As required under the provisions of Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an annexure to the Directors' Report
Distribution of Shareholding & Category-wise distribution	Please Refer Annexure A
Dematerialisation of shares and liquidity	As on 30 th June 2013, 84.62 % of total paid up Equity Capital has been dematerialised
Publication of the Quarterly Un-audited Financial Results 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.22-24234000 Fax No.22-24362764 Email:garware.marine@gmail.com
Plant Location	E-10, MIDC Industrial Area Ahmednagar – 414 001 Maharashtra

8. CODE OF CONDUCT:

Pursuant to Clause 49 of the Listing Agreement, the Company has prescribed and affirmed a Code of Conduct for the Board of Directors and Senior Management of the Company.

A Declaration, duly signed by Vice Chairman and Executive Director, is obtained by the Company.

9. CEO/CFO CERTIFICATION:

The Company has obtained from the Executive Director, a Certificate, Pursuant to Clause 49(V) of the Listing Agreement.

On Behalf of the Board

Sd/-

**ASHOK GARWARE
Chairman**

Date : 29th August 2013

Place : Mumbai

ANNEXURE “A”

THE DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 30TH JUNE, 2013 IS AS FOLLOWS:

Shareholding of Nominal Value of			Shareholders		Share Amount	
(Rs.)	(1)	(Rs.)	Number (2)	% to Total (3)	In Rs. (4)	% to Total Amount (5)
1	to	500	9576	93.36	1,20,91,320	20.97
5001	to	10000	388	3.78	30,69,870	5.32
10001	to	20000	134	1.31	19,42,980	3.37
20001	to	30000	43	0.42	10,65,060	1.85
30001	to	40000	18	0.17	6,57,040	1.14
40001	to	50000	20	0.20	9,15,740	1.59
50001	to	100000	24	0.23	18,61,650	3.23
100001	to	999999999	54	0.53	3,60,58,180	62.53
TOTAL			10,257	100.00	5,76,61,840	100.00

SHAREHOLDING PATTERN AS ON 30TH JUNE, 2013 IS AS FOLLOWS:

Sr. No.	Category	No. of Shares Held	% of Total Paid up Capital
A)	Promoters Holding		
	• Individuals/HUFs	11,09,128	19.24
	• Bodies Corporates (Holding Co./Subsidiaries & Affiliates)	9,80,496	17.00
	• Foreign Promoters/Bodies Corporates	-	-
	Total – Promoter Holding	20,89,624	36.24
B)	Non-Promoters Holding		
	1. Institutional Investors :		
	a. UTI/Mutual Fund	100	0.00
	b. Financial Institution/Banks	325	0.00
	c. State Government	-	-
	Sub Total	425	0.00
	2. Foreign Holding :		
	a. FIIs	-	-
	b. NRIs	13,155	0.23
	Sub Total	13,155	0.23
	3. Other Bodies Corporates	4,65,405	8.07
	4. Indian Public	30,65,535	53.17
	5. Others-Trusts	1,32,040	2.29
	Total – Non Promoter Holding	36,76,560	63.76
	Grand Total	57,66,184	100.00



AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

**To,
The Members,
Garware Marine Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Garware Marine Industries Limited (the Company) for the year ended 30th June 2013 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 in Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) have been complied with in all material respects by the Company.

Based on the certificate received from share transfer agent of the Company and the minutes of share transfer and shareholders grievance committee, we hereby state that no investor grievance is pending for the period exceeding one month.

For RAMAN S. SHAH & ASSOCIATES
Chartered Accountants

Sd/-

Santosh A. Sankhe
Partner
M.No.100976

Date : 29th August 2013

Place : Mumbai

AUDITORS' 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, 2013 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, 2013 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 30th JUNE, 2013 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 Note No.22(7) 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, 2013 and
 - (ii) In the case of the Profit and Loss Account, of the loss for the year ended on date.

For RAMAN S. SHAH & ASSOCIATESChartered Accountants
Firm Reg. No. 119891W**SANTOSH A. SANKHE**

Partner

M.No.100976

Place : Mumbai

Date : 29th August, 2013

ANNEXURE TO AUDITORS' 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 not taken unsecured loans, from companies, listed in the register maintained under Section 301 of the Companies Act, 1956 on terms and conditions which are 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 is 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 records of the Company, the Company is regular in depositing with appropriate authorities, any undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employee's State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- 10 The Company has accumulated losses of Rs. 26.29 lakhs and has not incurred any cash losses during the year covered by our audit or in the immediately preceding financial year.

- 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 are 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,
- 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
Firm Reg. No. 119891W

SANTOSH A. SANKHE

Partner
M.No.100976

Place : Mumbai

Date : 29th August, 2013



BALANCE SHEET AS AT 30TH JUNE, 2013

Particulars	Note No.	As at 30th June, 2013 Rupees	As at 30th June, 2012 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	5,76,61,840	5,76,61,840
Reserves and Surplus	3	3,92,33,623	4,05,05,350
		<u>9,68,95,463</u>	<u>9,81,67,190</u>
Non-current liabilities			
Long-term borrowings	4	0	1,34,187
Current liabilities			
Trade payables	5	78,33,200	74,73,214
Other current liabilities	6	1,72,80,314	2,51,43,565
Short Terms Provisions	7	67,27,000	67,27,000
		<u>3,18,40,514</u>	<u>3,93,43,779</u>
TOTAL		<u>12,87,35,977</u>	<u>13,76,45,156</u>
II. ASSETS			
Non-current assets			
Fixed assets	8		
(i) Tangible assets		3,94,66,528	3,88,46,099
(ii) Intangible assets		12,293	16,508
		<u>3,94,78,821</u>	<u>3,88,62,607</u>
Non-current investments	9	90,21,867	90,21,867
Deferred Tax Assets	10	8,91,920	8,91,920
Current Assets			
Inventories	11	1,35,08,078	2,86,20,145
Trade receivables	12	4,79,01,274	4,36,53,031
Cash and cash equivalents	13	25,13,163	22,36,009
Short-term loans and advances	14	1,54,20,854	1,43,59,577
		<u>7,93,43,369</u>	<u>8,88,68,762</u>
TOTAL		<u>12,87,35,977</u>	<u>13,76,45,156</u>

See accompanying notes forming part of the financial statements 1 to 22

As per our Report of even date attached

For and on behalf of the Board

For Raman S. Shah & Associates

Chartered Accountants
Firm Reg. No.119891W

Dr. B. M. Saraiya

Director

S. V. Atre

Executive Director

Santosh A. Sankhe

Partner
Membership No. :100976

P. S. Nambiar

Company Secretary

Mumbai, 29th August, 2013

Mumbai, 29th August, 2013

PROFIT AND LOSS ACCOUNT STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2013

Particulars	Note No.	Year Ended 30th June, 2013 Rupees	Year Ended 30th June, 2012 Rupees
I Revenue from operations (Gross)	15	9,33,26,597	11,09,91,876
II Other Income	16	52,39,940	34,65,539
III Total Revenue (I+II)		<u>9,85,66,537</u>	<u>11,44,57,415</u>
IV Expenses			
Cost of materials consumed	17	3,39,79,985	6,31,07,326
Purchases of stock in trade		82,22,527	1,25,50,459
Change in inventories of finished goods and work in progress	18	1,55,12,067	(41,66,169)
Employee benefits expenses	19	2,66,82,190	2,30,90,116
Finance cost	20	13,37,505	21,88,249
Depreciation and amortisation expenses		33,74,775	37,47,144
Other expenses	21	1,07,29,215	1,16,39,628
Total expenses		9,98,38,264	11,21,56,752
V Profit / (Loss) before Tax (III-IV)		(12,71,727)	23,00,663
VI Less : Tax expenses			
Current tax		0	0
VII Profit / (Loss) for the year (V-VI)		<u>(12,71,727)</u>	<u>23,00,663</u>
VIII Earnings per share	22(10)		
Basic Earning per share		(0.22)	0.40
Diluted Earning per share		(0.22)	0.40

See accompanying notes forming part of the financial statements 1 to 22

As per our Report of even date attached

For and on behalf of the Board

For Raman S. Shah & Associates

Chartered Accountants
Firm Reg. No.119891W

Dr. B. M. Saraiya

Director

S. V. Atre

Executive Director

Santosh A. Sankhe

Partner
Membership No. :100976

P. S. Nambiar

Company Secretary

Mumbai, 29th August, 2013

Mumbai, 29th August, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2013

Particulars	Year Ended 30.06.2013 (Rupees)		Year Ended 30.06.2012 (Rupees)	
A. Cash Flow arising from Operating Activities :				
Net profit / (loss) before tax and extraordinary items		(12,71,727)		23,00,662
Add / (Less) back :				
a) Depreciation charges	33,74,775		37,47,144	
b) Interest charges	13,37,505		21,88,249	
c) Dividend Income	(43,08,704)		(23,78,150)	
d) Interest Income	(22,367)	3,81,209	(69,826)	34,87,418
Operating Profit / (Loss) before working charges		(8,90,518)		57,88,080
Deduct /	3,59,986		60,28,434	
a) Increase / (Decrease) in Trade Payable		(7,01,291)	(9,82,911)	50,45,523
Add :	(10,61,277)			1,08,33,603
		(15,91,809)		
Add /				
(Less)				
a) Decrease in Trade & Other Receivables	(42,48,243)		70,09,992	
b) Increase in Current Liability	(78,63,250)		(92,63,056)	
c) (Increase) / Decrease in Inventories	1,51,12,067	30,00,574	(42,91,372)	(65,44,436)
Net cashflow from operating Activity	[A]	14,08,765		42,89,168
B. Cash Flow arising from Investing Activities :				
Outflow on account of investing activity				
a) Acquisition of fixed assets (Incl. Capital WIP)	(39,90,990)		(17,28,197)	
Inflow on account of investing activity				
a) Sale of fixed assets	0	(39,90,990)	0	(17,28,197)
Net cashflow from investing Activity	[B]	(39,90,990)		(17,28,197)
C. Cash Flow arising from Finance Activities :				
Inflow on account of Financing activity				
a) Interest Income	22,367		69,826	
b) Dividend Income	43,08,704	43,31,071	23,78,150	24,47,975
Outflow on account of Financing activity				
a) Repayment - Loans	(1,34,187)		1,34,187	
b) Dividend with tax paid	0		(33,50,802)	
c) Interest on loan paid	(13,37,505)	(14,71,692)	(21,88,249)	(54,04,864)
Net cashflow from financing Activity	[C]	28,59,379		(29,56,889)
Net increase in cash / cash equivalent [A + B + C]		2,77,154		(3,95,918)
Add : Balance at the beginning of the year		22,36,009		26,31,927
Cash / Cash equivalents at the close of the year		25,13,163		22,36,009
Notes to cash flow :				
(1) Components of cash flow :				
Cash - On - Hand		98,908		76,229
Demand deposits with bank (Bank balances)		24,14,255		21,59,780
		25,13,163		22,36,009
For and on behalf of the Board				
		Dr. B. M. Saraiya Director	S. V. Atre Executive Director	
			P. S. Nambiar Company Secretary	
Mumbai, 29th August, 2013				

Auditors' Certificate

To,
The Board Of Directors,
GARWARE MARINE INDUSTRIES LIMITED,
Mumbai.

We have examined the attached cash flow statement of GARWARE MARINE INDUSTRIES LIMITED for the year ended 30th June, 2013. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the listing agreement with the stock exchange and is based on and in agreement with corresponding profit and loss account and balance sheet of the Company covered by our report of the even date, to the members of the Company.

As per our report of even date attached

For RAMAN S. SHAH & ASSOCIATES
Chartered Accountants
Firm Registration No. 119891W

Place : Mumbai
Date : 29th August, 2013

Santosh A. Sankhe
(Partner)
M. No.100976

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013**Note No. 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 is lower

E. Investment :

Investments are stated at cost of acquisition. No provision for diminuation of permanent nature is provided 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 contributes to the Group Gratuity Scheme of Life Insurance Corporation of India for the Employees. The contribution is accounted in the year of payment. Leave encashment is also accounted on actual payment basis.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 2 Share Capital	As at 30th June 2013		As at 30th June 2012	
	Number	Rupees	Number	Rupees
Authorised Capital				
Equity Share Capital				
Equity Shares of Rs. 10/- each	99,00,000	9,90,00,000	99,00,000	9,90,00,000
Preference Share Capital				
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	10,000	10,00,000	10,000	10,00,000
Total	99,10,000	10,00,00,000	99,10,000	10,00,00,000
Issued, Subscribed and Paid-up				
Equity Share Capital				
57,66,184 (Previous year 57,66,184) 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 Reserves)	57,66,184	5,76,61,840	57,66,184	5,76,61,840
Total	57,66,184	5,76,61,840	57,66,184	5,76,61,840

a) Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Equity Shares	
	Number	Rupees
Shares outstanding at 1st July 2012	57,66,184	5,76,61,840
Shares Issued during the year	0	0
Shares bought back during the year	0	0
Shares outstanding at 30th June 2013	57,66,184	5,76,61,840

b) Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 30th June 2013		As at 30th June 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ashok B. Garware	7,74,320	13.43%	7,74,320	13.43%

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 3 Reserves & Surplus	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
a. Securities Premium Account	3,31,07,872	3,31,07,872
b. General Reserves		
Opening Balance	77,29,644	77,29,644
(+) Current Year Transfer	<u>0</u>	<u>0</u>
Closing Balance	77,29,644	77,29,644
c. Capital Redemption Reserve	5,00,000	5,00,000
d. Capital Reserve	5,25,080	5,25,080
e. Surplus in Profit and Loss Statement		
Opening balance	(13,57,246)	(36,57,909)
(+) Net Profit / (Loss) for the current year	<u>(12,71,727)</u>	<u>23,00,663</u>
Closing Balance	(26,28,973)	(13,57,246)
Total	<u>3,92,33,623</u>	<u>4,05,05,350</u>

NOTE 4 Long Term Borrowings	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
<u>Secured</u>		
Term loans from Banks		
Car Finance Loan	<u>0</u>	1,34,187
Total	<u>0</u>	<u>1,34,187</u>

4.1 Car Finance Loan

Car Loan availed by the Company from ICICI Bank is secured against motor car against which the finance is availed.

4.2 Maturity Profile of Secured Loan are as set out below :

Particulars	Within 1 year	1-2 years	Beyond 2 years
ICICI Bank Auto Loan A/c	1,34,187	0	0

NOTE 5 Trade Payables	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
Micro, Small & Medium Enterprises	0	0
Others	<u>78,33,200</u>	<u>74,73,214</u>
Total	<u>78,33,200</u>	<u>74,73,214</u>

5.1 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 accordingly no additional disclosures have been made.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 6 Other Current Liabilities	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
Current Maturities of Long Term Debts (refer note no. 4.2)	1,34,187	1,32,961
Unclaimed Dividends (To be credited to the Investor Education & Protection Fund as and when due)	16,30,361	16,60,886
Duties & Taxes Payables	4,46,835	2,78,368
Other Payables	1,50,68,931	2,30,71,350
Total	<u>1,72,80,314</u>	<u>2,51,43,565</u>

NOTE 7 Short Term Provisions	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
Provision for Taxation	67,27,000	67,27,000
Total	<u>67,27,000</u>	<u>67,27,000</u>

NOTE 8 Fixed Asset

Amount in Rupees

Sr. No	Particulars	Gross Block			Depreciation			Net Block	
		As at 01.07.2012	Addition during the year	As at 30.06.2013	As at 01.07.2012	During the year	As at 30.06.2013	As at 30.06.2013	As at 30.06.2012
A	Tangible Assets								
1	Land (Leasehold)	5,68,191	0	5,68,191	1,89,644	5,966	1,95,610	3,72,581	3,78,547
2	Building	1,01,41,524	0	1,01,41,524	57,58,605	1,81,596	59,40,201	42,01,322	43,82,918
3	Plant & Machinery	11,50,04,257	39,90,990	11,89,95,246	8,15,90,587	30,24,596	8,46,15,183	3,43,80,063	3,34,13,670
4	Furniture & Fixtures	11,83,553	0	11,83,553	11,26,656	0	11,26,656	56,896	56,896
5	Office Equipment	6,34,690	0	6,34,690	5,98,248	464	5,98,712	35,978	36,442
6	Vehicles	11,16,184	0	11,16,184	7,04,097	1,25,635	8,29,732	2,86,452	4,12,087
7	Computers	6,87,187	0	6,87,187	5,21,648	32,303	5,53,951	1,33,236	1,65,539
	TOTAL	12,93,35,585	39,90,990	13,33,26,574	9,04,89,486	33,70,560	9,38,60,046	3,94,66,528	3,88,46,099
B	Intangible Assets								
	Computer Software	26,000	0	26,000	9,492	4,215	13,707	12,293	16,508
	TOTAL	26,000	0	26,000	9,492	4,215	13,707	12,293	16,508
	Grand Total (A+B)	12,93,61,585	39,90,990	13,33,52,574	9,04,98,978	33,74,775	9,38,73,753	3,94,78,821	3,88,62,607
	Previous Year	12,76,33,388	17,28,197	12,93,61,585	8,67,51,834	37,47,144	9,04,98,978	3,88,62,607	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 9 Investments		As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
SHARES :			
A	Quoted		
	14,85,760 (Previous year 14,85,760) Equity Shares of face value of Rs.10/- each fully paid of Global Offshore Services Ltd.	81,82,886	81,82,886
	(Market Value Rs. 9,21,91,408/-, Previous Year Rs.11,11,34,848/-)		
B	Unquoted		
	42,550 (Previous Year 42,550) Equity Shares of Rs.10/- each fully paid of Garware Nylon Ltd.	3,96,981	3,96,981
	3,000 Equity Shares of Rs.100/- each of Garware Goa Nets Ltd. (Formerly Known as Sainet Limited)	4,17,000	4,17,000
	2,500 Equity Shares of Rs.10/- each of The Shamrao Vithal Co-operative Bank Ltd.	25,000	25,000
	Total	<u>90,21,867</u>	<u>90,21,867</u>

NOTE 10 Deferred tax Assets		As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
Dissallowance under Income Tax Act		8,91,920	8,91,920
Total		<u>8,91,920</u>	<u>8,91,920</u>

NOTE 11 Inventories		As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
a.	Work in Process (At Cost)	0	49,57,290
b.	Finished goods including Traded Goods *	65,47,348	1,71,02,125
	*(At cost or realisable value whichever is lower as certified by a director)		
c.	Stores, Spares, Packing Material & Fuel (At Cost)	69,60,730	65,60,730
	Total	<u>1,35,08,078</u>	<u>2,86,20,145</u>

NOTE 12 Trade Receivables (Unsecured, Considered Good)		As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
(a)	Debts outstanding for more than six months	1,36,51,863	1,64,18,406
(b)	Other Debts	3,42,49,411	2,72,34,625
	Total	<u>4,79,01,274</u>	<u>4,36,53,031</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 13 Cash & Cash Equivalents	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
a. Balances with banks		
Current Accounts	7,83,894	4,33,150
Unpaid Dividend Accounts	16,30,361	16,60,886
Margin Money	0	65,744
	24,14,255	21,59,780
b. Cash on hand	98,908	76,229
Total	25,13,163	22,36,009

NOTE 14 Short Term Loans and Advances (Unsecured, Considered Good)	As at 30th June 2013 Rupees	As at 30th June 2012 Rupees
Advances recoverable in cash or in kind or for value to be received	32,73,958	26,94,155
Balance with Excise Authorities	6,59,986	6,59,986
Advance Tax and Tax Deducted at Source	90,92,117	86,21,844
Deposits	23,94,793	23,83,592
Total	1,54,20,854	1,43,59,577

NOTE 15 Revenue from Operations	Year Ended 30th June 2013 Rupees	Year Ended 30th June 2012 Rupees
Sales (Gross)	7,29,46,330	9,27,85,088
Other Operating Revenue	2,03,80,267	1,82,06,788
Total	9,33,26,597	11,09,91,876

NOTE 16 Other Income	Year Ended 30th June 2013 Rupees	Year Ended 30th June 2012 Rupees
Interest Income (Gross)	22,367	69,826
Dividend Income	43,08,704	23,78,150
Miscellaneous Income	9,08,869	10,17,564
Total	52,39,940	34,65,539

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 17	Year Ended 30th June 2013	Year Ended 30th June 2012
Cost of Materials Consumed	Rupees	Rupees
(a) Raw Materials Consumed		
Opening Stock	0	0
Add: Purchases	3,35,22,464	6,24,02,973
Less: Closing Stock	0	0
	<u>3,35,22,464</u>	<u>6,24,02,973</u>
(b) Stores and Spares Consumed		
Opening Stock of Stores & Spares	65,60,730	64,35,527
Add: Purchases	8,57,521	8,29,555
Less: Closing Stock	69,60,730	65,60,730
	<u>4,57,521</u>	<u>7,04,352</u>
Total	<u><u>3,39,79,985</u></u>	<u><u>6,31,07,326</u></u>

NOTE 18	Year Ended 30th June 2013	Year Ended 30th June 2012
Change in Inventories of finished goods and work in progress	Rupees	Rupees
Opening Stock		
Finished Goods (Including Traded Goods)	1,71,02,125	98,34,307
Semi-finished Goods	49,57,290	80,58,939
	<u>2,20,59,415</u>	<u>1,78,93,246</u>
Closing Stock		
Finished Goods (Including Traded Goods)	65,47,348	1,71,02,125
Semi-finished Goods	0	49,57,290
	<u>65,47,348</u>	<u>2,20,59,415</u>
(Increase)/Decrease in inventories of finished goods and work in progress	<u><u>1,55,12,067</u></u>	<u><u>(41,66,169)</u></u>

NOTE 19	Year Ended 30th June 2013	Year Ended 30th June 2012
Employee Benefit Expenses	Rupees	Rupees
(a) Salaries, Wages & Other allowances	2,38,67,857	2,01,39,466
(b) Contributions to -		
(i) Provident Fund	14,67,156	13,58,266
(ii) EDLIS	54,298	53,347
(iii) P.F. / EDLIS Administrative Expenses	1,35,575	1,25,570
(iv) ESIC	26,213	31,220
(v) Maharashtra Labour Welfare fund	5,130	15,714
(c) Gratuity fund contributions	6,33,072	8,88,000
(d) Staff welfare expenses	4,92,890	4,78,533
Total	<u><u>2,66,82,190</u></u>	<u><u>2,30,90,116</u></u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

NOTE 20 Finance Cost	Year Ended 30th June 2013 Rupees	Year Ended 30th June 2012 Rupees
Interest and other Finance expenses	<u>13,37,505</u>	21,88,249
Total	<u><u>13,37,505</u></u>	<u><u>21,88,249</u></u>

NOTE 21 Other Expenses	Year Ended 30th June 2013 Rupees	Year Ended 30th June 2012 Rupees
Diesel Expenses	5,73,000	9,31,670
Electricity Expenses (Factory)	27,03,672	27,66,191
Fuel & Oil	1,03,782	66,150
Packing Materials	70,999	1,72,322
Rent	6,54,000	3,30,000
Transport Charges	14,28,180	22,67,320
Water Charges	1,63,544	2,13,681
Repairs & Maintenance		
- Machinery & Electrical	20,571	55,411
- Others	2,34,677	3,12,885
Books & Periodicals	1,840	11,615
Conveyance Expenses	2,56,668	2,41,830
Insurance	1,08,188	66,775
Rates and Taxes	2,340	1,152
Auditors Remuneration	1,25,000	1,25,000
Legal & Professional Expenses	4,65,964	6,38,915
Printing & Stationery	1,61,816	1,71,055
Advertisement Expenses	60,305	74,268
Postage & Courier	1,03,193	1,86,721
Telephone Expenses	1,92,493	1,80,751
Travelling Expense	3,91,007	3,15,984
Electricity Charges (others)	52,517	46,609
Sales Promotion Expenses	19,792	15,085
Other Operating Expenses	28,35,667	24,48,239
Total	<u><u>1,07,29,215</u></u>	<u><u>1,16,39,628</u></u>

Note 22 : Additional Information to financial statements

1 Contingent Liabilities in respect of :

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

2 Auditors Remuneration :

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
(a) Audit Fees	1,05,000	1,05,000
(b) Tax Audit Fees	20,000	20,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

3 Remuneration Paid/ Provided to Wholetime Directors :

Particulars	Year Ended 30.06.2013 (In Rs. Lacs)	Year Ended 30.06.2012 (In Rs. Lacs)
Salaries & Allowances	11.59	10.62
Total	11.59	10.62

4 (a) Capacity and Production

Particulars	Unit	Licenced Capacity		Installed Capacity		Actual Production	
		Year Ended 30.06.2013	Year Ended 30.06.2012	Year Ended 30.06.2013	Year Ended 30.06.2012	Year Ended 30.06.2013	Year Ended 30.06.2012
Nylon Fish Knitted Fabrics	M.T.	C.O.B. Licence for 256.000 Applied for	C.O.B. Licence for 256.000 Applied for	256.000	256.000	146.773	242.971

Although the installed capacity has been indicated as above most of the machines being common for different constructions and mesh sizes of Nylon 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 30.06.2013				Year Ended 30.06.2012			
	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
Nylon Fish Knitted Fabrics	41.863	1,48,61,432	18.443	65,47,348	22.685	74,86,087	41.863	1,48,61,432
Total		1,48,61,432		65,47,348		74,86,087		1,48,61,432

Transactions of Goods Traded during the year

Particulars	Year Ended 30.06.2013							
	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 Fish Knitted Fabrics	6.502	22,40,693	28.079	82,22,527	34.582	1,03,74,513	0.000	0
Total		22,40,693		82,22,527		1,03,74,513		0

(c) Sales

Particulars	Year Ended 30.06.2013		Year Ended 30.06.2012	
	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees
(i) Nylon Fish Knitted Fabrics	168.846	6,22,93,444	227.757	7,97,06,419
(ii) 3rd Grade Fabrics		2,78,373		4,19,185
(iii) Income from other Operations		2,03,80,267		1,82,06,788
Total		8,29,52,084		9,83,32,392



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

(d) Raw Material Consumed

Particulars	Year Ended 30.06.2013		Year Ended 30.06.2012	
	Qty. M.T.	Value Rupees	Qty. M.T.	Value Rupees
Nylon Yarn	132.175	3,35,22,464	233.336	6,24,02,973
Total		3,35,22,464		6,24,02,973

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

Particulars	Year Ended 30.06.2013		Year Ended 30.06.2012	
	Value Rupees	Percentage to Total	Value Rupees	Percentage to Total
(i) Raw Materials				
Imported	0	0%	0	0%
Indigenous	3,35,22,464	100%	6,24,02,973	100%
Total	3,35,22,464	100%	6,24,02,973	100%
(ii) Stores & Spares				
Imported	0	0%	0	0%
Indigenous	4,57,521	100%	7,04,352	100%
Total	4,57,521	100%	7,04,352	100%

- 5 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 is adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities other than those stated in Note No.22(1).
- 6 Reconciliation of Sundry Debtors has been completed in part and the same has been reflected in the Accounts.
- 7 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.
- 8 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.
- 9 **Segment Reporting**

Particulars	Year Ended 30.06.2013 Rupees
Revenue by Industry Segment	
Manufacturing (Including other income)	7,81,86,270
Repairs / Contracts	2,03,80,267
Total	9,85,66,537
Less : Inter-Segment Revenue	0
	<u>9,85,66,537</u>
Segment Profit / (Loss) before Interest, Depreciation and Tax	
Manufacturing	(1,03,06,089)
Repairs / Contracts	1,37,46,642
	34,40,553
Less : Interest	13,37,505
Depreciation	33,74,775
Profit / (Loss) before Tax	<u>(12,71,727)</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2013

Principal Segments

The Company's operations mainly relate to manufacture of Nylon Fish Knitted Fabrics 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.

10 Earning Per Share :

Particulars	30.06.2013	30.06.2012
A Basic Earning Per Share :		
Earning for Computing Earning Per Share :		
Profit / (Loss) before Taxation	(12,71,727)	23,00,662
(Less) : Provision for Taxation	0	0
(A)	(12,71,727)	23,00,662
Weighted Average No. of Equity Share Capital :		
Equity share at the beginning of the year	57,66,184	57,66,184
(+) Fresh issue during the year	0	0
(-) Redeemed/ Forefeited during the year	0	0
(B)	57,66,184	57,66,184
BASIC EARNING PER SHARE (A / B)	(0.22)	0.40
B Diluted Earning Per Share :		
Diluted Earning for Computing Diluted Earning Per Share :		
Profit / (Loss) before Taxation	(12,71,727)	23,00,662
(Less) : Provision for Taxation	0	0
(A)	(12,71,727)	23,00,662
Weighted Average No. of Equity Share Capital :		
Equity share at the beginning of the year	57,66,184	57,66,184
(+) Fresh issue during the year (In weighted average for time)	0	0
(+) Potential No. of shares to be issued on conversion	0	0
(B)	57,66,184	57,66,184
DILUTED EARNING PER SHARE (A / B)	(0.22)	0.40

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.

- 11 Previous year's figures have been regrouped / reclassified, to correspond with the current year's classification / disclosure.

As per our Report of even date attached

For and on behalf of the Board

For Raman S. Shah & Associates

Chartered Accountants

Firm Reg. No.119891W

Dr. B. M. Saraiya

Director

S. V. Atre

Executive Director

Santosh A. Sankhe

Partner

Membership No. :100976

P. S. Nambiar

Company Secretary

Mumbai, 29th August, 2013

Mumbai, 29th August, 2013



ATTENDANCE SLIP

GARWARE MARINE INDUSTRIES LIMITED

Registered 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 **35th ANNUAL GENERAL MEETING** at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Mumbai 400 034 on Friday, 15th November 2013 at 9.30 a.m.

SIGNATURE OF THE MEMBER /PROXY

-----><----- (TEAR HERE) -----

PROXY FORM

GARWARE MARINE INDUSTRIES LIMITED

Registered 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 **35th ANNUAL GENERAL MEETING** of the
Company to be held on Friday, 15th November 2013 at 9.30 a.m. and at any adjournment thereof.

Signed this day of 2013

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.



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.