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**GARWARE  
SHIPPING  
CORPORATION  
LIMITED**

TWENTY-SECOND ANNUAL REPORT 1999

# GARWARE SHIPPING CORPORATION LIMITED

FOUNDER : THE LATE PADMA BHUSHAN - DR. B. D. GARWARE - FOUNDER OF THE GARWARE GROUP

**BOARD OF DIRECTORS**

ASHOK GARWARE  
(Chairman)

ADITYA GARWARE

MANEESHA SHAH (nee GARWARE)

SHEFALI BAJAJ (nee GARWARE)

M. H. MODY

SHAMSUNDER AGGARWAL

PRADEEP R. MAFATLAL

S. M. LAUD

**DIRECTOR & COMPANY SECRETARY**

S. M. LAUD

**CHIEF GENERAL MANAGER - TECHNICAL**

I. R. LEMOS

**AUDITORS**

M/S. THAKUR & GUPTA ASSOCIATES  
(Chartered Accountants)

**REGISTERED OFFICE**

Express Towers  
5th Floor  
Nariman Point  
Mumbai -400 021.

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Chander Mukhi  
Second Floor,  
Nariman Point  
Mumbai - 400 021.

Raheja Centre, 12th Floor,  
Nariman Point,  
Mumbai - 400 021.

Unit No.7, Ground Floor  
World Trade Centre  
Cuffe Parade, Colaba  
Mumbai - 400 005.  
(Share Department)

**TWENTYSECOND ANNUAL REPORT  
1999**

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**NOTICE**

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the Members of the Company will be held at "Garware Sabhagriha", F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai -400 034 on Friday, 30th June, 2000 at 9.30 a.m. to transact the following business :

**ORDINARY BUSINESS**

1. To consider the audited Balance Sheet as at 31st December, 1999 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Ashok Garware, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shefali Bajaj (nee Garware) who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

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

"RESOLVED THAT subject to the provisions of Sections 198,269,309, Schedule XIII and other applicable provisions of the Companies Act, 1956 and pursuant to the recent amendment to Schedule XIII to the Companies Act, 1956, in the event of absence or inadequacy of Net Profit for the Company in any year, consent be and is hereby given to pay remuneration for such year to each Wholetime Director of the Company of an amount not exceeding the amount specified in the said amended Schedule XIII commensurate with the effective capital of the Company for such year."

By order of the Board

**S.M. LAUD**  
DIRECTOR & COMPANY SECRETARY

**Registered Office**

Express Towers, 5th Floor,  
Nariman Point,  
Mumbai - 400 021

Dated : 31st May, 2000.

**NOTES :**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) The form of proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (c) The Register of Members and Share Transfer Books of the Company shall remain closed from 27th June, 2000 to 30th June, 2000 ( both days inclusive ).
- (d) Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant Share Certificates to the Company.
- (e) Members are requested to bring their copies of the Annual Report to the Meeting.
- (f) Members are requested to notify immediately any change in their address to the Company.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF  
THE COMPANIES ACT, 1956**

## Item No 5

The Central Government vide its notification dated 02.03.2000 has made an amendment in Schedule XIII (Part II, Section II) to the Companies Act, 1956 allowing payment of remuneration to wholetime Directors (in the event of absence or inadequacy of Net Profits of the Company in any year) ranging between Rs. 75,000 to Rs. 2,00,000 per month depending upon the effective capital of the Company for such year. The resolution proposed is pursuant to this Amendment.

The Board recommends the passing of this Ordinary Resolution at Item No. 5 of the Notice.

Shri Aditya A. Garware and Shri S. M. Laud are Wholetime Directors of the Company. None of the Directors of the Company except Shri Aditya A. Garware, Shri Ashok Garware, Mrs. Maneesha Shah (nee Garware), Mrs. Shefali Bajaj (nee Garware) (who are all related to each other) and Shri S. M. Laud are deemed to be concerned or interested in the passing of this Resolution.

**DIRECTORS' REPORT**

FOR THE YEAR ENDED 31ST DECEMBER 1999.

TO

THE MEMBERS :

	Rs. in Lacs	
	1999	1997-98
<b>1. FINANCIAL RESULTS :</b>		
Profit before interest & depreciation	185.60	1015.11
Interest	98.74	193.59
Profit before Depreciation	86.86	821.52
Depreciation	160.45	449.78
Profit / (Loss) for the year	(73.59)	371.74
Provision for Taxation	0.00	80.00
Profit / (Loss) after Tax	(73.59)	291.74
Add : Surplus of Profit & Loss Account brought forward from earlier year	330.12	370.61
Excess Provision of Tax for earlier year	18.88	--
Excess Provision of Shipping Reserve transferred	165.00	--
Less : Additional Depreciation on account of change in life of a vessel sold	(350.09)	--
Amount available for appropriation	90.33	662.35
Appropriations :		
Transfer from Debenture Redemption Reserve	14.50	7.78
Shipping Reserve u/s 33 AC	0.00	340.00
Balance carried to Balance Sheet	104.83	330.12

**2. OPERATIONS :**

The period is for 12 months, whereas the earlier period was for 18 months.

The gross charter hire and freight earnings for the year under review decreased by approximately Rs.1278.72 lacs due to several of the Company's vessels being on down time for substantial part of the year on account of major survey repairs/dry docking. The expenses of the Company have also substantially decreased by Rs.816.87 lacs. The Gross Profit before depreciation was lower by approximately 460.82 lacs. Interest has reduced by approx. Rs.30 lacs. These comparisons are on an annualised basis. The Gross Profit after interest is Rs.86.86 lacs. The Net Loss after depreciation is Rs.73.59 lacs. During the year the Company sold its cargo vessel, M.V.Raigad, which was 20 years old and the additional depreciation being written off this year on this vessel amounts to Rs.350.09 lacs, which is the main cause of loss after depreciation.

**3. FUTURE OUTLOOK:**

Your Company has recently been awarded a tender for three of its Offshore Supply Vessels on a long term contract against much competition. Your Company has also tendered for its other two Offshore Supply Vessels and is hopeful of being awarded a long term contract for the same. Thus, the entire fleet would be employed with ONGC on a daily charter rate on a long term basis.

The Company continues to look out for various expansion/diversification options as a part of its strategy.

**4. INSURANCE :**

All the vessels owned by the Company have been adequately insured for both marine and war risks.

**5. FIXED DEPOSITS**

During the period under review, the Company has not accepted Deposits from the public and shareholders. There were 44 deposits from the public and shareholders totalling Rs.2,22,000/- which became due for payment, but remained unclaimed as on 31st December, 1999. However, after the close of the year, out of the aforesaid deposits, 4 deposits totalling to Rs.19,000/- have been paid, leaving unclaimed deposits of Rs.2,03,000/-.

**6. DIRECTORATE**

Shri Ashok Garware, Chairman and Mrs. Shefali Bajaj, Director of the Company retire by rotation and being eligible, offer themselves for re-appointment. The members are requested to re-appoint them.

**7. AUDITORS**

With reference to the observations in the Auditors' Report, the Notes on Accounts are self explanatory.

You are requested to appoint Auditors for the current year and to fix their remuneration

**8. PERSONNEL**

The relations with all the employees of the Company, both shore staff and floating staff have generally been cordial. Your Directors wish to express their appreciation of the services of the devoted employees who have contributed to the operations of the Company.

**9. PARTICULARS OF EMPLOYEES**

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in the statement annexed hereto which forms part of this report.

**10. CONSERVATION OF ENERGY ETC.**

The details required under Section 217(i)(e) is annexed hereto which forms part of this report.

**11. ACKNOWLEDGEMENT**

The Board places on record its appreciation of the role of the two Whole-time Directors viz., Shri Aditya A. Garware and Shri S. M. Laud for their untiring efforts at times that have been most trying.

Your Directors also wish to thank the officials of the Ministry of Surface Transport, Directorate General of Shipping, Mercantile Marine Department, Ministry of Petroleum and Natural Gas; and also particularly ONGC, Mumbai Port Trust, State Bank of Hyderabad and IIBI for their continued support and co-operation during the year.

On behalf of the Board

**ASHOK GARWARE**

Chairman

Mumbai

Dated :31st May, 2000



## ANNEXURE TO DIRECTORS' REPORT

STATEMENT REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER CLAUSE (e) OF SUB-SECTION (1) OF SECTION 217 OF THE COMPANIES ACT, 1956.

Item No. Particulars

### A. CONSERVATION OF ENERGY

- |   |  |
|---|--|
| (a) Measures taken  | Being a Shipping company, taking of energy conservation measures does not arise. |
| (b) Additional Investments and proposals, if any, being implemented for reduction of energy consumption | Nil  |
| (c) Impact of the measures (a) and (b) above and consequent impact on cost of production                | Not Applicable   |
| (d) Total energy consumption and consumption per unit of production in Form 'A'                         | Not Applicable   |

### B. TECHNOLOGY ABSORPTION

- |   |                          |
|---|--------------------------|
| (e) Efforts made in Technology absorption | As per Form 'B' enclosed |
|---|--------------------------|

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- |  |                |
|--|----------------|
| (f) Activities relating to exports, initiative taken to increase exports, development of New Export market for product and services and Export plans.    | Not Applicable |
| (g) (a) Foreign exchange earned and saved (on account of freight, charter hire, earnings etc.) including deemed earnings.                                | Rs.625.84 lacs |
| (b) Foreign exchange used including Operating Expenses, standby expenses, Capital repayment, down payments for acquisition of ships and interest payment | Rs.11.85 lacs  |

**FORM 'B'**

(See Rule - 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)**

1. Specific areas in which R & D carried out by the Company : None
2. Benefits derived as a result of the above R & D : Not Applicable
3. Future plan of action : None
4. Expenditure on R & D
  - (a) Capital : Nil
  - (b) Recurring : Nil
  - (c) Total : Nil
  - (d) Total R & D Expenditure as a percentage of total turnover : Nil

**Technology absorption, adaptation and innovation**

1. Efforts in brief, made towards technology absorption, adaption and innovation : None
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc. : Not Applicable
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished : Not Applicable
  - (a) Technology imported
  - (b) Year of Import
  - (c) Has technology been fully absorbed?
  - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans and action.