



**GARWARE
SHIPPING
CORPORATION
LIMITED**

TWENTY-FIFTH ANNUAL REPORT 2002

GARWARE SHIPPING CORPORATION LIMITED

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

BOARD OF DIRECTORS **ASHOK GARWARE** - M. A. (Cantab)
(Chairman)
 ADITYA GARWARE - M.B.A. (USA) - **Wholetime Director**
(Vice Chairman)
 MANEESHA SHAH (nee GARWARE) - B.Com. L.L.B.
 M. H. MODY - B.Com, F.C.A.
 SHAMSUNDER AGGARWAL - B.Sc. (New York University)
 S. N. GUPTA - B. Com. F.C.A.

COMPANY SECRETARY **C. V. RAMACHANDRAN** - B.Com., L.L.B., F.C.S., D.T.M., DIP.A.

PRESIDENT - TECHNICAL **I. R. LEMOS** - I.Eng. A.M.I. Mar.E. (London)

GENERAL MANAGER
CO-ORDINATION - DIVERSIFICATION **S. MALHOTRA** - B.Sc. (Chemistry) Hon.

COMMERCIAL MANAGER **K. S. DAVE** - B.Com. L.L.B.

MANAGER - FINANCE & ACCOUNTS **P. S. SHAH** - B.Com.

BANKER **STATE BANK OF HYDERABAD**

AUDITORS **M/S. RAMAN S. SHAH & ASSOCIATES**
(Chartered Accountants)

ADVOCATES & SOLICITERS **SHAUNAK SATPUTE & CO.**

REGISTERED OFFICE Chander Mukhi, Nariman Point
Mumbai - 400 021.

BRANCHES World Trade Centre Mumbai,
Goa, Pondicherry, Chennai.

REGISTRAR AND
TRANSFER AGENT Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.

25th ANNUAL REPORT

2002



NOTICE

NOTICE is hereby given that the Twenty-fifth 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, 27th June, 2003 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To consider the audited Balance Sheet as at 31st December, 2002 and Profit & Loss Account for the year ended thereon together with Directors' and Auditors' Report 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 Shri Shamsunder Aggarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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By Order of the Board

C. V. RAMACHANDRAN
Company Secretary

Registered office

Chander Mukhi,
Nariman Point,
Mumbai 400 021

Dated : 21st May, 2003

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. The Register of Members and Share Transfer Books of the Company will remain closed from 21st June, 2003 to 27th June, 2003 (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 put 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 address, if any, immediately, quoting their Folio Number, 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 are requested to write to the Company's Registered & Share Transfer Agent, and send their Share Certificates to enable consolidation of their holding into one folio.
6. All enquiries and correspondence regarding Transfer of Shares, Dematerialisation etc, are to be made with the 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.

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.

By Order of the Board

Registered office

Chander Mukhi,
Nariman Point,
Mumbai 400 021

C. V. RAMACHANDRAN
Company Secretary

Dated : 21st May, 2003

**DIRECTORS' REPORT**FOR THE YEAR ENDED 31ST DECEMBER. 2002TO
THE MEMBERS

	RS.IN LACS	
	YEAR ENDED 31.12.2002	YEAR ENDED 31.12.2001
1. FINANCIAL RESULTS :		
Income from operations	1,978.73	1,623.28
Other Income	14.87	2.80
Gross income	1,993.60	1,626.08
Expenses for the year	(1,267.66)	(1,021.57)
Operating Profit for the year	725.94	604.51
Interest	68.51	66.26
Profit before depreciation	657.43	538.25
Depreciation	345.66	339.86
Profit for the period	311.77	198.39
Expenses of earlier years	0.00	90.36
Profit / (Loss) before Tax	311.77	108.03
Provision for Taxation	0.00	11.00
	311.77	97.03
Add : Deferred Tax Assets as per (Accounting Standard - 22)	115.18	0.00
Add : Excess Provision of Tax for earlier year	0.00	3.66
Net Profit / (loss) after Tax	426.95	100.69

2. OPERATIONS :

The earnings of the Company for the year ended 31st December, 2002 were 20% higher as compared to the previous year. The gross charter hire earnings for the year under review increased to Rs. 1978.73 Lacs from Rs. 1623.28 Lacs. This is due to the fact that your Company's Vessels were deployed for longer periods than the previous year. The net profit prior to tax and earlier year expenses stood at Rs.3.11 crores as against Rs.1.98 crores for the previous year.

The matter regarding the balance amount of arrears receivable from ONGC is still pending before Sole Arbitrator. Hearings in front of the Arbitrator have already commenced and judgement is expected shortly.

For similar disputes, the Company has also taken the arbitration route. Arbitrators for these disputes have already been appointed.

3. RESPONSIBILITY STATEMENT :

The Directors confirm :

- 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.
- that they have selected such Accounting Policies and applied them consistently and made judgements 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.
- 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 preventing and detecting fraud and other irregularities.
- that they have prepared the Annual Accounts on a going concern basis.

4. FUTURE OUTLOOK :

Your Company's 4 vessels have been awarded a contract against global tender issued by ONGC. These vessels will now be on contract with the ONGC for a period of three years atleast. The new rates will be reflected in the current year's earnings.

5. INSURANCE :

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

6. FIXED DEPOSITS :

During the period under review, the Company has not accepted deposits from the Public and Shareholders. 10 deposits totalling Rs. 58,000/- shown under current liabilities have remained unclaimed as on date.

7. DIRECTORATE :

Shri Ashok Garware and Shri Shamsunder Aggarwal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. The Members are requested to re-appoint them.

During the year, Mrs. Shefali Bajaj (nee Garware) resigned as a Director. The Board wishes to place on record its appreciation of the services rendered by Mrs. Shefali Bajaj (nee Garware) during her tenure as Director of the Company.

8. AUDITORS :

You are requested to appoint Auditors for the current year and to fix their remuneration. With regard to the Auditor's Report, the notes to the Accounts are Self-explanatory.

With regard to point no.12 of the Annexure to Auditors' Report, the Company has Appointed M/S. Yashaswi K. Pandya & Company as Internal Auditors and has covered most areas of operations. Internal audit system is reviewed regularly.

9. PERSONNEL :

The relations with all the employees of the Company, both Shore Staff and Floating Staff have 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.

10. PARTICULARS OF EMPLOYEES :

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

11. DEMATERIALISATION OF SHARES :

The Company's shares continue to be traded in Electronic Form.

12. CORPORATE GOVERNANCE :

A separate report on Corporate Governance along with the Auditors statement of its compliance is given in a separate annexure.

13. ACKNOWLEDGEMENT :

The Board places on record its appreciation of the role of the Wholetime Director, Shri Aditya Garware, Company Executives/Officers for their untiring efforts. Your Directors also wish to thank the Officials of Directorate General of Shipping, Indian Registry of Shipping, Mercantile Marine Department and State Bank of Hyderabad for their continued support during the year.

On Behalf of the Board

Place : Mumbai
Dated : 21st May, 2003.

ASHOK GARWARE
Chairman



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
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A. CONSERVATION OF ENERGY

- | | | |
|-----|--|---|
| (a) | Measures Taken | : Being a Shipping Company, taking of energy conservation measures does not arise |
| (b) | Additional investment 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 export, 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 | : Nil |
| | (b) Foreign exchange used including Operating Expenses, Standby Expenses, Capital repayment, down payment for acquisition of ships and interest payment. | : 13.01 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, adaptation 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 only absorbed, areas where this has not taken place, reasons therefore and future plans and actions.