

INTERNATIONAL SHIPPING

Report

Journal

ANNUAL REPORT

## THE YEAR AT A GLANCE

In Millions except for Earnings & Cash earnings per share

	March 31, 1998		March 31, 1997	
	Rs.	US\$	Rs.	US\$
<b>For the year</b>				
Total Revenue	9,641	259	8,781	247
Operating Profit (PBIDT)	4,206	113	3,530	99
Profit after tax (PAT)	1,642	44	1,364	38
PBIDT as a percentage of total revenue	43.62	43.62	40.20	40.20
Earnings per share	5.71	0.15	4.74	0.13
Cash earnings per share	11.13	0.30	9.00	0.25
Dividend amount	1,265	34	949	27
Capital Investment	2,181	59	2,635	74

### At the end of the year

Total assets	23,041	583	22,831	636
Fixed assets	14,483	367	13,978	389
Total debt	8,318	211	8,357	233
Net worth	11,687	296	11,489	320
Equity	2,876	73	2,876	80
Market Capitalisation	11,272	285	10,280	286

Figures in US\$ are arrived at by converting Rupee figures at the average conversion rate for all for the year items and at closing rate for all year end items, as given below, to facilitate comparison.

	Rs./US\$	
Exchange Rate	1997-98	1996-97
— Closing	39.50	35.90
— Average	37.17	35.54

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NOTICE is hereby given that the Fiftieth Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Patkar Hall, S.N.D.T. University, Sir Vithaldas Thackersey Marg, Mumbai 400 020, on Friday, August 28, 1998 at 3.00 PM. (I.S.T.) to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 1998 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Rusi N. Sethna who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Asha V. Sheth who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. K. P. Byramjee who retires by rotation and being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass with or without modification, the following resolutions as Ordinary Resolutions :

(A) "Resolved that pursuant to the provisions of Section 224 and other applicable Sections of the Companies Act, 1956, Messrs Chandabhoy & Jassoobhoy, one of the retiring auditors of the Company, be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors".

(B) "Resolved that pursuant to the provisions of Section 224 and other applicable Sections of the Companies Act, 1956, in place and stead of Messrs. S.R. Batliboi & Co., the other retiring auditors who have expressed their inability to be re-appointed, Messrs Kalyaniwalla & Mistry, Chartered Accountants, in respect of whom special notice pursuant to Section 225 of the said Act has been received, be and are hereby appointed auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting, on a remuneration to be fixed by the Board of Directors".

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable Sections of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. K. M. Sheth as Managing Director of the Company for a further period of 5 years commencing from Nov. 03, 1998 on the following terms of remuneration :

- (a) Salary : Rs. 75,000/- per month in the scale of Rs. 75,000 - 7,500 - 1,05,000. This will include dearness allowance and all other allowances not otherwise specified herein.
- (b) Commission : Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Sub-Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 309 of the Act.
- (c) Perquisites as follows:
  - (i) Housing: Rent free accommodation will be provided to the Managing Director for which ten per cent of his salary shall be recovered. In case no accommodation is so provided by the Company, house rent allowance at sixty per cent of his salary, shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumer durables, if required.
  - (ii) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
  - (iii) All medical expenses incurred for him and his family shall be reimbursed.
  - (iv) Leave Travel Concession for self and family will be allowed once in a year as may be sanctioned by the Board.
  - (v) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.

- (vi) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000 per annum.
- (vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
- (viii) Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity Scheme of the Company, whichever is higher.
- (ix) Provision of car with driver for use on Company's business and telephone at the residence.
- (x) Leave unavailed of to be allowed to be encashed as per rules of the Company."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year Mr. K.M. Sheth, Managing Director, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Managing Director, Mr.K.M.Sheth shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable Sections of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. B.K.Sheth as Whole-time Director of the Company with the designation of Executive Director for a further period of 5 years commencing from Nov. 03, 1998 on the following terms of remuneration :

- (a) Salary : Rs. 50,000/- per month in the scale of Rs.50,000 - 5,000 - 70,000. This will include dearness allowance and all other allowances not otherwise specified herein.
- (b) Commission : Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Sub-Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 309 of the Act.
- (c) Perquisites as follows :
  - (i) Housing: Rent free accommodation will be provided to the Whole-time Director for which ten per cent of his salary shall be recovered. In case no accommodation is so provided by the Company, house rent allowance at sixty per cent of his salary, shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumer durables, if required.
  - (ii) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
  - (iii) All medical expenses incurred for him and his family shall be reimbursed.
  - (iv) Leave Travel Concession for self and family will be allowed once in a year as may be sanctioned by the Board.
  - (v) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.
  - (vi) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000 per annum.
  - (vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
  - (viii) Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher.
  - (ix) Provision of car with driver for use on Company's business and telephone at the residence.
  - (x) Leave unavailed of to be allowed to be encashed as per rules of the Company."



"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year Mr. B.K. Sheth, Whole-time Director, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Whole-time Director, Mr. B.K. Sheth shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable Sections of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. V.K. Sheth as Whole-time Director of the Company with the designation of Executive Director for a further period of 5 years commencing from Nov. 03, 1998 on the following terms of remuneration :

- (a) Salary : Rs. 50,000/- per month in the scale of Rs.50,000 - 5,000 - 70,000. This will include dearness allowance and all other allowances not otherwise specified herein.
- (b) Commission : Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors or a Sub-Committee of Directors which together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 309 of the Act.
- (c) Perquisites as follows :
  - (i) Housing: Rent free accommodation will be provided to the Whole-time Director for which ten per cent of his salary shall be recovered. In case no accommodation is so provided by the Company, house rent allowance at sixty per cent of his salary, shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumer durables, if required.
  - (ii) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
  - (iii) All medical expenses incurred for him and his family shall be reimbursed.
  - (iv) Leave Travel Concession for self and family will be allowed once in a year as may be sanctioned by the Board.
  - (v) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.
  - (vi) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000 per annum.
  - (vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
  - (viii) Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher.
  - (ix) Provision of car with driver for use on Company's business and telephone at the residence.
  - (x) Leave unavailed of to be allowed to be encashed as per rules of the Company."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year Mr. V.K. Sheth, Whole-time Director, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Whole-time Director, Mr. V.K. Sheth shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable Sections of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII of



the said Act, the approval of the Company be and is hereby accorded to the appointment of Mr. S.J. Mulji as Joint Managing Director of the Company for a period of 5 years from April 01, 1998 on the following terms of remuneration :

- (a) Salary: Rs.65,000 per month in the scale of Rs.65,000-6,500-91,000. This will include dearness allowance and all other allowances not otherwise specified herein.
- (b) Commission: Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profits of the Company for each financial year as may be fixed by the Board of Directors or a Sub-committee of Directors which, together with the salary and monetary value of perquisites shall not exceed the ceiling laid down in Section 309 of the Act.
- (c) Perquisites as follows:
  - (i) Housing: Rent free accommodation will be provided to the Joint Managing Director for which ten per cent of his salary shall be recovered. In case no accommodation is so provided by the Company, house rent allowance at sixty per cent of his salary, shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumer durables, if required.
  - (ii) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
  - (iii) All medical expenses incurred for him and his family shall be reimbursed.
  - (iv) Leave Travel Concession for self and family will be allowed once in a year as may be sanctioned by the Board.
  - (v) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership fees.
  - (vi) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000 per annum.
  - (vii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
  - (viii) Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher.
  - (ix) Provision of car with driver for use on Company's business and telephone at the residence.
  - (x) Leave unavailed of to be allowed to be encashed as per rules of the Company."

"RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Mr. S.J. Mulji, Joint Managing Director, shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time."

"RESOLVED FURTHER THAT in the event of loss of his office as Joint Managing Director, Mr. S.J. Mulji shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 of the Companies Act, 1956."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable Sections of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, consent of the Company be and is hereby accorded to the variation and enhancement of some of the perquisites granted to Mr. G.S. Sheth, the Whole-time Director of the Company (with the designation of Executive Director) which shall now be as follows with effect from March 01, 1998 :

- (i) Housing: Rent free accommodation will be provided to the Whole-time Director for which ten per cent of his salary shall be recovered. In case no accommodation is so provided by the Company, house rent allowance at sixty per cent of his salary, shall be paid. In addition, he shall be allowed free use of the Company owned furniture and other consumer durables, if required.
- (ii) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.

- (iii) All medical expenses incurred for him and his family shall be reimbursed.
- (iv) Leave Travel Concession for self and family will be allowed once in a year as may be sanctioned by the Board.
- (v) Personal Accident Insurance, the premium of which shall not exceed Rs.10,000 per annum.
- (vi) Gratuity as per the provisions of the Payment of Gratuity Act or as per the Gratuity Scheme of the Company, whichever is higher.
- (vii) Provision of car with driver for use on Company's business and telephone at the residence."

By Order of the Board of Directors,  
**Y. HARI HARA SUBRAMANIAM**  
 Assistant Company Secretary.

Mumbai, July 28, 1998

Registered Office:  
 Ocean House,  
 81, D.N. Road,  
 Mumbai 400 001.

*Notes :*

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 10, 1998 to Monday, Aug. 03, 1998 (both days inclusive).
4. The dividend, when declared, will be paid on or after August 31, 1998. The Dividend Warrants will be posted to those Members whose names appear on the Company's Register of Members as on Aug. 03, 1998. Members are requested to notify change, if any, in their addresses, on or before August 14, 1998, to the Registrars, M/s. SHAREPRO SERVICES, (Unit: The Great Eastern Shipping Company Limited), 912, Raheja Centre, Nariman Point, Mumbai 400 021.
5. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto 40th dividend for the year 1993-94 paid by the Company on 05-10-1994 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, C/o. Fancy Corporation, Hakoba Mills Compound, Kala Chowki, Mumbai 400 033.
6. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business as per Item Nos. 6 to 11 hereinabove, is annexed hereto.
7. It was envisaged earlier to hold the Annual General Meeting on August 03, 1998 at Y. B. Chavan Centre, Gen. Jagannath Bhosale Marg, next to sachivalaya Gymkhana, Mumbai 400 021 as stated in Page No. 42 of the Annual Report. However, due to the postal strike, the Company was not able to complete mailing of the Annual Report with the result the Meeting has been postponed to be held on August 28, 1998 at Patkar Hall, S.N.D.T. University, Sir Vithaldas Thackersey Marg, Mumbai 400 020.

## ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

### Item No. 6 (Ordinary Resolution)

M/s. S.R. Batliboi & Co. and M/s. Chandabhoy & Jassoobhoy were re-appointed as Joint Auditors of the Company at the last Annual General Meeting to hold office till the conclusion of this Annual General Meeting. M/s. Chandabhoy & Jassoobhoy are being re-appointed, vide resolution at item 6(A). M/s. S.R. Batliboi & Co., the other Joint Auditors have expressed their inability to be re-appointed as Auditors of the Company as they are likely to exceed the limits in respect of the number of Companies to which they can be appointed as Auditors as laid down under Section 224(1B) read with Explanation I to Section 224(1C) of the Companies Act, 1956.

The Company has received special notice under the provisions of Section 225 read with Section 190 of the Companies Act, 1956, proposing the appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, Maneckji Wadia Building, 127, Mahatma Gandhi Road, Mumbai 400 023, as the Auditors of the Company, in place of M/s. S.R. Batliboi & Co., Chartered Accountants, who are not to be re-appointed. M/s. Kalyaniwalla & Mistry were the Auditors of the Company since its inception and upto the Annual General Meeting held on Sept. 26, 1996, at which meeting in their place, the said M/s. S.R. Batliboi & Co. were appointed for the first time. In view of M/s. S.R. Batliboi & Co. not being eligible for re-appointment, the proposal is to appoint M/s. Kalyaniwalla & Mistry as Joint Auditors of the Company and the Directors recommend their appointment.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

### Item Nos. 7, 8 and 9 (Ordinary Resolutions)

The resolutions at items 7, 8 and 9 of the Agenda seek to obtain the members' approval in respect of re-appointment and remuneration of the Company's working Directors, namely, Mr. K.M. Sheth, Managing Director, Mr. B.K. Sheth, and Mr. V.K. Sheth Executive Directors.

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The current tenure of Mr. K.M. Sheth as Managing Director of the Company is due to expire on Nov. 02, 1998. The current tenure of Mr. B.K. Sheth and Mr. V.K. Sheth, the two Whole-time Directors is also due to expire on the same date, namely, Nov. 02, 1998. At the meeting of the Board of Directors of your Company held on June 15, 1998, all the above-said three working Directors have been re-appointed for a further term of 5 years, in each case, with effect from Nov. 03, 1998, and these re-appointments as well as remuneration payable to them have to be approved by the Company in general meeting, and hence, the three resolutions as per items 7, 8 and 9 are placed for your approval.

The monthly salary payable to the three appointees has been increased with effect from the date of their re-appointment. The salary of Mr. K.M. Sheth has been increased from the present Rs. 50,000/- per month to Rs. 75,000/- per month with effect from Nov. 03, 1998 in the stated time scale. In the cases of the two Whole-time Directors, who are presently drawing a monthly salary of Rs. 47,000/- each, it has been increased to Rs. 50,000/- per month from Nov. 03, 1998. In respect of the perquisites, allowed/granted to the above three working Directors, in addition to the consequential increase in the salary-related perquisites, such as, Provident Fund, Gratuity, etc., the following changes have been made. The Company has agreed to provide furniture and consumer durables free of charge for their use, if asked for; ceiling on reimbursement of medical expenses has been removed; the limit on premium of personal accident insurance increased from Rs.4,000/- to Rs. 10,000/-; leave travel concession to be allowed once in a year as may be sanctioned by the Board of Directors. The amount of gratuity payable will be higher of the amount calculated as per the provisions of the Payment of Gratuity Act or Gratuity Scheme of the company.

The Directors commend the said three resolutions for your approval.

Mr. K.M. Sheth, Mr. B.K. Sheth and Mr. V.K. Sheth, are interested in the aforesaid three resolutions. Mr. K.M. Sheth and Mr. B.K. Sheth are related to one another. None of the other Directors is interested in the aforesaid resolutions.

This may be treated also as an abstract pursuant to Section 302 of the Companies Act, 1956.

### Item No. 10 (Ordinary Resolution)

The resolution at Item No. 10 of the Agenda seeks to obtain members' approval in respect of the appointment of Mr. S.J. Mulji as Joint Managing Director of the Company with effect from April 01, 1998. Mr. Mulji has been associated with the Company for more than 25 years in various capacities. He was the Joint Managing Director and Managing Director of the Company. He has been the Chairman and Managing Director of the Company's



wholly owned subsidiary (The Great Eastern Shipping Co. London Ltd. London). Since 1992 he is the Deputy Chairman of the Company's Board and also Chairman of the three Sub-Committees of the Board relating to Property Development, Offshore and Trading.

Having regard to the growth and expansion of the Company's business, and the future business plans of the Company, the Board felt that it would be desirable to have one more working Director; and Mr. Mulji with his vast knowledge and experience was considered to be the right person to be appointed as Joint Managing Director of the Company. Therefore, at their meeting held on 28th March, 1998, the Board appointed Mr. S.J. Mulji as Joint Managing Director and the terms of remuneration were circulated to the members on April 17, 1998 as required under Section 302 of the Companies Act, 1956.

Recently, the Board at its meeting held on June 15, 1998 varied some of the perquisites granted to Mr. Mulji earlier, in order to bring the same in line with the perquisites since granted to the other working directors and senior executives of the Company. The variations in the perquisites that have been granted to Mr. S.J. Mulji are: free use of Company's furniture and consumer durables if required by him; (This facility is also provided to other working directors and senior executives of the Company); the ceiling on medical expenses incurred for self and family has been removed; leave travel concession to be allowed once in a year as may be sanctioned by the Board of Directors; the limit on premium of personal accident insurance has been increased from Rs.4,000/- to Rs.10,000/- p.a.; The amount of gratuity payable will be higher of the amount calculated as per the provisions of the Payment of Gratuity Act or the Gratuity Scheme of the Company; and use of the Company's car with driver for Company's business. The resolution that is proposed at Item No.10 incorporates the said variations and the same is recommended for your approval.

None of the Directors other than Mr. S.J. Mulji is interested in this resolution.

This may be treated also as an abstract pursuant to Section 302 of the Companies Act, 1956.

#### Item No. 11 (Ordinary Resolution)

At the 49th Annual General Meeting of the members held on Aug. 18, 1997, the members had approved the re-appointment of Mr. G.S. Sheth, Whole-time Director of the Company (with the designation of Executive Director) for a period of five years commencing from March 01, 1998 on a salary of Rs.50,000/- per month (subject to a time scale) plus commission and perquisites enumerated therein. At the meeting of the Board of Directors held on 15th June, 1998 some of the perquisites granted to him have been varied effective March 01, 1998, and the resolution at Item No.11 seeks approval of the members to these enhanced perquisites. These variations in perquisites have been made to bring the same in line and at par with the perquisites that are granted to the other Working Directors referred to in resolution at Item Nos. 7 to 10 of the Notice. These variations are as follows:

In respect of Housing, in addition to the rent free accommodation or house rent allowance @ 60% of the salary, he shall be allowed free use of the Company owned furniture and other consumer durables, if required; the ceiling on the medical expenses is removed; leave travel concession to be granted for self and family once a year will be as may be decided by the Board; the limit on premium of personal accident insurance has been increased from Rs.4,000/- to Rs.10,000/- p.a.; the amount of gratuity payable will be higher of the amount calculated as per the provisions of the Payment of Gratuity Act or the Gratuity Scheme of the Company; use of the Company's car with driver will be for the Company's business.

The above changes are permissible under Schedule XIII of the Companies Act and will also be within the overall managerial remuneration permissible under Section 198 of the Companies Act, 1956.

None of the Directors other than Mr. G.S. Sheth is interested in this resolution.

This may be treated also as an abstract pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board of Directors,

**Y. HARI HARA SUBRAMANIAM**  
Assistant Company Secretary.

Mumbai, July 28, 1998

Registered Office:  
Ocean House,  
81, D.N. Road,  
Mumbai 400 001.

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