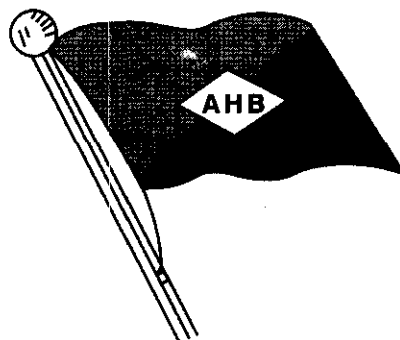


52nd Annual Report 1999-2000



The Great Eastern Shipping Co. Ltd.

EARNINGS SUMMARY**For Financial Year Ended 1999-2000**

In Millions except for Earnings, Cash earnings and Dividend per share

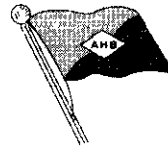
	March 31, 2000		March 31, 1999	
	Rs.	US\$	Rs.	US\$
For the Year				
Total Revenue	9,945	229	9,808	233
Operating Profit (PBIDT)	3,684	85	3,770	89
Profit after tax (PAT)	1,105	25	1,264	30
PBIDT as a percentage of total revenue	37.05	37.05	38.44	38.44
Earnings per share	4.27	0.10	4.40	0.10
Cash earnings per share	11.27	0.26	10.12	0.24
Dividend per share (Net)	1.5	0.03	2.00	0.05
At the end of the year				
Total debt	10,054	231	9,347	220
Shareholders' Funds	11,070	254	11,917	281
Equity Capital	2,588	59	2,876	68

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

	Rs./US\$	
Exchange Rate	1999-2000	1998-99
— Closing	43.61	42.43
— Average	43.48	42.13

For Quarter Ended June 30, 2000 (Provisional)

	(Rs. in Lacs)	
	Quarter ended on 30.06.2000	Corresponding Quarter ended on 30.06.1999
1. Income from Operations & sales	23,132	20,267
2. Gains on sale of vessels & other assets	1,880	494
3. Other Income	580	549
4. Total Expenditure	13,541	13,818
5. Operating Profit	12,051	7,492
6. Interest	1,842	1,291
7. Gross Profit after interest but before depreciation and taxation	10,209	6,201
8. Depreciation	4,921	4,138
9. Profit before tax	5,288	2,063
10. Provision for taxation	436	480
11. Net Profit after Tax	4,852	1,583
12. Cash Earnings per share for the quarter (in Rs.)	3.8	2.2
13. Earnings per Share for the quarter (in Rs.)	1.9	0.6



Executive Chairman	K.M.Sheth
Executive Deputy Chairman	S.J.Mulji
Managing Directors	Vijay K.Sheth Bharat K.Sheth
Directors	R.N.Sethna K.P.Byramjee A.K.Parikh Asha V.Sheth Manu Shroff T.N.Pandey
Company Secretary	P.R.Naware
Auditors	Kalyaniwalla & Mistry Chandabhoy & Jassoobhoy
Registered Office	Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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NOTICE

NOTICE is hereby given that the Fifty-second Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Chavan Centre, Gen. Jagannath Bhosale Marg, near Sachivalaya Gymkhana, Mumbai-400 021 on Wednesday, August 30, 2000 at 3:00 P.M.(I.S.T.) to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2000 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To note payment of Interim Dividend on shares.
3. To appoint a Director in place of Mr. B.K. Sheth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.N. Sethna, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mrs. Asha V. Sheth, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint auditors and fix their remuneration.
7. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 309(4) and other applicable Sections of the Companies Act, 1956, the Company's Directors who are neither in the whole-time employment nor Managing Director(s) shall be paid remuneration by way of commission at a rate not exceeding one percent of the net profits of the Company for a period of five financial years of the Company commencing from the Financial Year 2000-2001 and that such commission shall be paid to and distributed amongst the aforesaid Directors or such of them, in such amounts or in such proportions and in such manner as may be decided by the Board from time to time."
8. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of the Resolution passed at the Extraordinary General Meeting of the Members held on July 22, 1992, consent of the Company be and is hereby accorded pursuant to Section 293(1)(d) and other applicable Sections of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money

or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs.2500 Crores(Rupees Two Thousand Five Hundred Crores only)."

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

"RESOLVED THAT pursuant to the provisions of Sections 16, 94 and other applicable Sections of the Companies Act, 1956 and as permissible by the Company's Memorandum of Association, the Authorised Share Capital of the Company be and is hereby altered without increasing or decreasing the aggregate amount thereof by dividing and reclassifying 10,00,00,000(Ten Crores) equity shares of Rs.10/- (Rupees Ten) each out of the unissued equity shares into 10,00,00,000 (Ten Crores) Preference shares of Rs.10/- (Rupees Ten) each thereby reducing the total number of equity shares included in the Authorised Capital from 50,00,00,000 to 40,00,00,000 and adding in place thereof 10,00,00,000 Preference Shares;

RESOLVED FURTHER THAT as a consequence of the reclassification of shares as aforesaid the composition of the Authorised Capital of the Company shall stand altered and accordingly the Memorandum of Association of the Company be and is hereby altered by deleting therefrom the existing Clause V and substituting in its place and stead the following new and amended Clause V :

- V. 'The Authorised Share Capital of the Company is Rs.500,00,00,000 (Rupees Five Hundred Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of Rs.10/- (Rupees Ten) each and 10,00,00,000 (Ten Crores) Preference Shares of Rs.10/- (Rupees Ten) each with power to the Company to divide the shares in the Capital for the time being, into several classes and to increase or reduce the said share capital and to issue any part of its capital, original or increased, with or without any preferential, priority or special rights or privileges or subject to any postponement of right or to any conditions or restrictions as may be determined by or in accordance with the Companies Act, 1956, and the Articles of Association of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company, and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise, shall be subject to the powers hereinbefore contained.' "

10. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 31 and other applicable Sections of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by deleting therefrom the existing Article 8 and substituting in its place and stead the following new Article 8 :

8(a). 'The Authorised Share Capital of the Company is Rs.500,00,00,000 (Rupees Five Hundred Crores) divided into 40,00,00,000 (Forty Crores) Equity Shares of Rs.10/- (Rupees Ten) each and 10,00,00,000 (Ten Crores) Preference Shares of Rs.10/-(Rupees Ten) each with the rights, privileges and conditions as are provided by these Articles for the time being, with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with these Articles and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or as provided herein.'

(b) The Company shall be entitled to issue offer and allot fresh and further Shares, Debentures and other Securities in dematerialised form pursuant to and in accordance with the provisions under the Depositories Act and it shall also be entitled to dematerialise its existing Shares, Debentures and other Securities and also to rematerialise the same held by the Depositories. In this connection the Company shall comply with all the applicable provisions of the Depositories Act."

11. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 81 and other applicable Sections of the Companies Act, 1956 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, permissions and sanctions as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) to issue, offer and allot upto 10,00,00,000 (Ten Crores) Preference Shares of the face value of Rs.10 (Rupee Ten) each for an aggregate nominal amount of upto Rs.100,00,00,000 (Rupees One Hundred Crores) by way of private placement or on preferential basis to residents and/or non-residents (whether institutions and/or incorporated bodies and/or individuals or otherwise), and whether or not such investors are members of the Company, in such form, such numbers, such manner and at such time or times as the Board may, in its absolute discretion, deem fit and determine;

"RESOLVED FURTHER THAT the Board be and is also hereby authorised to determine and fix all the terms and conditions attached to and issue of the preference shares as aforesaid including fixing of the rate of dividend payable thereon and the period of redemption thereof as it may deem fit and that for the purpose of giving effect to the above Resolution, the Board be and is hereby further authorised to take all such actions and to give all such directions, or to do all such acts, deeds, matters and things as may be necessary or desirable and to settle any question or difficulty that may arise in this regard."

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

“RESOLVED THAT the consent and authority of the Company be and is hereby granted to the Board of Directors (hereinafter referred to as “the Board” which term shall include Committee of Directors constituted by the Board) to participate in the project of transportation of Liquefied Natural Gas for Petronet LNG Ltd. (PLL) and for that purpose to form and join a Consortium or Joint Venture jointly and alongwith any reputed shipowners having experience and expertise of operating LNG tankers and other parties whether Indian or foreign as the Board may deem fit;

“RESOLVED FURTHER that the Board be and is hereby also authorised to participate in a joint venture body corporate, to be formed in due course by the participants of the Consortium promoting and registering a new body corporate in India or abroad, for the purpose as stated above, and to fix and accept the terms and conditions of such joint venture including subscribing to the capital of the joint venture company to the extent as may be mutually agreed among the participants of the Consortium.”

13. To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below:-

- (a) The following definitions shall be added and included in Article 2 of the Articles of Association after the item of definition of “Company’s Regulations” and before the sub-clause beginning with the words: “words importing the singular number....”

“Beneficial Owner” shall mean beneficial owner as defined under Clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Depository” shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

“Depositories Act” shall mean Depositories Act, 1996 (22 of 1996) and shall include any statutory modification or re-enactment thereof for the time being in force.

“SEBI” shall mean the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

“Record” includes the records maintained in the form of books or stored in a computer or in such other form or medium as may be determined by regulations made by the SEBI.

“Security” shall mean such security as may be specified by the SEBI from time to time.

- (b) In definition of “ Member” as appearing in Article 2, after the words “ the shares of the Company” and before the words “but does not include” add the words “ and includes every person whose name is entered as a beneficial owner in the records of a Depository.”

- (c) In Article 3 add the words " or the Depositories Act", at the end after the words " as in the Act".
- (d) In Article 24, add the following proviso below sub-clause (3) thereof:
 "Provided that no share certificate (s) shall be issued in respect of shares held in dematerialised form".
- (e) In Article 24, after sub-clause (4) add the following sub-clauses (5) and (6):
- (5) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificates of the securities."
- (6) If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the beneficial owner of the security."
- (f) In Article 27, after the words "registered as the holder thereof", add the words "or the beneficial owner thereof as per records of Depositories held pursuant to the Depositories Act."
- (g) The following proviso shall be added below Article 64:
 "Provided that in respect of shares held in de-materialised form, the Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares on behalf of the Beneficial Owner."
- (h) The following Article 65 A shall be inserted after the existing Article 65:
 "Every Depository shall furnish to the Company information regarding the transfer of Securities in the name of the Beneficial Owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf."
- (i) The following article 192A shall be inserted after the existing Article 192:
 "Notwithstanding anything contained in the Act or these Articles, where securities are held in a Depository, the Records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs."

By Order of the Board

P.R.NAWARE

Company Secretary.

Mumbai, July 7, 2000

Registered Office:

Ocean House,
 134/A, Dr. Annie Besant Road,
 Worli,
 Mumbai 400 018.

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 17th August, 2000 to 30th August, 2000 (both days inclusive).
4. 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 October 5, 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 special business as per Items No. 7 to 13 hereinabove, is annexed hereto.

ANNEXURE TO NOTICE

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

Item No. 7 (Special Resolution)

At the Annual General Meeting of the Company held on September 26, 1995, the members had approved the payment of remuneration to the non-wholetime Directors of the Company, that is, the Directors other than the Managing Directors and Wholetime Directors of the Company, by way of commission upto an amount permissible under the Companies Act, 1956, i.e. an amount in the aggregate for all the eligible Directors put together not exceeding one percent of the net profits computed in accordance with the provisions of section 198 of the Companies Act, 1956. The payment of such remuneration was approved by the members for a period of 5 years from the financial year 1995-96 and the Board was authorised to fix the actual amount and the manner of payment.. Considering that the time devoted by the Directors for attending the Board/Committee Meetings and discussing various important matters of the Company, and as the sitting fees paid to them are insignificant in relation to the time spent by them, it is proposed to continue remunerating the non-whole time Directors for a further period of five financial years from 2000-2001, by way of commission upto the permissible limit namely upto one percent of net profits under the Companies Act 1956, in such proportion and in such manner as the Board may decide from time to time.

Under the provisions of section 309(4) of the Companies Act, 1956, such payment requires authorisation by the members of the Company by way of a Special Resolution. Hence, the Board of Directors recommend the resolution for your approval.

All the Directors except Mr. K.M. Sheth and Mr. S.J. Mulji being the Executive Chairman and Executive Deputy Chairman respectively (Wholtime Directors) and Mr. B.K. Sheth and Mr. V.K. Sheth being the Managing Directors, are concerned or interested in the said resolution.

Item No. 8 (Ordinary Resolution)

Under Section 293 (1)(d) of the Companies Act, 1956, the Member's approval is required for the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) if such borrowing exceed the aggregate of the paid-up capital of the Company and its free reserves. The Members of the Company at its meeting held on 22nd July, 1992 had authorised the Board of Directors of the Company to borrow upto Rs.1500 crores. This limit was set in 1992 and needs a revision in the light of the increased requirement of funds due to increase in cost of assets and the Company's expansion programme which entails a substantial borrowing in foreign currency. It is therefore proposed that the Board of Directors be authorised to borrow upto Rs.2500 Crores and hence the Board of Directors recommend the resolution for your approval.

None of the Directors is concerned or interested in the said resolution:

Item 9 (Ordinary Resolution) & 10 (Special Resolution)

Presently the Authorised Share Capital of the Company is Rs. 500,00,00,000/- divided into 50,00,00,000 Equity Shares of Rs 10/- each, out of which 25,94,08,145 Equity shares have been issued leaving a balance of 24,05,91,855 Equity shares as unissued. In order to facilitate the issue of preference shares (by way of private placement on preferential basis) it is proposed to reclassify the Authorised Share Capital into 40,00,00,000 Equity shares of Rs.10/- each and 10,00,00,000 Preference shares of Rs.10/- each, without increasing the aggregate amount of the Authorised Capital.

The proposed change in the Authorised Share Capital of the Company requires approval of the members in general meeting. Consequent upon the change in the Authorised Share Capital of the Company, its Memorandum of Association and Articles of Association will require alteration so as to reflect the changed Authorised Share Capital which also requires approval of the members in general meeting. Hence the Board of Directors recommend the resolutions at item no. 9 as an ordinary resolution and at item no. 10 as a special resolution for your approval.

None of the directors is concerned or interested in the said resolutions.

A copy of the Memorandum and Articles of Association of the Company will be open for inspection at the Registered Office of the Company during working hours.

Item No. 11 (Special Resolution)

With a view to part finance acquisition of more ships and other assets as well as working capital requirement, it is proposed to increase the share capital of the Company, and since such additional capital will be required for a duration