



1948 | Our very first ship, *Fort Ellice*.
Renamed *Jag Vijay*.



2008 | One of our modern tankers *Jag Leela*
sailing past the Sydney Opera House.



THE GREAT EASTERN SHIPPING COMPANY LIMITED
60TH ANNUAL REPORT 2007-2008



1948

Early steps to success. Our very first office at the Sugar Market building, Frere Road, opposite the Victoria and Princess Dock, Mumbai and (below) the balcony at 32 Apollo Street, Fort, the Company's first registered office, from where Vasant Sheth and K.M Sheth worked.





The Great Eastern Shipping Company Limited

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Turning Sixty

Sixty is a landmark birthday, one of life's significant milestones.

This year, Great Eastern Shipping turns sixty. It makes me feel rather young and a little humble.

Sixty years ago, the first generation at Great Eastern Shipping lit the torch. Thanks to them, the flame still burns bright today. They were the people, the visionaries who looked far beyond where the eye could see, the pioneers who ventured into the vast unknown, and the tenacious workers who didn't give up when the seas were rough.

This is a tribute to all of them. Life is short, but we are privileged to still have some of those incredible stalwarts with us today.

On this, the Company's 60th anniversary, it is my pleasure and privilege to give you just a few glimpses into our past and into the lives of some of the great people who made our history.

There is no attempt to make it exhaustive. It can at best provide a few insights, share some reminiscences, pay a silent tribute to the heroes who walked with us.

And, as we stand on the threshold of a great future, we resolve to go forward purposefully, to emulate their work, to follow their footsteps.

Bharat K. Sheth
DEPUTY CHAIRMAN & MANAGING DIRECTOR

Success is the Child of Audacity

It was the most unlikely scenario for a great success story. Two weary men seen on a small passenger ship from Africa, returning to their hometown in India.

They were travelling on the crowded lower deck of a small ship, crammed with noisy fellow passengers. The oppressive heat, the unpleasant living conditions drove them in search of solitude. As they escaped to the upper deck for a breath of fresh air under the dark midnight sky, their hearts were full of turmoil. The sea was calm, the elements obviously unmoved by all that they were going through. They had left India with the family's blessings and the carefully accumulated savings of a generation to start up a business in Africa. They had crossed continents; they had tried their hand at many things—from selling oranges from a handcart to trading in textiles. Not much had worked out. And now, standing on the deck, each tried not to communicate to the other the gnawing dread that failure can kindle. Instead, the two brothers Maneklal and Chunilal Sheth talked aimlessly about things like the simple joys of their childhood in Wadhwan, a small town in Saurashtra. Suddenly hope stirred back again.

As they approached Bombay, the glimmer of lights seemed like the dawn of hope.

Here, their youngest brother Jagjiwan was waiting to greet them and discuss their plans for the future. The three of them looked at various options and tried their hand at various business ventures. Jagjiwan started trading in textiles, and was so successful that he started a textile mill and invited his brothers to join him. After some years, Chunilal, who was of a spiritual bent, decided to withdraw from business. But for Maneklal and Jagjiwan, the quest for the right business opportunity carried on. From textiles, they went into sugar. In the early 1920s, they started importing sugar from Java. A few years later, they were importing sugar from Russia as well. Simultaneously, they entered other trades. They were doing well till the Great Depression of 1929. This had devastating effects worldwide. The brothers sustained heavy losses in the stock market. The textile mill had to be closed. They were looking frantically for the right business opportunity. One chance encounter in Bombay proved providential. They met Hanuman Patel, the relative of a friend of a friend. As is so typical, Indians can always find close connections even in far away places. Hanumanbhai was the





MANEKLAL UJAMSHI MULJI



JAGJIWAN UJAMSHI MULJI

Chief Accountant to the Bhiwandiwallas, a Parsi family of considerable wealth and adventurous business interests. They were looking for a trusted man to help them run their business. And here, Hanumanbhai thought, he had found two likely candidates. He offered to introduce the Sheths to his employers.

The meeting with the Bhiwandiwallas was arranged. The Sheths spoke eloquently about what was closest to their heart—the great opportunity that abounded for business. All business

required was an alert mind and a formidable capacity for work. Success was but a natural corollary. They were willing to give the project all they had; they would work long, as long as the day had hours. The Sheths were so successful in convincing the Bhiwandiwallas of their ability and integrity, that they were both offered a job with a generous salary ... on the spot. The temptation to grab it must have been virtually irresistible, given the fact that there was nothing else anywhere in sight. But the Sheths apologized courteously, saying politely that they were not looking for jobs. They were interested in getting into business. Brave words for the brothers who

“Whether you think that you can, or that you can’t, you’re usually right.” — HENRY FORD



A.H. BHIWANDIWALLA

had just experienced failure.

A.H. Bhiwandiwalla was an astute man. He saw that in Maneklal and Jagjiwan he had found two bright and trustworthy men and that they wanted more than anything else to make a success of business, whatever the business. To that end, they would work relentlessly. And their success would be his success. He was willing to back his instincts





and give them a chance. Henry Ford's famous words would probably have articulated his point of view clearly: "Whether you think that you can, or that you can't, you're usually right."

The Bhiwandiwallas made the Sheths an offer. They would start a company with the two brothers as partners. A business deal was struck, with the terms clearly spelt out. Those were the days when there were 16 annas to a rupee. For every rupee the business earned, the Sheth brothers would get one anna for all their effort and hard work, and the Bhiwandiwallas would get 15 annas for the capital they had put in. At a time when intellectual capital didn't command the same respect as ready cash, the deal was deemed fair by all concerned.

As to the nature of business, the enterprising Sheths were very clear—sugar was the way to go. Didn't all Indians share a sweet tooth? The brothers also brought with them some very valuable experience in the industry. Reason won the day. This was not a time for protracted feasibility studies and demand projections. Today, a marketing guru would proclaim this a great consumer insight. The decision was taken and action initiated immediately. The firm was in business. A.H. Bhiwandiwalla & Co. opened its doors in April 1932.

Hard work paid off, and soon the company was doing well, extremely well. Maneklal and Jagjiwan had a clever understanding of the market and were indefatigable in their business efforts. In a few years, the firm was controlling around 30% of India's sugar trade and they were dubbed "the sugar kings" of India.

It has been said that success makes failures of too many people. But, for the Sheth brothers, each decade brought challenges, waiting to be turned into opportunities. With World War II came a period of acute sugar shortages. To meet the need, the firm chartered ships to import sugar from Indonesia, even setting up an office in Java. Then the Sheths went even further. They were instrumental in the opening up of two new ports in India to handle sugar imports—at Porbunder and Okha.

Meanwhile, the next generation of Sheths was growing up, the older sons had already been inducted into the business. Jagjiwan's eldest son, Jayantilal looked after the sugar factories; his second son, Kantilal, who was a surgeon, took a keen interest in business activities as well. Maneklal's older son, Sevantilal, managed the family's import-export activities. All was going well, and now that the new generation was ready to play its role, Jagjiwan and Maneklal, felt that it was time to look for new challenges.

In 1948, opportunity presented itself. World War II had ended. The US Maritime Commission not seeing much use for some of the Liberty ships used for carrying war material, decided to auction them. From sugar to shipping—this would be a giant leap into the unknown seas. It was not a decision without doubts. But, not for those gifted with abundant optimism, with the audacity to aim high and the determination to get there. Of course their natural caution was also in place. So the brothers went to a good



friend and family advisor, H T Parekh (the legendary founder of HDFC). He endorsed their decision heartily. And made a valuable contribution—he advised them not to mix the sugar trading business with shipping. And so, on his advice, on August 3, 1948, a new company was formed. The Great Eastern Shipping Company Limited came into being.

Thanks to their impeccable business record, finance for the shipping company was easily obtained from the First National City Bank of New York, in Bombay. The first ship bought by the company was *SS Fort Ellice*, re-named *Jag Vijay*. The chairman of the company was A.H. Bhiwandiwalla, while Jagjiwan's youngest son, Vasant Sheth, (pictured below) was appointed as the Managing Director. Vasant handled and managed the company, assisted by Kanaiyalal (Kanu) Sheth, Maneklal's younger son.

It's amazing that the story of an internationally successful shipping company started with sugar.

It's amazing that the story of an internationally successful shipping company started with sugar. With the strong entrepreneurial instincts of two people who still inspire the lives of those who have followed them. And yet, you may say, they were two ordinary people. But then aren't heroes made of the same mould as everyone else? Aren't they people who rise to extraordinary heights, driven by circumstances, propelled by a strong inner conviction, motivated by a force as powerful as their own expectations?

Jagjiwan and Maneklal proved the truth of the axiom: nothing succeeds like success—when it's accompanied by diligence and attentiveness. Otherwise, it may need to be revised to—nothing recedes like success. ✨



The Building of our First Ship

On one unsuspecting morning, Kanu Sheth's life was to take an abrupt turn. It happened without any warning. He was summoned by his father and told in no uncertain terms that his fun days were over, it was time to say goodbye to Sydenham College.

He was being transferred to the 'family college'. This is where his real education was going to begin, and he needed to get ready for some serious learning. He realized immediately that his lessons would be out of the classroom. He was to start work. Immediately.



Kanu Sheth was just 19 years old, and a second year student at Mumbai's Sydenham College. It was his first taste of freedom, and he was revelling in it all. He enjoyed being away from the stern, watchful eye of the family elders. Going to lectures, or occasionally even missing them. Enjoying the unimaginable freedom of taking in a matinee show. Discussing the film over long cups of tea. Those were the days when such were the simple delights of college, and this is what breaking away from authority really meant.

One moment he was a carefree college student on the brink of discovering the world outside. Then suddenly his growing up was over, the age of responsibility had arrived. The message was clear—this was to be his training ground for business. The family had just entered the shipping industry. It was a tough industry and it would need everyone's hard work to make it a success. The right training was essential for the people who would one day be steering it.

It may sound strange, but Kanu's first project as an apprentice was to take charge. He was being sent to Japan to oversee the most important project the Company had handled so far. The building of its first ship. The first two ships, actually. It was so typical of the culture of the Company right from the start. Everything had to be done in double quick time.

The Company had ordered these ships from Japan and was anxious to protect the investment. Somebody responsible was needed right there, supervising the process. Who better than one of the sons of the family? So Kanu was dispatched to Japan post haste. If these were the first ships being built for the Company, there were many firsts

