



The Scindia Steam Navigation Co. Ltd.

79th ANNUAL REPORT AND STATEMENT OF ACCOUNTS 1997-98

Annual General Meeting
on Wednesday, 30th September 1998, at 11.00 A.M. at 'Scindia House',
Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001.

THE SCINDIA STEAM
NAVIGATION
COMPANY LIMITED

BOARD OF DIRECTORS

Shri K. Venugopal — *Chairman and
Managing Director*

Shri M. J. Subbaiah

Shri U. N. Patel

Shri R. Mukundan

Shri D. K. Tyagi

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Auditors:

Messrs K. S. Aiyar & Co.

Messrs N. M. Raiji & Co.

Registered Office:

"Scindia House",
Narottam Morarjee Marg,
Ballard Estate, Mumbai 400 001.

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Notice

NOTICE is hereby given that the Seventy-Ninth Annual General Meeting of The Scindia Steam Navigation Company Limited, will be held on the 6th Floor, of the Registered Office of the Company at 'Scindia House', Narottam Morarjee Marg, Ballard Estate, Mumbai 400 001, on Wednesday, the 30th September, 1998 at 11.00 a.m. to transact the following business :

Ordinary Business:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998, and the Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
- To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"RESOLVED THAT Messrs K. S. Aiyar & Co., Chartered Accountants and Messrs N. M. Rajji & Co., Chartered Accountants, be and are hereby re-appointed Joint Auditors of the Company to hold office from the conclusion of the 79th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, and the Board of Directors of the Company be and is hereby authorised to fix their remuneration."

Special Business:

- 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 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the limits specified in Sections 198 and 309 and Schedule XIII to the Companies Act, 1956, approval of the Company be and is hereby accorded to the re-appointment of Shri K. Venugopal as Chairman and Managing Director of the Company with effect from 25th September, 1998 for a period of two years, on the terms and conditions as set out in the Agreement to be made between the Company on the one part and Shri K. Venugopal on the other part, a draft of which is placed before

the Meeting, whose terms may be varied and/or altered from time to time within the limits laid down in the said Draft Agreement, as may be agreed to between the Board and Shri K. Venugopal."

"RESOLVED FURTHER THAT the Board may, subject to the consent of Shri K. Venugopal, accept alteration and modification, if any, as may be required or directed by the Government of India."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, matters, deeds and things as may be necessary and desirable to implement the foregoing Resolution."

By Order of the Board of Directors,
For THE SCINDIA STEAM NAVIGATION CO. LTD.

K. Venugopal
Chairman and
Managing Director

Date : September 2, 1998.

- Notes :**
- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective must be received by the Company not less than 48 hours before the meeting.
 - An Explanatory Statement as required under Section 173 of the Companies Act, 1956, in respect of Item Nos. 2 and 3 is annexed.
 - The Register of Members and Share Transfer Register will remain closed from 21st September, 1998 to 25th September, 1998 both days inclusive.

Annexure to the Notice

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

Item No. 2

Public Financial Institutions hold, in aggregate, more than 25% of the Subscribed Share Capital of the Company. Thus, in terms of the provisions of Section 224A of the Companies Act, 1956, the appointment of Statutory Auditors is required to be made only by passing a Special Resolution.

Messrs K. S. Aiyar & Co., Chartered Accountants, and Messrs N. M. Rajji & Co., Chartered Accountants, have intimated that their re-appointment, if made, will be within the limits specified in Section 224 (1B) of the Companies Act, 1956. The Directors recommend the resolution for approval of the Shareholders.

None of the Directors is concerned or interested in this Resolution.

Item No. 3

Shri K. Venugopal was appointed as a Director on the Board of the Company from 25-9-1996. The Board of Directors at the same meeting appointed him Chairman and Managing Director of the Company for a period of two years. His remuneration was approved by the Members at the Annual General Meeting held on 26-9-1997.

Under the Shipping Development Fund Committee (Abolition) Act, 1986, appointment and remuneration of Chairman and Managing Director are to be approved by the Government of India. The Government of India has already conveyed its approval for his appointment and payment of remuneration. His two-year tenure expires on 24-9-1998.

At the meeting of the Board of Directors of the Company held on 28th August, 1998, he was re-appointed as Chairman and Managing Director of the Company for a further period of two years from 25.9.1998 on the terms approved by the Government of India.

The Board recommends the Resolution for your approval.

The material terms and conditions for the re-appointment of and remuneration to Shri K. Venugopal are given below:

- Shri K. Venugopal, Chairman and Managing Director, shall perform such duties and exercise such powers as may be assigned to or vested in him, from time to time, subject to the superintendence, control and direction of the Board of Directors.
- Period : Two years from 25th September, 1998.
- Remuneration:
 - Salary : Rs. 20,000/- per month.
 - Perquisites:
 - Housing : Company accommodation.

- Medical Reimbursement (Domiciliary) : For self and family on actual production of Bills, Subject to a ceiling of one month's salary per year.
- Conveyance : Car for use on Company's business.
- Telephone : For use on Company's business; personal long distance calls paid by him.
- Leave Travel Concession : For self and family, in accordance with the rules of the Company.
- Leave : 30 days leave on full pay and allowance for every 11 months service.

- The terms and conditions of the said appointment and/or the Agreement may be altered and/or varied from time to time as may be directed by the GoI and agreed to between the Board and Shri K. Venugopal, within the limits laid down as above.
- If, at any time, Shri K. Venugopal ceases to be a Director of the Company for any reason whatsoever, he will also cease to be the Chairman and Managing Director.
- Shri K. Venugopal is concerned or interested in the Resolution to the extent of remuneration receivable by him. No other Director is concerned or interested in the above Resolution.
- The aforesaid, together with Resolution under Serial No. 3 to the accompanying Notice is and be treated as abstract under Section 302 of the Companies Act, 1956. The draft agreement to be entered into between the Company and Shri K. Venugopal in respect of his appointment as Chairman and Managing Director is in the standard form and is open for inspection as stated in the Notice.

By Order of the Board of Directors,
For THE SCINDIA STEAM NAVIGATION CO. LTD.

K. Venugopal
Chairman and Managing Director

Date : September 2, 1998.

Registered Office :

"Scindia House",
Narottam Morarjee Marg,
Ballard Estate,
Mumbai 400 001.

The Scindia Steam Navigation Co. Ltd.

Directors' Report

To
THE MEMBERS OF
THE SCINDIA STEAM NAVIGATION COMPANY LIMITED

Ladies and Gentlemen,

Your Directors present the 79th Annual Report of the Company with audited Statement of Accounts for the year ended 31st March, 1998.

2. Your Directors regret to mention the sad demise of Smt. Sumatiben Morarjee, former Chairperson Emeritus, wife of Late Sheth Shantikumar N. Morarjee, a Director, and daughter-in-law of Founder Chairman, Late Sheth Narottam Morarjee, of the pioneer Indian Shipping Company, on 27th June, 1998. She contributed immensely to the growth of Indian Shipping in the earlier years since Independence. In recognition of her meritorious service to the cause of national shipping, Government of India awarded her the coveted 'Padma Vibhushan Award' in 1971. Your Company has conveyed heart-felt sympathies and condolences to the members of the bereaved family.

3. The financial results for the year ended 31st March, 1998, are summarised below :—

	(Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
Freight and Charterhire	—	603
Other Income	167	77
Surplus on sale of assets.	1	1266
	<u>168</u>	<u>1946</u>
Ships operating expenses	—	994
Administrative expenses.	244	352
Profit/Loss(–) before Interest and Depreciation.	(–)76	600
Interest	1829	1788
Depreciation	2	62
	<u>(–)1907</u>	<u>(–)1250</u>
Adjustments relating to prior years, etc.	184	120
Loss	<u>(–)1723</u>	<u>(–)1370</u>

4. Since the sale and delivery of the last vessel, MV Jalatapi on 27.3.1997, the shipping activity has been suspended. In view of paucity of funds and constraints, it was not possible to undertake/implement shipping / shipping-related activities during the year under review.

5. In respect of charterhire due from two Charterers, some disputes had arisen. The matter had to be referred initially to arbitration and later on to Court of Appeals in consultation with the P & I Club. In view of possibility of adverse outcome, as an abundant caution, an amount to Rs. 66.14 lakhs has been provided as 'doubtful debts' in the books. Both the matters are being pursued as advised by Solicitors to the P & I Club.

6. The interest income is higher at Rs. 141 lakhs compared to Rs. 22 lakhs of last year. Interest of Rs. 111 lakhs has been earned during the year in respect of leave and licence arrangement of 4th floor of 'Scindia House'. The arrangement will expire in October 1998.

7. The administrative expenses include Rs. 62 lakhs paid to employees retrenched during the year and Rs. 66 lakhs provided towards doubtful debts.

8. Your Company has valuable real estate properties. All the properties are mortgaged to the Government of India against ships acquisition loans.

9. During the year, one matured fixed deposit of Rs. 3,000/- was claimed by the depositor. There is no deposit unclaimed/outstanding as on 31st March, 1998.

10. Observations of Auditors :

In regard to balance of Rs. 31.62 lakhs due from a guarantor bank for sale of a ship to a shipping company, the suit filed in the Bombay High Court is pending. The matter is being pursued. In respect of other observations made by the Auditors in their Report, the same are explanatory and, apart from what has been stated in this Report and in the Notes to the Accounts, do not require further clarification.

11. Subsidiaries :

The reports and accounts of the subsidiaries — The Eastern Bunkerers Ltd., and Scindia Workshop Ltd. are annexed hereto.

12. Your Company being a shipping company, and not a manufacturing company, particulars relating to Conservation of Energy and Technology Absorption are not applicable. The foreign exchange earnings and outgo during the year were as under :—

(i) Activities relating to export initiatives taken to increase export, development of new export markets for products and services, and export plans	Not applicable
(ii) Foreign Exchange : Earnings Used (including Rs. Nil for payment on Capital Account)	Nil Rs. 5.37 Lakhs.

13. Information of employees drawing salary as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is annexed herewith.

14. The employee/management relation has been cordial during the year.

15. Your Directors wish to thank the Ministry of Finance, Ministry of Surface Transport, Directorate General of Shipping, Mercantile Marine Department, The SCICI Ltd./The ICICI Ltd. ('Designated Person'), Company's Bankers, etc. for their support and co-operation.

16. (a) As per the provisions of the Shipping Development Fund Committee (Abolition) Act, 1986, nothing in the Companies Act, 1956, or the Articles of Association of the Company, insofar as it relates to holding any share qualification, age limit, restriction on number of Directors or Directorships, retirement by rotation or removal from office in respect of Director appointed under the said Act, is applicable to such Director. Since your Directors are appointed pursuant to the provisions of Section 10 of the said Act, the above provisions of the Companies Act, including retirement by rotation, are not applicable to them.

(b) Further, under Section 14 of the said Act, the Shareholders of the Company, on whose Board, Directors are appointed under Section 10 of the said Act, do not have the right to nominate or appoint any person to be a Director of the Company and no Resolution passed at any meeting of the Shareholders can be given effect to unless approved by the Central Government.

17. Auditors :

Messrs. K. S. Aiyar & Co., and Messrs. N. M. Rajji & Co., Chartered Accountants, the Auditors of the Company, hold office until conclusion of the ensuing Annual General Meeting. They have given their consent to continue as Auditors if re-appointed. As required under Section 224A of the Companies Act, 1956, a Special Resolution for re-appointment of the Auditors is recommended for adoption.

On behalf of the Board of Directors,
K. VENUGOPAL
Chairman and Managing Director

Mumbai, 28th August, 1998.

Auditors' Report

TO
THE SHAREHOLDERS OF
THE SCINDIA STEAM NAVIGATION COMPANY LIMITED

We have audited the attached Balance Sheet of The Scindia Steam Navigation Company Limited as at 31st March, 1998 and the annexed Profit and Loss Account for the year ended on that date and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above,
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit and Loss Account under report are in agreement with the books of account;
 - (d) The shipping operations of the company stand suspended. Further, the company has continuously incurred losses and thereby the net worth of the company has been totally eroded and a substantial loss is carried forward as at March 31, 1998. Despite this, the Accounts of the company have been prepared on a 'Going Concern Basis' in the absence of adequate data and information for its compilation on an alternative basis. Consequently, no adjustments are made in the accounts relating to the recoverability of recorded asset amounts and in respect of recorded liabilities and contingent liabilities that might devolve on the Company.
 - (e) The Company has granted a loan to Scindia Workshop Limited, the Subsidiary company. Outstanding amount of such loan with accrued

interest as at March 31, 1998 is Rs. 1633 lakhs. The recoverability of this amount is in our opinion, dependant on outcome of the reference made under Section 18 of the Land Acquisition Act, 1894 against the award given by the Special Land Acquisition Officer (MHADA) for the land and buildings acquired by the Government of Maharashtra, particularly in the context of the said subsidiary having filed a petition for Voluntary winding up under the provisions of the Companies Act, 1956.

- (f) In the current state of affairs, there are inherent limitations and constraints on the detailed review of current assets, advances and current liabilities. These items include balances which are not reconciled which, on eventual reconciliation may necessitate adjustments of a revenue nature, the impact whereof cannot be ascertained with reasonable accuracy.

In our opinion and according to the best of our information and the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and subject to paras (d), (e) and (f) above (Refer Note Nos. 6, 8 and 7 forming part of accounts) give a true and fair view -

- (i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998, and
- (ii) In the case of the Profit and Loss Account of the Loss for the year ended on that date.

For N. M. RAIJI & CO.,
Chartered Accountants

J. M. GANDHI
Partner
Mumbai, September 2, 1998.

For K. S. AIYAR & CO.,
Chartered Accountants

MANI A. AIYAR
Partner

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (1) of our report of even date.

- | | |
|---|--|
| <p>(i) The Company has maintained proper records to show full particulars including quantitative details and the situation of Fixed Assets and the same have been physically verified by the Management and no material discrepancies were noticed.</p> | <p>(x) The Company does not generate scrap nor does it have any realisable by-products.</p> |
| <p>(ii) There has been no revaluation of the Fixed Assets during the year.</p> | <p>(xi) In our opinion, the internal audit system of the Company needs to be strengthened to be commensurate with the size and nature of its business.</p> |
| <p>(iii) Since the Company does not hold any stocks during the year, the requirement of Clauses (iii), (iv), (v), (vi) and (xii) of the Order are not applicable to the Company.</p> | <p>(xii) Maintenance of cost records under Section 209(i)(d) of the Companies Act, 1956 is not applicable to the Company.</p> |
| <p>(iv) The Company has not taken any loans from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. There are no companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.</p> | <p>(xiii) The Company has regularly deposited Provident Fund dues with the appropriate authorities. We have been informed that the provisions of Employees' State Insurance Act are not applicable to the Company.</p> |
| <p>(v) The Company has not granted any loans secured or unsecured to Companies, firms or other parties listed in the Registers maintained under Section 301. There are no Companies under the same management within the meaning of Section 370 (1-B) of the Companies Act, 1956.</p> | <p>(xiv) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 1998, for a period of more than six months from the date they became payable.</p> |
| <p>(vi) The parties to whom the Loans and advances in the nature of loans have been given are generally repaying the principal amounts as stipulated and interest regularly except that in one case of credit granted where the suit filed by the Company for recovery of the amount involved (Rs. 31.62 lakhs) with interest has not yet been decided. In respect of the loan of Rs. 1,633 lakhs granted to a subsidiary company, Scindia Workshop Limited, there is no stipulation as regards repayment. Interest charged upto financial year 1995-96 is also not recovered. Instalments and interest where applicable on loans granted to the staff are recovered regularly as per rules of the Company.</p> | <p>(xv) According to the information and explanations given to us, personal expenses have not been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practices.</p> |
| <p>(vii) On the basis of checks carried out in the course of our audit and according to the information given to us, we are of the opinion that there is adequate Internal Control procedures for purchases of fixed assets, commensurate with the size of the Company and the nature of its business. The Company does not have any sale of goods.</p> | <p>(xvi) The provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, are not applicable to the Company.</p> |
| <p>(viii) There were no transactions of purchase of goods, materials and services and sale of goods, materials and services during the year, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.</p> | <p>(xvii) The requirement of Para 4(B), 4(C) and 4(D) of the Order are not applicable to the Company as there are no such activities carried on by the Company.</p> |
| <p>(ix) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.</p> | |

For N. M. RAIJI & CO.,
Chartered Accountants

J. M. GANDHI
Partner
Mumbai, September 2, 1998.

For K. S. AIYAR & CO.,
Chartered Accountants

MANI A. AIYAR
Partner

The Scindia Steam Navigation Co. Ltd.

Balance Sheet as at 31st March, 1998

	Schedule	As at 31st March, 1998 Rupees	As at 31st March, 1997 Rupees
LIABILITIES:			
SHARE CAPITAL	I	18,94,58,620	18,94,58,620
RESERVES AND SURPLUS	II	1,37,27,131	1,37,27,447
SECURED LOANS	III	2,38,27,20,395	2,21,84,15,015
UNSECURED LOANS	IV	26,07,18,325	18,63,53,325
CURRENT LIABILITIES AND PROVISIONS	V	12,14,60,086	14,97,31,538
		<u>2,96,80,84,557</u>	<u>2,75,76,85,945</u>
ASSETS:			
FIXED ASSETS			
Gross Block	VI	84,42,756	89,50,316
Less : Depreciation		65,75,009	68,99,641
Net Block		18,67,747	20,50,675
INVESTMENTS	VII	30,41,472	30,66,472
CURRENT ASSETS, LOANS AND ADVANCES	VIII	31,34,64,232	27,51,79,694
PROFIT AND LOSS ACCOUNT		2,64,97,11,106	2,48,45,31,934
Less : FREE REVENUE RESERVES DEDUCTED PER CONTRA		—	71,42,830
(Refer Schedule II)		2,64,97,11,106	2,47,73,89,104
		<u>2,96,80,84,557</u>	<u>2,75,76,85,945</u>
Notes forming part of Accounts	XIV		

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered Accountants
MANI A. AIYAR
Partner.

For N. M. RAIJI & CO.
Chartered Accountants
J. M. GANDHI
Partner.

K. S. CHOKSI
Deputy Gen. Manager (Accounts)

K. VENUGOPAL

Chairman &
Managing Director

U. N. PATEL
M. J. SUBBAIAH
R. MUKUNDAN
D. K. TYAGI

} Directors

Mumbai, September 2, 1998.

August 28, 1998.

Profit and Loss Account for the year ended 31st March, 1998

	Schedule	Current Year Rupees	Previous Year Rupees
INCOME:			
FREIGHT AND CHARTER HIRE		—	6,02,66,579
INCOME FROM INVESTMENT AND DEPOSITS ETC.	IX	1,42,53,650	21,93,423
OTHER INCOME	X	24,97,534	55,36,465
SURPLUS ON SALE OF ASSETS		67,356	12,66,17,182
TOTAL INCOME:		<u>1,68,18,540</u>	<u>19,46,13,649</u>
EXPENDITURE:			
SHIPS OPERATING EXPENSES	XI	—	9,93,68,341
ADMINISTRATIVE EXPENSES	XII	2,41,25,313	3,49,46,460
INTEREST ON BORROWINGS	XIII	18,29,23,822	17,88,05,406
DEPRECIATION		1,72,874	62,66,335
DIRECTORS' FEES AND REMUNERATION		2,67,425	2,64,279
TOTAL EXPENDITURE:		<u>20,74,89,434</u>	<u>31,96,50,821</u>
Loss before prior period adjustments		19,06,70,894	12,50,37,172
PRIOR PERIOD ADJUSTMENTS (NET)		(1,81,96,786)	1,19,88,019
(Refer Note No. 17)			
PROVISION FOR DOUBTFUL DEBTS AND ADVANCES WRITTEN BACK .		(1,52,106)	—
LOSS FOR THE YEAR		17,23,22,002	13,70,25,191
BALANCE BROUGHT FORWARD FROM LAST YEAR'S ACCOUNT		2,48,45,31,934	2,34,75,06,743
TRANSFERRED FROM GENERAL RESERVE		(58,01,506)	—
TRANSFERRED FROM INVESTMENT RESERVE		(13,41,324)	—
BALANCE CARRIED TO BALANCE SHEET		<u>2,64,97,11,106</u>	<u>2,48,45,31,934</u>
Notes forming part of Accounts	XIV		

As per our Report annexed.

For K. S. AIYAR & CO.
Chartered Accountants
MANI A. AIYAR
Partner.

K. VENUGOPAL

Chairman &
Managing Director

For N. M. RAIJI & CO.
Chartered Accountants
J. M. GANDHI
Partner.

K. S. CHOKSI
Deputy Gen. Manager (Accounts)

U. N. PATEL
M. J. SUBBAIAH
R. MUKUNDAN
D. K. TYAGI

Directors

Mumbai, September 2, 1998.

August 28, 1998.

The Scindia Steam Navigation Co. Ltd.

Schedules forming part of the Balance Sheet

Schedule I : SHARE CAPITAL:—

	As at 31-3-1998 Rupees	As at 31-3-1997 Rupees
AUTHORISED : 1,25,00,000 Ordinary Shares of Rs. 20 each	25,00,00,000	25,00,00,000
ISSUED AND SUBSCRIBED : 94,72,931 Ordinary Shares of Rs. 20 each	<u>18,94,58,620</u>	<u>18,94,58,620</u>

NOTES:

- (a) Of the above 3,15,712 shares of the original face value of Rs. 15 each are allotted as fully paid-up pursuant to a contract without payment being received in cash.
- (b) The original face value of 46,99,903 shares was Rs. 15 each which was subsequently raised to Rs. 20 by a bonus issue of Rs. 5 per share by capitalisation of Rs. 1,37,63,625 from Capital Reserve and of Rs. 97,35,890 from Share Premium Account.
- (c) Of the above 47,72,978 shares are allotted as fully paid-up by way of Bonus Shares by capitalisation of Rs. 1,98,37,585 from Share Premium Account, Rs. 6,13,46,842 from General Reserve and Rs. 1,42,75,133 from Capital Reserve.

Schedule II : RESERVES AND SURPLUS:—

	Rupees	Rupees	As at 31-3-1998 Rupees	As at 31-3-1997 Rupees
CAPITAL RESERVE			1,21,11,295	1,21,11,295
REVENUE RESERVES AND SURPLUS :				
General Reserve — as per last Balance Sheet	67,96,186			67,97,018
Less : Deduction on account of forfeited dividend paid	316			832
Less : Transferred to Profit and Loss Account	<u>58,01,506</u>			<u>—</u>
Refer Note No. (12)		9,94,364		67,96,186
Investment Reserve — as per last Balance Sheet	19,62,796			19,62,796
Less : Transferred to Profit and Loss Account	<u>13,41,324</u>			<u>—</u>
		<u>6,21,472</u>		<u>19,62,796</u>
		16,15,836		87,58,982
Less : Free Revenue Reserves included in above deducted from debit of Profit and Loss Account as per contra				
General Reserve	—			58,01,506
Investment Reserve	—			13,41,324
				<u>71,42,830</u>
			16,15,836	16,16,152
			<u>1,37,27,131</u>	<u>1,37,27,447</u>

Schedule III : SECURED LOANS:—

	As at 31-3-1998 Rupees	As at 31-3-1997 Rupees
(a) LOANS FROM ERSTWHILE SHIPPING DEVELOPMENT FUND COMMITTEE (Consequent upon abolition of Shipping Development Fund Committee now vested in Government of India)	68,04,90,541	68,04,90,541
(b) LOANS FROM GOVERNMENT OF INDIA		
(i) Under Guarantee obligations	33,17,68,532	34,66,57,166
(ii) Working Capital Loan	24,24,79,430	24,24,79,430
(iii) For Insurance	85,79,124	85,79,124
(c) CASH CREDIT FROM A BANK	2,32,38,769	2,39,89,616
(d) INTEREST ACCRUED AND DUE ON:		
Shipping Development Fund Committee Loans for purchase of ships	71,38,02,271	62,33,47,644
Government of India Loans under Guarantee obligations	13,06,48,625	8,90,10,332
Working Capital Loans	23,82,29,156	19,63,30,449
Cash Credit from a Bank	<u>1,34,83,947</u>	<u>75,30,713</u>
	<u>2,38,27,20,395</u>	<u>2,21,84,15,015</u>

Refer Note No. (5)

Schedule IV : UNSECURED LOANS:—

	As at 31-3-1998 Rupees	As at 31-3-1997 Rupees
DEPOSITS:		
A. FROM PUBLIC	—	3,000
B. LEASE DEPOSITS	26,07,18,325	18,63,50,325
	<u>26,07,18,325</u>	<u>18,63,53,325</u>

Schedule V : CURRENT LIABILITIES AND PROVISIONS:—

	As at 31-3-1998 Rupees	As at 31-3-1997 Rupees
A. CURRENT LIABILITIES:		
Sundry Creditors	2,51,67,612	5,18,54,683
Cargo Claims Payable	2,78,40,787	2,80,76,499
Advances and Deposits	1,34,71,403	1,45,26,378
Interest accrued but not due on loans	<u>2,85,80,284</u>	<u>2,88,73,978</u>
	9,50,60,086	12,33,31,538
B. PROVISIONS:		
Provision for Taxation	2,35,00,000	2,35,00,000
Provision for Contingencies	5,00,000	5,00,000
Provision for diminution in value of Investment	24,00,000	24,00,000
	<u>2,64,00,000</u>	<u>2,64,00,000</u>
	<u>12,14,60,086</u>	<u>14,97,31,538</u>