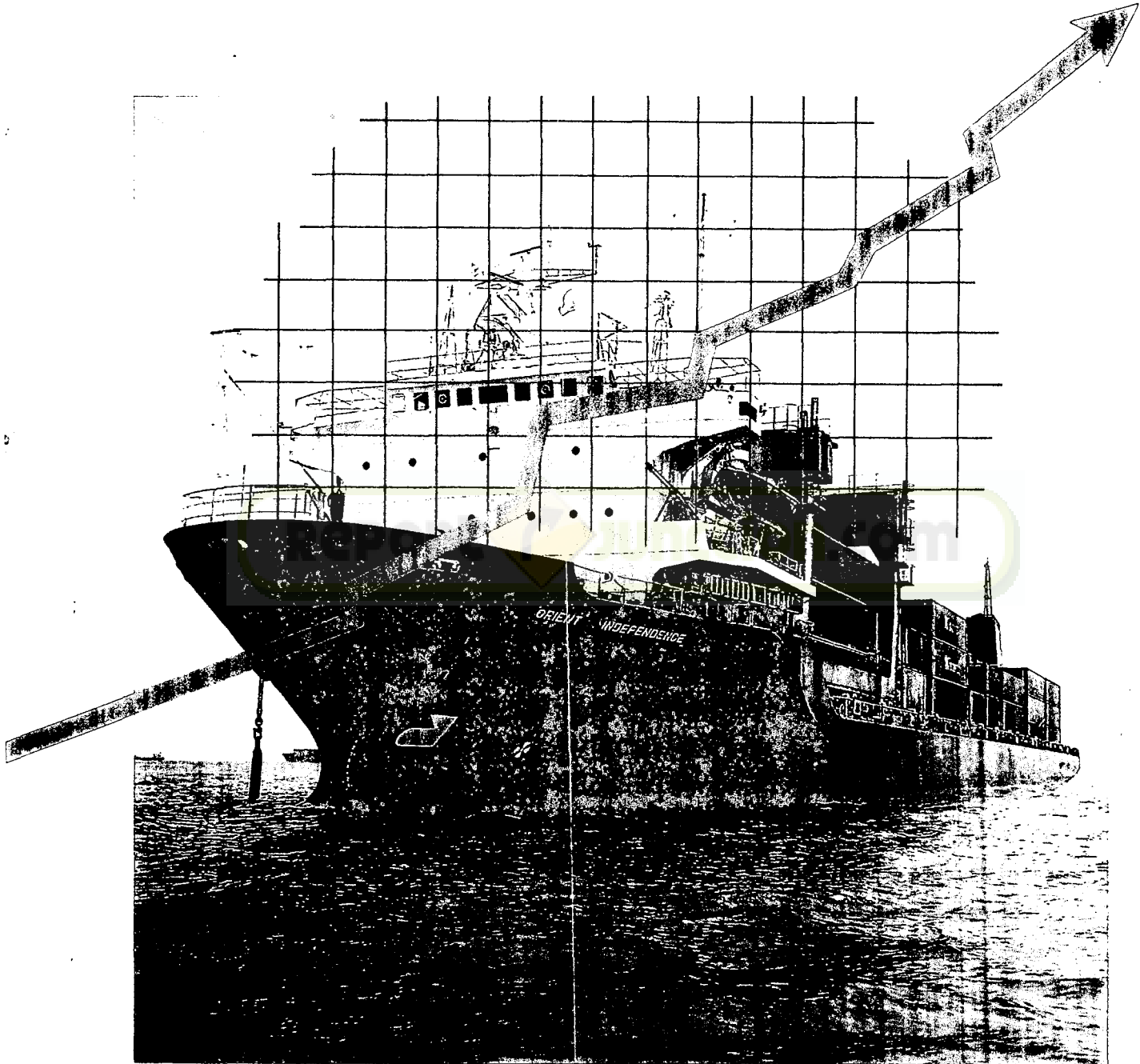


MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



SHREYAS
SHIPPING LIMITED



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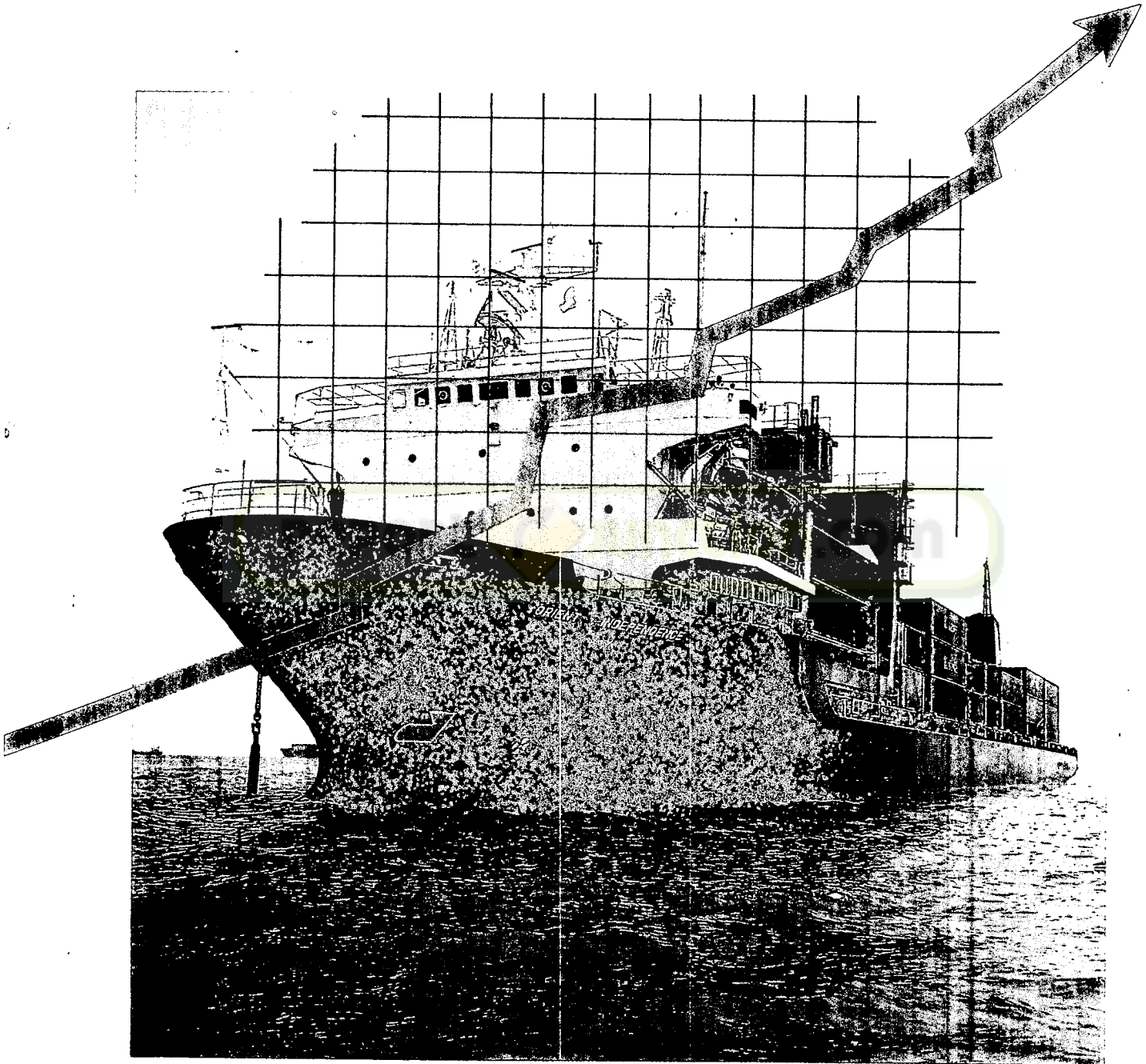


A **TRANSWORLD**
GROUP OF COMPANY

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



SHREYAS
SHIPPING LIMITED



TENTH ANNUAL REPORT 1997 - 98



A **TRANSWORLD**
GROUP OF COMPANY

BOARD OF DIRECTORS

- | | | |
|----|--------------------------------|------------------------------|
| 1. | Mr. S.Ramakrishnan | Chairman & Managing Director |
| 2. | Mr. V.Ramnarayan | Director |
| 3. | Mr. S.Mahesh | Director |
| 4. | Mr. L.B.Culas | Director |
| 5. | Mr. P.Murari | Director |
| 6. | Mr. Anand Desai | Director |
| 7. | Mr. B.L. Ahuja | Director (ICICI Nominee) |
| 8. | Mr. K.P.Medhekar | Director |
| 9. | Capt. P.P.Radhakrishnan | Director |

Solicitors : M/s. Mahimtura & Co.
Advocates & Solicitors

Auditors : M/s. K.L.Murty & Co.
Chartered Accountants

Bankers : Standard Chartered Bank
ICICI Banking Corporation Ltd.

Management Team

1. **Mr. Anil Devii** : Chief Executive Officer
2. **Capt. Kapil Kekre** : Commercial Manager
3. **Mr. Y.V. Gopalam** : Company Secretary
4. **Mr. Alok Nautiyal** : Manager Revenues & Banking

Regd. Office : 1110/1111, Embassy Centre, Nariman Point, Mumbai - 400 021.
Tel.: (91-22) 2842324 ● Fax : (91-22) 2886665.

Admn. Office : Orient Shreyas, Plot No. 203, Station Avenue Road, Chembur, Mumbai-400 071.
Tel.: (91-22) 5295402 ● Fax : (91-22) 5295412.

Transfer Agents : Spectrum Corporate Services Ltd.
Regd. office : Shree Ganesh Indl. House, 1st Floor, 'B' Wing, Near Amar Cinema,
W.T.P. Marg, Chembur, Mumbai - 400 071.
Tel. : (91-22) 5581215/5582862/63 ● Fax : (91-22) 5581214



SHREYAS
SHIPPING LIMITED

10th Annual Report

NOTICE

Notice is hereby given that the Tenth Annual General Meeting of the members of **Shreyas Shipping Limited** will be held on **Monday, 28th December, 1998** at 11.00 a.m. at Sivaswamy Auditorium of Fine Arts Cultural Centre, 61/21, R. C. Marg, Opp. Vijaya Bank, Chembur, Mumbai - 400 071, to transact the following business :

ORDINARY BUSINESS :

- 1) To receive and adopt Directors' Report and Audited Profit & Loss A/c for the period ended on 30th September, 1998 and Balance Sheet as at that date.
- 2) To declare a dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. V. Ramnarayan who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Anand Desai who retires by rotation and being eligible offers himself for reappointment.
- 5) To appoint Auditors and fix their remuneration.

By order of the Board of Directors

Place : Mumbai
Date : 23rd November, 1998
Regd. Office : 1110/1111, Embassy Centre,
Nariman Point, Mumbai 400 021.

Y.V. GOPALAM
COMPANY SECRETARY

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
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.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from **16th December, 1998 to 28th December, 1998** both days inclusive.
- c) The Dividend as recommended by the Board, if sanctioned at the meeting shall be paid to those members whose names appear on the Register of Members of the Company as on 28th December, 1998.
- d) Members/Proxies are requested to produce the Attendance Slip at the entrance of the Meeting Hall.
- e) Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready; replies will be provided only at the Meeting.
- f) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto 2nd dividend for the year 1994-95 paid by the Company on 27th July, 1995 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.
- g) Members are requested to notify immediately any change of their addresses including PIN code and/or the Bank Mandate details at the Administrative Office of the Company at :

SHREYAS SHIPPING LIMITED
"ORIENT SHREYAS", PLOT NO. 203,
STATION AVENUE ROAD,
CHEMBUR, MUMBAI - 400 071.

Tel.: (91-22) 5295402 ● Fax.: (91-22) 5295412.

or to the Company's Registrar & Share Transfer Agents at the address given below :

SPECTRUM CORPORATE SERVICES LTD
SHREE GANESH INDL. HOUSE, 1ST FLOOR, 'B' WING,
NR. AMAR CINEMA, W.T.P. MARG, CHEMBUR, MUMBAI - 400 071.
Tel. : (91-22) 5581215/5582862/63 ● Fax.: (91-22) 5581214.

By order of the Board of Directors

Place : Mumbai
Date : 23rd November, 1998
Regd. Office : 1110/1111, Embassy Centre,
Nariman Point, Mumbai 400 021.

Y.V. GOPALAM
COMPANY SECRETARY


REPORT OF THE DIRECTORS

To,

The Members.

The Directors have pleasure in submitting the Tenth Annual Report of the Company together with the Audited Accounts for the period ended on 30th September, 1998.

a) FINANCIAL RESULTS

The Financial Results for the period ended on 30th September, 1998 are summarised for your consideration :

	Eighteen months period ended on 30.09.98 (Rs. In Lacs)	Twelve months period ended on 31.03.98 (Rs. In Lacs)
Operating Income	17544.36	10521.15
Other Income	84.40	11.59
Interest	977.71	373.33
Depreciation	762.15	361.56
Profit Before Tax	396.63	269.75
Provision For Taxation	41.65	35.00
Balance brought forward from previous year	834.18	832.49
Balance available for appropriation	1189.16	1067.24
Proposed Dividend	198.24	198.24
Tax on Proposed Dividend	19.82	19.82
Transferred to General Reserve	100.00	15.00
Balance in Profit & Loss Account	871.09	834.18

b) DIVIDEND

The Board recommends a dividend of Re 1.00 per share absorbing a sum of Rs. 198.24 lacs (previous year Re. 1.00 per share - Rs.198.24 lacs).

c) SHIPPING BUSINESS & FUTURE PROSPECTS

Your Company has acquired m.v. Orient Vision which has carrying capacity of 349 Teus in March' 98 and has been deployed on time charter since then.

Your Company has promoted a Company under the name and style, Orient Express Ship Management Ltd (OESM). This Company is intended to engage in the business of technical management of vessels, manning and statutory compliances etc. OESM has obtained a document of compliance for container ship management in accordance with the International Safety Management (ISM) code. All vessels owned by your company are now managed by OESM.

Though for the vessels owned by your Company the ISM code would be applicable in the year 2002, your company has progressed considerably in obtaining the Ship Management Certificates in accordance with the ISM code. It is anticipated that the Ship Management Certificates would be obtained in the next 6 months.

In keeping with the needs of the Country and with an intention of developing Jawaharlal Nehru Port Trust (JNPT) as a transshipment hub in the region, your Company had commenced on a coastal transshipment feeder service during the last year. This service was started in response to the appeal of the Government of India to make full use of the Modern Container Terminal at JNPT and to reduce costs of exports and imports into India. Apart from the transshipment business, your Company is examining the scope and prospects of domestic container movement along the sea-lanes to cater to the requirement of domestic industries.

d) FIXED DEPOSIT

The Company has not taken any fixed deposit from the public during the year under consideration.

e) GOVERNMENT SUPPORT

The Government has, from time to time, provided adequate support to the Indian Flag vessels by allowing services on new sectors thereby hastening the growth of Container Shipping Industry. However in the opinion of your Company, the Government of India is likely to address positively on various issues which are to date restraining factors for the

10th Annual Report

Indian Shipping Industry. One of the areas highlighted are reduction of tax burden on Shipping Personnel to stop the drain of good senior officers and crew members leaving Indian Flag Ships and joining to Foreign Flag Ships due to NIL tax burden.

f] CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

The information required under rule 2 of the Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 relating to the Conservation of Energy and Technology Absorption, is not given since the Company is not engaged in any manufacturing activity. However, the details of Foreign Exchange earnings and outflow are as under :-

FOREIGN EXCHANGE EARNINGS AND OUTGO**TOTAL FOREIGN EXCHANGE USED AND EARNED (on accrual basis)****(Rs. In Lacs)**

i] Foreign exchange earnings	17490
ii] Foreign Exchange outgo	17362
(includes operating expenses, components and spare parts, cost of ships and other expenditure in foreign currency)	

g] DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. V. Ramnarayan and Mr. Anand Desai retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

h] COST AUDIT

The Central Government has not recommended any cost audit of the Company during the year under consideration.

i] EMPLOYEE RELATIONS

The Board wishes to place on record its appreciation of the services rendered by the floating staff and shore staff during the year. The information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 forms the part of this report.

However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all the shareholders of the Company, excluding the aforesaid statement of particulars of employees. Such statement will be sent to the shareholders, who may be desirous of having the same, on a specific written request addressed to the Company Secretary at the Registered Office of the Company.

j] AUDITORS

Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s K. L. Murty & Co., Chartered Accountants retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment. Letter has been received from the said Auditors that the reappointment, if made, will be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

k] ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their gratitude to the Government of India, Ministry of Surface Transport, Ministry of Finance, Director General of Shipping, Mercantile Marine Department, Stock Exchanges, Reserve Bank of India, Central Board for Excise Control, New Delhi as well as erstwhile SCICI Ltd, ICICI Ltd, Standard Chartered Bank and ICICI Banking Corporation Ltd. for their continued support to your Company. The Board of Directors also wishes to place on record their appreciation to other Bankers to the Company, suppliers, business associates, Main Line Operators and Consultants for extending support to the Company during its operations.

For and on behalf of the Board

Place : Mumbai,
Dated : 23rd November, 1998
Regd. Office : 1110/1111, Embassy Centre
Nariman Point, Mumbai-400 021.

S. RAMAKRISHNAN
CHAIRMAN &
MANAGING DIRECTOR


AUDITORS' REPORT TO THE MEMBERS OF SHREYAS SHIPPING LIMITED

We have audited the attached Balance Sheet of Shreyas Shipping Limited as at 30th September, 1998 and also the Profit and Loss Account of the Company for the 18 months period ended on that date, annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
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 purpose of our audit;
 - (b) In our opinion, proper books of accounts 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 dealt with by this report are in agreement with the books of account;
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 1998; and
 - (ii) in the case of the Profit and Loss Account, of the profit for the 18 months period ended on that date.

For **K. L. MURTY & CO.**
 Chartered Accountants

Place : Mumbai

Date : 23rd November, 1998

K. L. MURTY
 Partner

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We have been informed that physical verification of fixed assets was conducted by the Management and no discrepancies were noticed on verification of the assets. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of assets.
2. None of the Fixed Assets have been revalued during the period.
3. As the Company is not engaged in manufacture or processing of goods there are no finished or raw materials and the question of physical verification or valuation thereof do not arise.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. We are informed that there are no Companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, the Company has accepted loans from a Company the terms and conditions of the same are not prejudicial to the interest of the Company.
6. The parties and employees to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amount and interest, if applicable, as stipulated and are regular in repayment whichever applicable.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of Fleet Operating Equipments and other assets.
8. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year, to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable, having regard to the prevailing market prices of such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.