



SHREYAS
SHIPPING LIMITED

11th
ANNUAL REPORT
1998 - 99

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TRANSWORLD
GROUP

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 Ltd. 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.
Canara Bank.

Management Team

1. **Mr. Anil Devli** : 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: Intime Spectrum Registry Pvt. 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

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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of the Company will be held on Friday, 27th August, 1999 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, consider and adopt Audited Profit & Loss Account for the six months period ended on 31st March, 1999 and Balance Sheet as at that date together with Reports of Directors and Auditors.
- 2) To declare a dividend on Equity Shares.
- 3) To appoint a Director in place of Mr. Sivaswamy Mahesh who retires by rotation, and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Leonard Basil Culas who retires by rotation, and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Capt. Panthalo Puthenveetil Radhakrishnan who retires by rotation, and being eligible, offers himself for re-appointment.
- 6) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

- 7) To consider and, if thought fit, pass the following Resolution, with or without modification as **Ordinary Resolution** :

"RESOLVED that subject to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, and further subject to the approval of the Reserve Bank of India as may be required, the Company hereby approves the re-appointment of Mr. S. Ramakrishnan as Chairman and Managing Director of the Company for a period of five years with effect from 1st April, 1999 on the terms and conditions as set out below :

a) Salary : Rs. 87,500/- per month

b) Prerequisites :

1. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

2. Gratuity payable at the rate of not exceeding ½ month's salary for each completed year of service.

3. Encashment of leave at the end of the tenure.

4. Prerequisites allowable as NRI to Mr. S. Ramakrishnan;

a) Children Education Allowance:

In case of Children studying in or outside India an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred whichever is less. Such allowance is admissible upto a maximum of two children.

b) Holiday passage for Children studying outside India/family staying abroad:

Return holiday passage once in a year by economy class or once in two years by first class for two children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India, with Mr. S. Ramakrishnan.

c) Leave Travel Concession :

Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to make such changes and amendments in the aforesaid remuneration package offered to Mr. S. Ramakrishnan, Chairman and Managing Director of the Company as per the conditions, modifications and stipulations as may be imposed by the Central Government and any other authority and as may be acceptable to Mr. S. Ramakrishnan, Chairman and Managing Director".

- 8) To consider and, if thought fit, pass the following Resolution, with or without modification as **Special Resolution**:

"RESOLVED that M/s. Multi Consult Pvt. Ltd. in which Mr. Anand Desai is a Director be and is hereby appointed as the 'Financial & Banking Consultant' to the Company with effect from 29/12/98."

"FURTHER RESOLVED that pursuant to Section 314 (1) (b) of the Companies Act, 1956, approval of the Company be and is hereby granted for the payment of consultancy fee of Rs.12,000/- per month subject to statutory deduction to M/s Multi Consult Pvt. Ltd. and reimbursement of other incidental and out-of-pocket expenses including Driver's salary for attending Company's Job."

By order of the Board of Directors

Place : Mumbai
Date : July 20, 1999.
Regd. Office : 1110/1111, Embassy Centre,
Nariman Point, Mumbai - 400 021.

Y.V. GOPALAM
COMPANY SECRETARY


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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 **18th August, 1999 to 27th August, 1999 (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 **27th August, 1999**.
- d) Members/Proxies are requested to produce the Attendance Slip duly filled in and signed at the entrance of the Meeting Hall.
- e) Members requiring 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. : 5295402 Fax : 5295412)

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

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

By order of the Board of Directors

Place : Mumbai
Date : July 20, 1999.
Regd. Office : 1110/1111, Embassy Centre,
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COMPANY SECRETARY

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SHREYAS
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.
Item No. 7

The Board of Directors of the Company at their meeting held on 20th July, 1999 re-appointed Mr. S. Ramakrishnan as Chairman and Managing Director of the Company with effect from 1st April, 1999 subject to the approval of the Central Government and the Company in General Meeting. Mr. S. Ramakrishnan being Non resident Indian, an application will be made to Central Government for the approval of his appointment as Chairman & Managing Director of the Company on same remuneration, terms and conditions as previously approved by the Board and Shareholders at the Extra Ordinary General Meeting held on 29th August, 1994.

Accordingly, the remuneration as set out in the ordinary resolution proposed to be paid to Mr. S. Ramakrishnan as per the provisions of Sec.309 and Schedule XIII of the Companies Act, 1956 is minimum remuneration as set-out in Schedule XIII of the Companies Act, 1956.

As per Articles of Association of the Company, Managing Director is not liable to retire by rotation.

Mr. S. Ramakrishnan is a Commerce graduate having 22 years experience in the Shipping Industry including Ship owning, Chartering and Ship management. His extensive experience in all facets of running Container Feeder Services has helped the Company in making all round progress including achieving consistent profitability in all the years.

The operations of the Company started on 1st February, 1994. During the period thereafter the Company has acquired Five Vessels and is in the process of taking two vessels on Lease. The turnover of the Company is Rs.57 crores for the six months period ended 31st March, 1999.

In view of the aforesaid, the Board of Directors feel that it is in the interest of the Company to re-appoint Mr. S. Ramakrishnan as the Chairman and Managing Director of the Company and to pay the remuneration as set out in the ordinary resolution. The Board therefore recommends passing of the aforesaid resolution.

Except Mr. S. Ramakrishnan and Mr. S. Mahesh (who is a relative) none of the directors are interested in the resolution.

Item No. 8

At the Annual General Meeting held on 30th September, 1997 Members approved appointment of M/s. Multi Consult a Partnership Firm in which Mr. Anand Desai a Director of your Company was a Partner. The said Partnership Firm was appointed as Financial & Banking Consultants and their appointment was approved by the Members in terms of the provisions of Section 314 (1) (b) of the Companies Act, 1956.

Mr. Anand Desai advised your Company that with effect from 29th December, 1998 the Partnership Firm was converted into a Private Limited Company and that M/s. Multi Consult Pvt. Ltd., will henceforth Act, as Financial & Banking Consultants.

As per section 314 (1) (b) of the Companies Act, 1956 the appointment of M/s. Multi Consult Pvt. Ltd., and payment of consultancy fees to them requires your approval by Special Resolution. Hence the said matter is placed for your approval.

Except Mr. Anand Desai, no other Director is concerned or interested in the aforesaid resolution.

By Order of the Board of Directors.

Place : Mumbai
Dated : July 20, 1999.
Regd. Off. : 1110/1111, Embassy Centre,
Nariman Point, Mumbai - 400 021.

Y. V. GOPALAM
COMPANY SECRETARY

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SHREYAS
SHIPPING LIMITED

DIRECTORS' REPORT

To,

The Members,

The Directors have pleasure in submitting the Eleventh Annual Report of the Company together with the Audited Accounts for the six months period ended on 31st March, 1999.

a) **FINANCIAL RESULTS**

The Financial Results for the six months period ended on 31st March, 1999 are summarised for your consideration :

(Amount Rupees in Lacs)

	6 months period ended on 31.03.99	18 months period ended on 30.09.98
Operating Income	5741.09	17544.36
Other Income	6.57	84.40
Interest	421.09	977.71
Depreciation	300.94	762.15
Profit Before Tax	258.04	396.63
Provision For Taxation	27.75	41.65
Balance brought forward from previous year	871.09	834.18
Balance available for appropriation	1101.38	1189.16
Proposed Dividend	138.77	198.24
Tax on Proposed Dividend	15.26	19.82
Transferred to General Reserve	45.00	100.00
Balance in Profit & Loss Account	902.35	871.09

b) **DIVIDEND**

The Board recommends a dividend of Re. 0.70 per share, for the six months period absorbing a sum of Rs.138.77 Lacs (previous period of eighteen months Re. 1.00 per share - Rs.198.24 lacs).

c) **SHIPPING BUSINESS & FUTURE PROSPECTS**

The Company entered into an agreement for taking two Container Vessels on lease having a capacity of 1152 teus each from ICICI Limited. With these acquisitions the strength of the fleet will increase to seven.

The Management is pleased to inform that the issue of Coastal Shipping and the related problems faced have been successfully resolved by taking up the matters at the highest level and these efforts are now bearing fruits. The coastal transshipment services are expected to be resumed very soon.

The Company is also examining the prospects of entering the Domestic Carriage Trade.

The Company has started a new service between Salalah - Colombo - Tuticorin - Cochin.

d) **FIXED DEPOSIT**

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

e) **GOVERNMENT SUPPORT**

The Government of India has been extending support to this industry from time to time. We would like to place on record our sincere thanks, but would like to add that a lot further can be done. We believe that Government of India will take appropriate steps and address the critical areas in Shipping Industry, which will help in enhancing the growth of the Industry. One of the primary steps in this direction is declaring Shipping as Infrastructure Industry. We sincerely believe that Government of India will declare Shipping as Infrastructure Industry soon.

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 :-