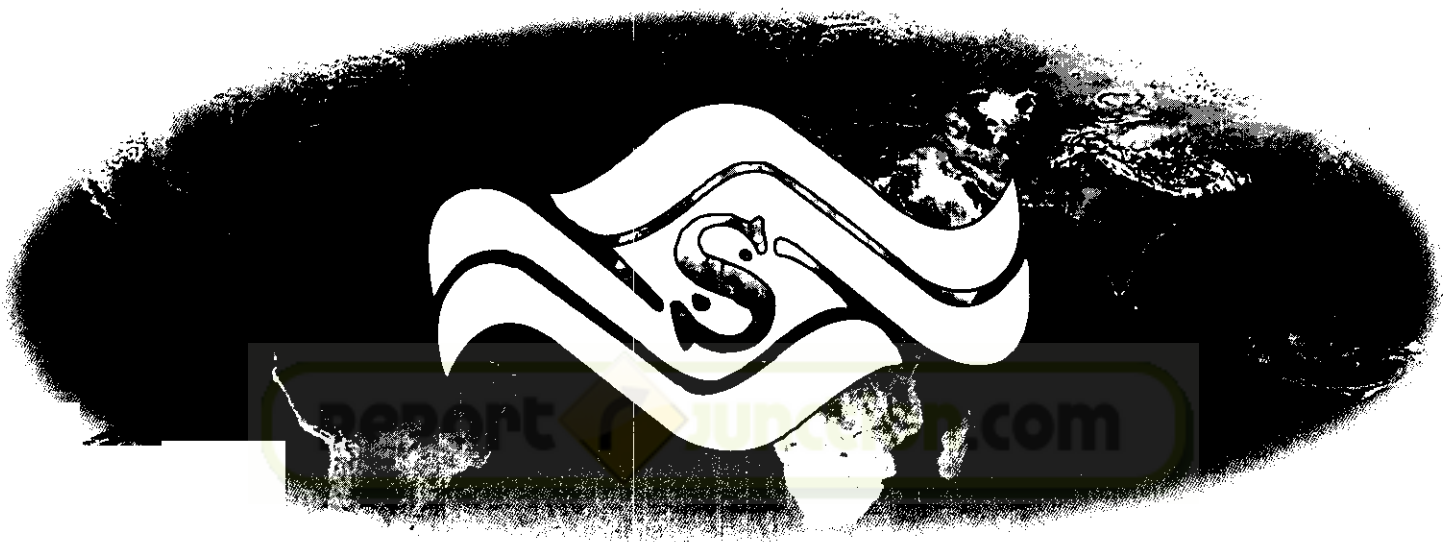




SHREYAS
SHIPPING LIMITED



12th
Annual Report
1999-2000

TRANSWORLD
GROUP

Board of Directors

Mr. S. Ramakrishnan	Chairman & Managing Director
Mr. V. Ramnarayan	Director
Mr. S. Mahesh	Director
Mr. L. B. Culas	Director
Mr. P. Murari	Director
Mr. Anand Desai	Director
Mr. B. L. Ahuja	Director (ICICI Ltd. Nominee)
Mr. K. P. Medhekar	Director
Capt. P. P. Radhakrishnan	Director

Management Team:

Mr. Anil Devli	Chief Executive Officer
Capt. Kapil Kekre	Commercial Manager
Mr. Sudhakar H. Shetty	Company Secretary
Mr. Alok Nautiyal	Manager Revenues & Banking

Solicitors:

M/s. Mahimtura & Co.
Advocates & Solicitors

Auditors:

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

Bankers:

Standard Chartered Bank
ICICI Bank Ltd.
Canara Bank

Regd. Office:

1110/1111, Embassy Centre,
Nariman Point, Mumbai - 400 021.
Tel.: (91-22) 284 2324 ● Fax: (91-22) 288 6665

Admn. Office:

Orient Shreyas, Plot No. 203, Station Avenue Road,
Chembur, Mumbai - 400 071.
Tel.: (91-22) 529 5402 ● Fax: (91-22) 529 5412

Registrars & Share Transfer Agent:

M/s. Intime Spectrum Registry Pvt. Ltd.

Regd. Office:

260, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (West), Mumbai - 400 080.
Tel.: (91-22) 564 7734, 568 4590
Fax: (91-22) 567 2693

Notice

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of the Company will be held on Thursday, the 31st August, 2000 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 the audited Profit & Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Pejavar Murari, who retires by rotation and, being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Mr. Krishnanath Pandurang Medhekar who retires by rotation and, being eligible, offers himself for re-appointment.
- (4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

- (5) To consider and, if thought fit, to pass the following Resolution, with or without modification as a Special Resolution: "RESOLVED that pursuant to Section 94, Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Authorised Share Capital of the Company is Rs. 38,00,00,000/- (Rupees Thirty Eight Crores only) divided into 3,80,00,000 (Three Crores Eighty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each be re-classified into

(a) Rs. 24,00,00,000/- (Rupees Twenty Four Crores only) divided into 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

(b) Rs. 14,00,00,000/- (Rupees Fourteen Crores only) divided into 14,00,000 (Fourteen Lacs) 6% non-convertible cummulative redeemable preference shares of Rs. 100/- (Rupees Hundred only) each.

FURTHER RESOLVED THAT Clause V(a) of the Memorandum of Association be substituted by insertion of new clause V(a) as given under.

The Authorised Share Capital of the Company is Rs. 38,00,00,000/- (Rupees Thirty Eight Crores only) divided into

(a) Rs. 24,00,00,000/- (Rupees Twenty Four Crores only) divided into 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

(b) Rs. 14,00,00,000/- (Rupees Fourteen Crores only) divided into 14,00,000 (Fourteen Lacs) 6% non-convertible cummulative redeemable preference shares of Rs. 100/- (Rupees Hundred only) each.

With power to increase or reduce the capital of the Company, and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined 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. FURTHER RESOLVED THAT Article No. 3 of the Articles of Association be substituted by new Article No. 3 given below:

The Authorised Share Capital of the Company is Rs. 38,00,00,000/- (Rupees Thirty Eight Crores only) divided into

(a) Rs. 24,00,00,000/- (Rupees Twenty Four Crores only) divided into 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

(b) Rs. 14,00,00,000/- (Rupees Fourteen Crores only) divided into 14,00,000 (Fourteen Lacs) 6% non-convertible cummulative redeemable preference shares of Rs. 100/- (Rupees Hundred only) each."

- (6) To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as a Special Resolution:

"RESOLVED that subject to the provisions of Sections 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and other statutory approvals, if any, 14,00,000 6% non-convertible cummulative redeemable preference shares of Rs. 100/- each forming part of the Authorised Share Capital of the Company and remaining unsubscribed be issued at par and allotted to any person or persons as the Board of Directors deem fit on the following terms and conditions.

(a) The shares shall carry a right to a cummulative preference dividend of 6% per annum in relation to the Capital Paid-up on them.

(b) The holders of the said shares shall have a right to attend General Meetings of the Company and vote on resolutions directly affecting their interest or where the dividends in respect thereof are in arrears for not less than two years on the date of the meeting on all resolutions at every meeting of the Company.

(c) In a winding up, the holders of the said shares shall be entitled to a preferential right of return of the amount paid-up on the said shares together with arrears of cummulative preferential dividend due on the date of winding up but shall not have any further right or claim over the surplus assets of the Company."

By Order of the Board of Directors

SUDHAKAR H. SHETTY
Company Secretary

Mumbai : 30th May, 2000.

Regd. Office:

1110/1111, Embassy Centre, Nariman Point, Mumbai 400 021.

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 23rd August, 2000 to 31st August, 2000 (both days inclusive).
- (c) Members/Proxies are requested to produce the Attendance Slip duly filled in and signed at the entrance of the Meeting Hall.
- (d) 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.
- (e) 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.**
- (f) 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:

M/s. SHREYAS SHIPPING LIMITED

Orient Shreyas, Plot No. 203, Station Avenue Road, Chembur, Mumbai - 400 071.

Tel.: (91-22) 529 5402 • Fax.: (91-22) 529 5412

or to the Company's Registrars and Share Transfer Agent at the address given below:

M/s. INTIME SPECTRUM REGISTRY PVT. LTD.

260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (W), Mumbai - 400 080.

Tel.: (91-22) 564 7731, 568 4590 • Fax: (91-22) 567 2693.

By Order of the Board of Directors

SUDHAKAR H. SHETTY
Company Secretary

Mumbai : 30th May, 2000.

Regd. Office:

1110/1111, Embassy Centre, Nariman Point, Mumbai 400 021.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**Item No. 5**

- The existing Authorised Share Capital of the Company consists of Rs. 38,00,00,000/- (Rupees Thirty Eight Crores only) divided into 3,80,00,000 equity shares of Rs. 10/- each.
- The Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 19,82,42,000/- divided into 1,98,24,200 equity shares of Rs. 10/- each fully paid.
- The Unissued and Unsubscribed Equity Share Capital consist of Rs. 18,17,58,000/- divided into 1,81,75,800 equity shares of Rs. 10/- each.
- The Board of Directors of the Company at their meeting held on 30th May, 2000 decided to issue 14,00,000 6% non-convertible cummulative redeemable preference shares of Rs. 100/- each to any person or persons of the Board of Directors decide on certain terms and conditions.

This requires re-classification of Authorised Share capital as under:

- Rs. 24,00,00,000/- (Rupees Twenty Four Crores only) divided into 2,40,00,000 (Two Crores Forty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.
- Rs. 14,00,00,000/- (Rupees Fourteen Crores only) divided into 14,00,000 (Fourteen Lacs) 6% non-convertible cummulative redeemable preference shares of Rs. 100/- (Rupees Hundred only) each.

Item No. 6

The Board of Directors of the Company at their meeting held on 30th May, 2000 taken a decision to issue non-convertible cummulative redeemable preference shares to selected entities. The decision to issue non-convertible cummulative redeemable preference shares have been taken with the aim of utilising the fund for long term working capital of the Company. With this issue Shareholders' funds will be strengthened and improve the debt equity ratio of the Company.

By Order of the Board of Directors

SUDHAKAR H. SHETTY
Company Secretary

Mumbai : 30th May, 2000.

Regd. Office:

1110/1111, Embassy Centre, Nariman Point, Mumbai 400 021.

12TH ANNUAL REPORT**Directors' Report****To The Members,**

The Directors have pleasure in submitting the Twelfth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2000.

(a) FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2000 are summarised for your consideration:

	(Amount Rupees in Lacs)	
	Year ended 31.03.2000	Period ended 31.03.1999 (Six months)
Operating Income	10544.32	5741.09
Other Income	91.13	6.57
Interest	681.14	421.09
Depreciation	607.73	300.94
Profit / (Loss) Before Tax	(868.71)	258.04
Provision For Taxation	—	27.75
Balance brought forward from previous year	902.35	871.09
Balance available for appropriation	33.64	1101.38
Proposed Dividend	—	138.77
Tax on Proposed Dividend	—	15.26
Transferred to General Reserve	—	45.00
Balance in Profit & Loss Account	33.64	902.35

(b) DIVIDEND

Due to loss incurred for the current financial year the Board recommends not to declare a dividend. (previous period of six months period ended on 31st March, 1999 Re. 0.70 per share - Rs. 138.77 lacs).

(c) SHIPPING BUSINESS & FUTURE PROSPECTS

The period under consideration has been a rather dull period for the entire industry as a whole. While charter markets saw steep declines, freights too followed. However, bunker costs which constitute an important portion of the operating cost of any shipping company displayed a steep incline to the extent of about 80% over last year. This led to the operating costs increasing manifold, thereby putting pressures on the bottom line.

The state of the industry however provided your Company with an opportunity in the form of lower cost of acquisition. Your Company has taken on lease two new vessels, the Orient Spirit and the Orient Strength.

With the decline in freights, it was considered wise to charter out tonnage into the market and concentrate on fresh areas of feeder. Your Company has therefore attempted to charter out its tonnage so as to obtain assured returns. Your Company however, continues its focus as a common carrier feeder operator.

One such area is the coastal transshipment service connecting two or more Indian Ports. Your Company once again commenced a service between the ports of Kandla and JNPT and this service has now become a premier feeder service not only providing revenue streams to your Company but also providing precious saving in foreign exchange to the nation. Your Company currently has employed one vessel on this service. On the anvil are at least two more such coastal service.

Your Company also intends to explore the possibility of participating in the domestic movement of cargo and is

in the process of completing a study on the same. Upon completion of such a study, the Company shall take a decision on the commencement of such domestic service.

(d) FIXED DEPOSIT

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

(e) GOVERNMENT SUPPORT

As the Government of India has supported the movement of feeder traffic between two Indian ports, the Company has been able to successfully commence and run a Coastal Feeder Service. We would like to place on record our heartfelt thanks to the concerned officials of the Government of India.

The Shipping Industry has requested for various other steps, which will enhance the growth of shipping in India. We hope the Government of India will take necessary steps in this respect.

Meanwhile, our demand to declare shipping as an Infrastructure Industry continues.

(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	10544.31
(ii) Foreign exchange outgo (includes operating expenses, components and spare parts, cost of ships and other expenditure in foreign currency)	8023.96

(g) DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pejavar Murari and Mr. K. P. Medhekar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

(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 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