

13th ANNUAL REPORT 2000 - 2001

Its...

Its a certain attitude.

A certain approach towards life.

Something that makes us refreshingly different from others.

We have grown by the strength of our people.

They make things happen.

They were born with the inclination to do so.

After all, our's is a profession that demands

performance par excellence.

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TRANSWORLD
SHIPING GROUP

SHREYAS
SHIPPING LIMITED

Mission

To become a dominant Market Leader in the Indian Container Feeder Services by providing an efficient, economical and reliable service to its client.

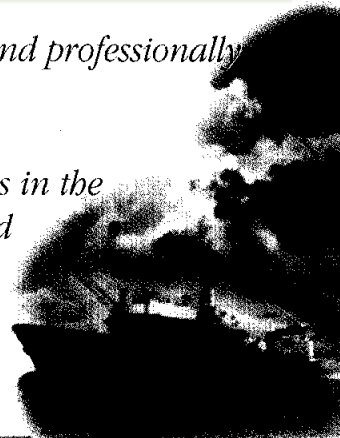
To constantly endeavor to prevent damage to property and injury to personnel, environment and Marine Property.

To give over-riding authority to the Master to act or give all necessary orders for the protection of human life, for the safety of the ship and for the protection of the environment, whether these are in agreement or not with the procedures and instructions issued by the Company.

To develop a team of dedicated, motivated and professionally competent personnel.

To constantly endeavor to seek improvements in the system necessary to achieve set objectives and providing customer satisfaction with quality service.

S. Ramakrishnan
CHAIRMAN & MANAGING DIRECTOR





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Board of Directors

Mr. S. Ramakrishnan	Chairman and Managing Director
Mr. V. Ramnarayan	Director
Mr. S. Mahesh	Director
Mr. L. B. Culas	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. Anand C. Meecheri	General Manager - Accounts

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

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NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Thursday, the 23rd August 2001 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, 2001 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. V. Ramnarayan who retires by rotation and, being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Mr. Anand Desai who retires by rotation and, being eligible, offers himself for re-appointment.
- (4) To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors

Mumbai : 20th June, 2001.

Regd. Office :

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

SUDHAKAR H. SHETTY
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 **17th August 2001 to 23rd August 2001 (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 23rd August, 2001.
- (d) Members/Proxies are requested to produce the Attendance Slip duly filled in and signed at the Meeting.
- (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 dividend upto 2nd dividend for the year 1994-1995 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.

In view of the amendment to the Companies Act, 1956 the unclaimed dividends/ refund that are due for transfer to the Investor Education and Protection Fund are as follows:

Particulars	Date of Declaration	For the Financial Year	Due for Transfer on
Refund (Public issue)	24.01.1995	_____	24.01.2002
Dividend	30.07.1996	1995-1996	10.09.2003
Dividend	30.09.1997	1996-1997	12.11.2004
Dividend	28.12.1998	1997-1998	10.02.2006
Dividend	27.08.1999	1998-1999	10.10.2006

- (g) Members are requested to notify immediately any change of their addresses including PIN code and/or the Bank Mandate details at the Administration Office of the Company.

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.

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INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the listing agreement, the particulars of Directors who are proposed to be re-appointed are given below;

1. Name : Mr. V. Ramnarayan
 Age : 52 years
 Qualifications : B.Sc.
 Experience : Over 25 years of experience in Container Shipping business. He has to his credit the handling experience of the first container service which commenced from India. His experience covers all aspects of shipping like commercial, technical etc.

Director of the Company since incorporation

Other Directorship :

Name of the Company	Position held	Committee Type	Membership Status
1. Transworld Shipping Services(India) Pvt. Ltd.	Director		
2. Worldwide Cargo Care Pvt Ltd.	Director		
3. Trident Trading Pvt. Ltd.	Director		
4. Meridian Shipping Agency Pvt Ltd.	Director		
5. Crescent Shipping Agency Pvt Ltd.	Director		
6. Clarion Shipping Agency Pvt Ltd.	Director		
7. Sivaswamy Holdings Pvt Ltd.	Director		
8. Transcorp Finance Ltd.	Director		
9. Transcorp Securities Ltd.	Director		
10. Balaji Hauliers Pvt Ltd.	Director		
11. Orient Express Ship Management Ltd.	Director		
12. Transworld Mgmt. Consultancy Pvt. Ltd.	Director		
13. Transworld Pharma (Madras) Pvt. Ltd.	Director		
14. Transworld Mining Pvt. Ltd.	Director		
15. Transworld Plantation Pvt. Ltd.	Director		
16. Trident Overseas Pvt. Ltd.	Director		
17. Interseas Shipping Pvt. Ltd.	Director		
18. Transworld Constructions Pvt. Ltd.	Director		
19. Shreyas Shipping Services (India) Pvt. Ltd.	Director		
20. Albatross Surveyors Ltd.	Director		
21. Albatross Dock & Marine Eng. Co. Ltd.	Director		
22. Albatross Shipping Pvt Ltd.	Director		
23. Relay Shipping Agency Ltd.	Director		
24. Sea Orient Shipping (India) Pvt Ltd.	Director		
25. NLS Agency (India) Pvt Ltd.	Director		

2. Name : Mr. Anand B Desai
 Age : 43 years
 Qualifications : B.Com, ACA
 Experience : A Chartered Accountant and Finance Professional with over 18 years of experience in the field of investment banking and business development.

Director of the Company since 1st August, 1994.

Other Directorship :

Name of the Company	Position held	Committee Type	Membership Status
Transcorp Finance Limited	Director		
Emax Cricket India Private Limited	Director		

By Order of the Board of Directors

Mumbai : 20th June, 2001.

Regd. Office :

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

SUDHAKAR H. SHETTY
 Company Secretary

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DIRECTORS' REPORT

To The Members,

The Directors have pleasure in submitting the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2001.

(A) FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2001 are summarised for your consideration :

	Year Ended 31.03.2001	Year ended 31.03.2000
Operating Income	6674.57	10544.32
Other Income	147.17	91.13
Interest	679.16	681.14
Depreciation	610.10	607.73
Profit / (Loss) Before Tax	276.15	(868.71)
Provision For Taxation	2.80	—
Balance brought forward from previous year	33.64	902.35
Balance available for appropriation	306.99	33.64
Proposed Dividend	99.12	—
Tax on Proposed Dividend	10.11	—
Transferred to General Reserve	—	—
Balance in Profit & Loss Account	197.76	33.64

(B) DIVIDEND

The Board recommends a dividend of Re.0.50 per share, for the year ended 31st March, 2001 absorbing Rs.99.12 lacs (previous year Nil)

(C) SHIPPING BUSINESS & FUTURE PROSPECTS

The operating cost of ships continues to remain high due to bunker prices maintaining its level during the year.

The effect of bunker prices on our own coastal services have maintained upper levels even when periodical relief were felt in international bunker market. On the positive side, the coastal service established new trend in country's international container traffic when JNPT was chosen as a transshipment hub by many major lines. The overall freight rates in the international market showed indication of turning around further reaching fair levels and we have been able to negotiate better charter hire rate for our ships which we have chartered out. We have, except for two ships, chartered out the rest of the tonnage as the option of assured steady income was considered more prudent in such market.

The success of one vessel on coastal service has given us confidence to induce additional tonnage and new ports during the next financial year. We are proud to inform that during the year we carried out pilot run loading containers at anchorage at minor port of Sikka for transshipment to JNPT. We are hopeful that the success of this operation will help us to gain foothold out of minor ports if govt authorities set up necessary infrastructure and necessary procedures for doing container operations from such minor ports.

(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.



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(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	6674.43
(ii) Foreign exchange outgo	2637.42
(includes operating expenses, components and spare parts, cost of ship 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 re-appointment.

(H) COST AUDIT

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

(I) AUDIT COMMITTEE

An Audit Committee of the Company has been constituted consisting of four Directors namely Mr. B.L. Ahuja, Capt. P. P. Radhakrishnan, Mr. Anand Desai and Mr. K.P. Medhekar in compliance to the provisions of the Companies (Amendment) Act 2000. The Audit committee which held its first meeting in Mumbai on June 19, 2001 elected Mr. B. L. Ahuja as its Chairman.

None of these Directors is the Managing or Whole Time Director.

(J) STATEMENT ON DIRECTORS' RESPONSIBILITIES

As required u/s 217A (2AA) the Directors confirm that they have :-

- i) followed in the preparation of annual accounts, the applicable accounting standards and given proper explanation in the respective notes to Accounts of the Company;
- ii) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- iv) prepared the annual accounts on a going concern basis.

(K) CORPORATE GOVERNANCE

The Stock Exchanges have introduced in the Listing Agreement a new clause no.49 relating to Corporate Governance which is to be implemented by the Company within the financial year 2001-2002. In the meantime it may be noted that the Board of your Company consists of eight members, of whom one is the Executive Director (Chairman and Managing Director) and seven are non-executive Directors. Four Meetings of the Board were held during the financial year ended 31st March 2001. The last Annual General Meeting was held on 31st August 2000. Other mandatory and non-mandatory requirements are in the course of implementation.

(L) EMPLOYEE RELATIONS

The Board wishes to place on record its appreciation of the services rendered by the floating staff and shores 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.



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(M) 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 re-appointment. Letter has been received from the said Auditors that the re-appointment, if made, will be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

(N) ACKNOWLEDGEMENT

The Board of Directors wishes to place on record their gratitude to the Government of India, Ministry of Surface Transport, Ministry of Commerce, Ministry of Finance, Director General of Shipping, Mercantile Marine Department, Stock Exchanges, Reserve Bank of India, Central Board of Excise & Customs, ICICI Ltd, Standard Chartered Bank, ICICI Bank Ltd. and Canara Bank for their continued support to your Company. The Board of Directors also wishes to place on record their appreciation of other bankers to the Company, Suppliers, Business Associates, Main Line Operators and Consultants for extending support to the Company in its operations.

(O) EVENTS AFTER THE YEAR UNDER CONSIDERATION

1. Sale and Purchase of Vessels

With the intention of reduction of costly debts, the vessel m.v. O. Commerce was sold by your Company and the proceeds were used partially towards retirement of debt. The balance of the sale proceeds were used partially for the purposes of acquisition of two new vessels, viz. m.v. Orient Strength and m.v. Orient Spirit. These vessels are 1983 and 1982 built and have a capacity of 1148 teus each. These vessels have been acquired with financial assistance from ICICI Ltd.

2. Investment in a Subsidiary

Your Company has been in the business of Coastal Transshipment Feederage. Your Company has since April 12, 2001 added a second vessel on to the existing transshipment service. It is envisaged that there are several other coastal feederage opportunities available around the Indian coast. It is also perceived that the business of coastal feederage could be coupled with other sea venture opportunities around the Indian Coast. It is therefore important that this area of business be given the focus that it needs and your Board has recommended that a wholly owned subsidiary Company be formed which would be used for the purpose of any coastal business that it wishes to do. It is clarified that such a step will not entail any unnatural expenses for your Company except the normal preliminary and formation expenses.

For and on behalf of the Board

Mumbai : 20th June, 2001.

S. RAMAKRISHNAN
CHAIRMAN & MANAGING DIRECTOR

Regd. Office :

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



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MANAGEMENT ANALYSIS

Shipping Industry - Introduction

The total sea borne trade covers nearly 95 % of world's total merchandise trade and is growing at annual rate of 3 %. During recent years a constant growth of world economy with yearly rates between 2 percent until 4 percent was to be observed. The development of the world economy had unquestionably a positive effect on the global world trade. Indeed , the volume of the world trade and especially that of container traffic grew considerably stronger than the world-wide cargo output. This fact is based on growing economical interfacing of national economies that leads to an increasing exchange of high value goods in the course of production processes with the consequence of growing container volumes.

It is estimated that the container traffic will be more than double during the next ten years. To cope with the flows of the commodity, larger transport capacities, adapting distribution centres and new logistics concepts are essential. Because of the focus of container traffic in the world wide standard different sub markets will be developed, and it is expected that the 4,000- 8,000 teu vessels will carry growing share of the cargo. Thus larger and more efficient ships are one of the determinants of cheap exchange of commodities in a world-wide frame.

The average growth in sea borne trade over next few years is expected to be 2-3 % whereas the average growth rate of container throughput is expected to be over 6 % during the next ten years.

The size of the feeder vessels have to change and we have accordingly targeted for acquisition of bigger and faster ships to meet the trade demand.

Indian Shipping - Container Feeder Service

As regard to the Indian Shipping scenario, in the transition from an inward looking import restricted economy to an outward-oriented trade regime , the shipping industry has to perform the role of enabler of trade and economic growth. On the brighter side we expect the demand for container transportation would increase. As you are already aware we have entered into Coastal Feeder Operations and the year shall be remembered by not just us but the entire container trade industry which witnessed this radical development in Indian Container Feeder scene. After initial hesitation, the trade is finding this service not only an economical alternative but a sure tool to cut down on our foreign trade freight bill. You may be aware that the import freight bill of India amount to about 12 % of the total value of imports as compared to the average figure of 4-5 % in developed world. The confidence imposed has encouraged us to add another vessel to the particular service. This would not only enhance capacity but give better frequency to users and for us, an opportunity to expand operations to additional ports.

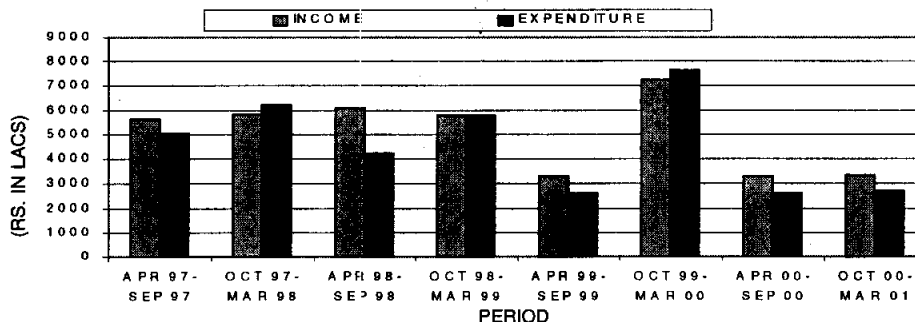
The coastal service on one hand added new dimensions to our operations , International scenario for Feeder operations has not yet completed the U turn and we have thought it fit to maintain our position of opting for a steady and guaranteed revenue, to chartering out tonnage to first class charterers.

Business Growth & Strategies

Shreyas started it's operations as a Container Ship owning Company when Government regime allowed for going into acquisition of container ships. The operations were initially restricted to Ship Owning by chartering out ships to first class charterers which provided time to build necessary support, skill and brand image for operating as Container Ship Operator in International Feeder Business. With first acquisition of ship in the early year of 1994, Shreyas have 6 ships under it's wings in as many years. It's a no mean achievement considering the general scenario which prevailed during the period and the stiff competition existent in the Feeder business of Indian Sub continent.

The achievement of Shreyas is reflection of it's strength which is derived from its management, it's employees and subcontractors. The flexible attitude and willingness to take bold and radical decision has allowed Shreyas to hold it's head high during one of the worst ever recession period the industry has ever witnessed. The down-ward trend in the industry were beginning to become visible, followed by the never before situation of turmoil in the Far East economy. We monitored the situation and at the first opportunity took corrective steps to protect the infant Shreyas during times which saw many giant container companies being taken over or swallowed by bigger giants, and many more companies giving up individual identity by going for mergers. Shreyas opted for the balanced approach of going in for steady and secured revenue.

FINANCIAL HIGHLIGHTS





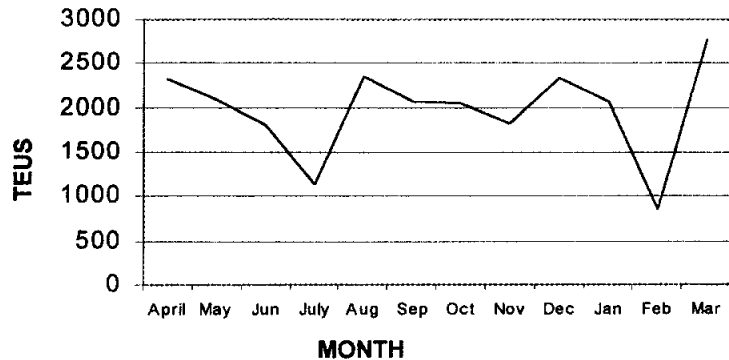
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Our Strength & Future business

At the same time Shreyas was making inroads into new opportunity which was building up with Government's declared intentions to promote Indian Transshipment Port. The performance in this sector is -

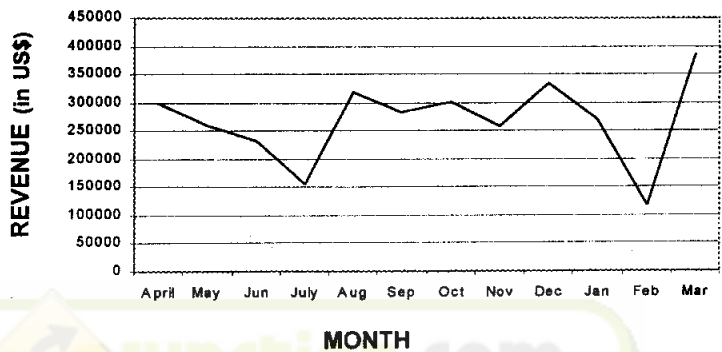
Month	Total teus
April	2312
May	2094
June	1798
July	1138
Aug	2356
Sep	2069
Oct	2057
Nov	1816
Dec	2335
Jan	2068
Feb	862
Mar	2772
Total	23677

COASTAL LOADING FROM 1.4.2000 TO 31.3.2001



Month	Revenue (in US\$)
April	298230
May	259663
Jun	233244
July	155668
Aug	320559
Sep	285052
Oct	300619
Nov	257810
Dec	333876
Jan	271683
Feb	117631
Mar	384948
Total	3218983

COASTAL REVENUE FROM 1.4.2000 TO 31.3.2001



We are looking at covering the entire West Coast from Cochin to Kandla in the Coastal Services and a throughput of about 50000 teus per year during the coming year. It would be pertinent to add here that the competition is not just between Shreyas and other operator but more between an Indian and a Foreign port.

Internal Control System and Adequacy :

The Company has put in place adequate internal control systems to safeguard all its assets against unauthorized use and maintain proper accounting records to ensure reliability of financial statements.

Your Company has clearly defined organization structure and authority limits. The Company strictly adheres to corporate policy with respect to financial reporting, project appraisal, budgeting for all vessels.

The Company has constituted Audit Committee of Directors in accordance with the provisions of Companies Act, 1956 and as per the amended listing agreement the scope of the committee is defined.

Company's assets are adequately covered by comprehensive insurance.