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Celebrating 10 Successful Years of Operations

Report Junction

6th Annual Rep

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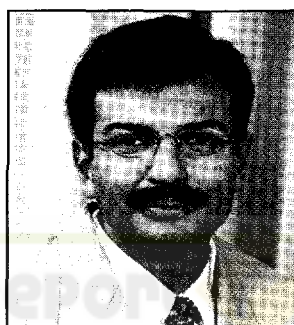

SHREYAS
SHIPPING LIMITED

BOARD OF DIRECTORS

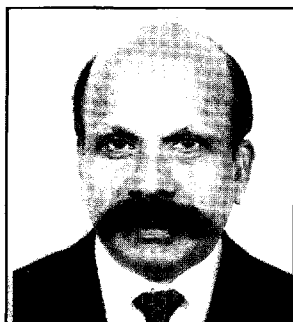

S. Ramakrishnan
Chairman & Managing Director



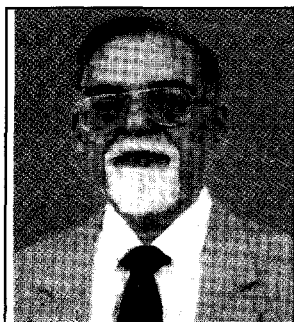
V. Ramnarayan
Director



S. Mahesh
Director



L. B. Culas
Director



Capt. P. P. Radhakrishnan
Director



K. P. Medhekar
Director



M. Sudhendra Nath
Director
(ICICI Bank Ltd. Nominee)

Management Team:

Mr. Anil Devli	- Chief Executive Officer
Capt. V. K. Singh	- General Manager - Commercial & Operations
Mr. Vinay Kshirsagar	- General Manager- Finance & Accounts
Mr. Anand Meecheri	- General Manager - Accounts
Ms. Megha Samtani	- Company Secretary

Statutory Auditors:

Sridhar & Santhanam

Internal Auditors:

RSM & Co.

Solicitors:

Mahimtura & Co.

Bankers

Standard Chartered Bank

ICICI Bank Ltd.

Canara Bank, London

State Bank of India

Registrar & Share Transfer Agent

Intime Spectrum Registry Ltd.

C-13, Pannalal Silk Mills Compound

L. B. S. Marg, Bhandup (West)

Mumbai - 400 078

Tel: 5555 5454

Fax: 5555 5353

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Registered office

1110/1111 Embassy Centre

Nariman point

Mumbai -400 021

Tel: 2284 2324 / 25 / 28 / 31

Fax: 2288 6665

Administrative office

'Orient Shreyas', Plot No.203

Station Avenue Road

Chembur, Mumbai -400 071

Tel: 2529 5402

Fax: 2529 5412



Chairman's Statement

Dear Shareholders,

It is with immense pleasure and a sense of pride that I have this communicate with you today. The year 2004 marks Shreyas' successful completion of ten years in the shipping industry which is indeed a very memorable occasion for us.

I experience a sense of fulfillment to realise that Shreyas is slowly but steadily moving towards the vision of its Founder Chairman, the Late Mr. Sivaswamy, a vision of establishing Shreyas as a full fledged Indian shipping company. I am equally elated to note that Shreyas is dutifully playing its role in providing safe, reliable and cost-effective transportation options to shippers and encouraging India's coastal trade.

"Action without delay is the secret of success" was the principle of our Founder Chairman. We are committed to living by the principles and values he stood for, and taking forward his philosophy of placing trust in times of turbulence and nurturing long-term relationships.



The journey has certainly been an eventful one. Shreyas' is a success story of true transformation. Starting operations with just one vessel in 1994, Shreyas has, today, six vessels in its fleet and is a renowned name in the container segment of the shipping industry. It has managed to produce a strong performance and growth in these years. It is in excellent shape and is adapting to changing circumstances in the global container business. In making this happen, your support is invaluable and we thank you for it.

These are feel-good times for the Indian shipping sector. The shipping industry is in the midst of an unprecedented boom with freight rates ruling at record levels since tanker as well as the bulk carrier segments are doing exceedingly well. With a steady rise in sea-borne trade and a remarkable spurt in freight rates, the industry has started cruising very smoothly. It is a matter of great relief that after a prolonged period of recession and uncertainty, our economy is showing the signs of recovery and now seems to be poised for growth. Thanks to the high growth in cargo volumes from India to Asia and the Middle East, feedering is booming on the Indian coast. The shipping industry is poised for a giant leap and is witnessing a rising trend as the shipping tonnage stood at 6.62 million gross registered tonnage (GRT) on December 1, 2003, up from 6.43 million GRT as on July 1, 2003 and 6.18 million GRT on March 31, 2003. This development assumes importance as the country's fleet has been on the decline for quite a few years.

During the year under review, Shreyas recorded a gross turnover of Rs.76.90 crores, Profit before tax of Rs.10.03 crores and Profit after tax of Rs.7.31 crores. Shipping being a global business in the true sense, getting into other markets is our priority this year. With margins on cargo volumes shrinking, the strategic focus is now slowly moving on towards new business opportunities. Integration is increasingly becoming a means to acquiring total control of operational efficiency.

At every step in our journey, we are committed to build complete value propositions for our clients, enhance return on capital employed, and create significant value for our Shareholders. We will continue our untiring focus on increasing productivity and reducing cost. In the end, these measures make companies more cost competitive.

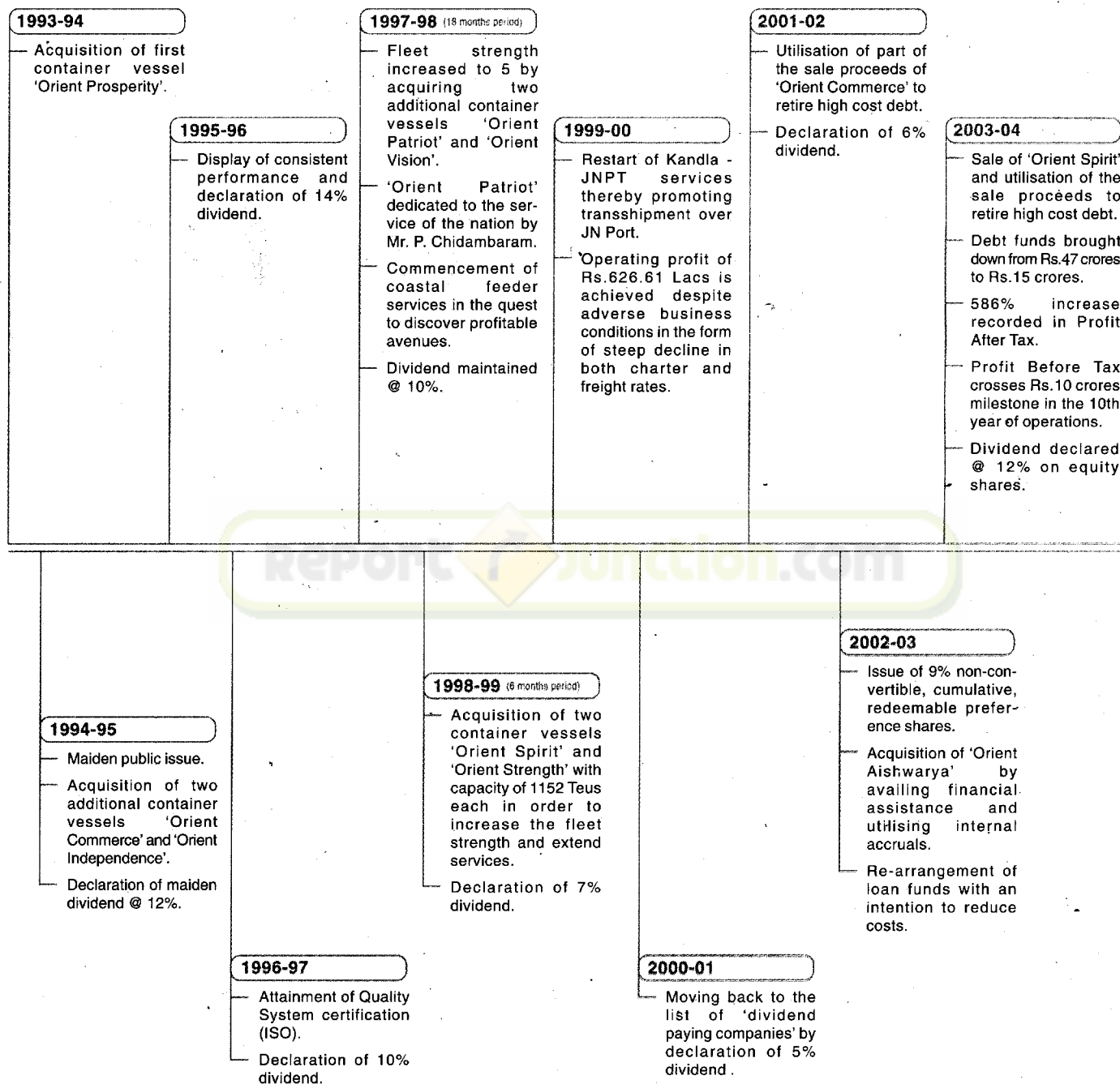
In the coming years, I see opportunities that will elevate Shreyas to a higher level of performance and promise. With your ever continuing support and unflinching dedication of our employees, we are confident of further improvement in Shreyas' performance and look forward to an equally rewarding decade 2005-2015.

Mumbai
20th May, 2004

S. Ramakrishnan
Chairman & Managing Director

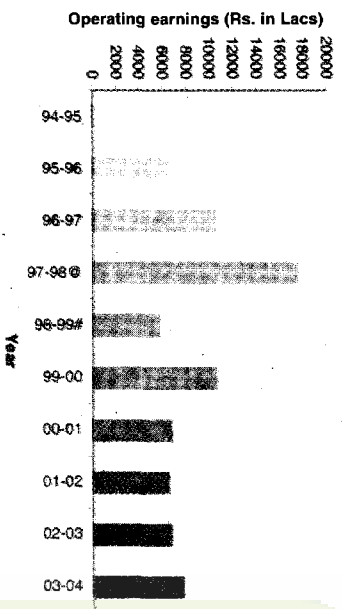


The Journey - 1994 to 2004

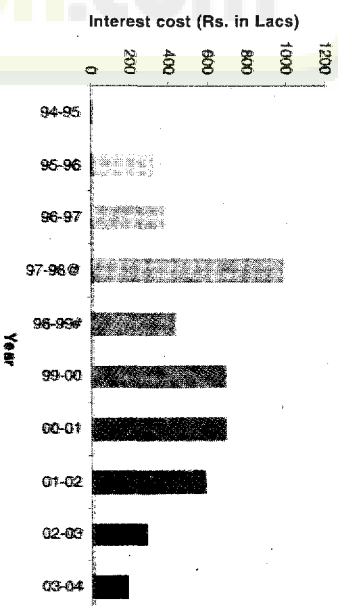


Snapshot of Financials for the last 10 years

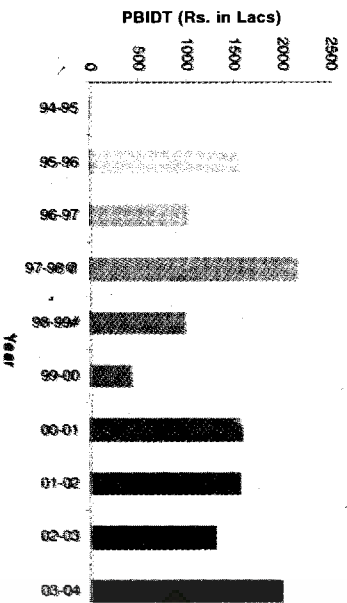
Movement of Operating earnings during the last 10 years



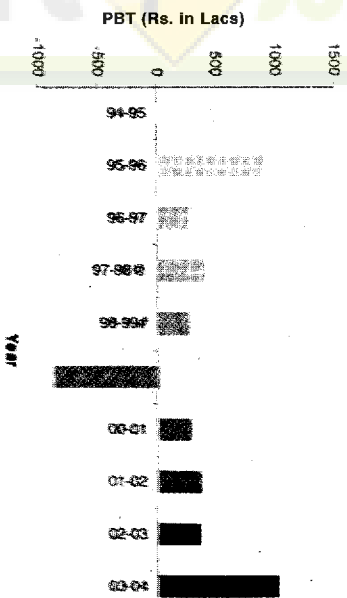
Interest Cost during the last 10 years



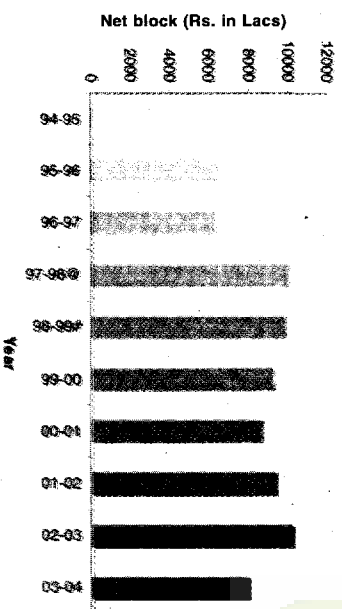
Profit Before Interest, Depreciation & Tax (PBITD)
for the last 10 years



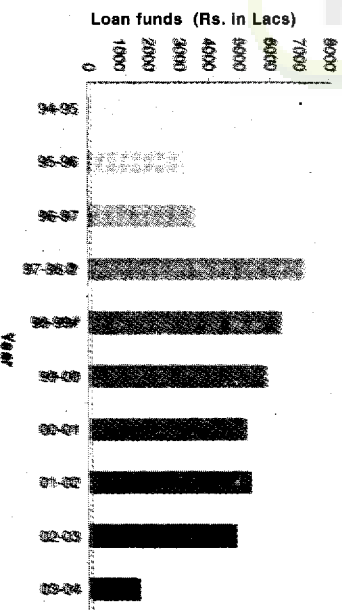
Profit Before Tax (PBT) for the last 10 years



Movement of Fixed Assets during the last 10 years



Movement of Loan funds during the last 10 years



@ For 18 months # For 6 months



Notice

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Shreyas Shipping Limited will be held on Friday, the 23rd day of July, 2004 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 on 31st March, 2004 and the Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Preference and Equity Shares.
3. To appoint a Director in place of Mr. Varadharajan Ramnarayan, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sivaswamy Mahesh, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. Sridhar & Santhanam, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, and / or the guidelines for Managerial Remuneration issued by the Central Government from time to time, and subject to the approval of the Central Government and further subject to the approval of the Reserve Bank of India, if required, the Company hereby accords its approval to 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, 2004 on the terms and conditions, including those relating to remuneration, as set out under Serial No.1 of the Explanatory Statement annexed to this Notice, which terms and conditions are hereby specifically approved with a liberty to the Board to vary the same as may be agreed between the Board and Mr. S. Ramakrishnan.

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to vary the terms and conditions of re-appointment including determination of remuneration payable to Mr. S. Ramakrishnan in such manner as the Board in its absolute discretion deems fit and as may be agreed to by Mr. S. Ramakrishnan, provided that the remuneration payable to Mr. S. Ramakrishnan shall not exceed the maximum limits for payment of Managerial Remuneration specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be made from time to time.

FURTHER RESOLVED that in the event of loss or inadequacy of profits in any financial year during the currency of the tenure of Mr. S. Ramakrishnan, the remuneration and perquisites and any other allowances as specified under Serial No.1 of the Explanatory Statement annexed to this Notice be paid to Mr. S. Ramakrishnan as minimum remuneration, provided that the total remuneration by way of salary and perquisites shall not, unless approved by the Central Government, exceed the ceiling as provided in Section II of Part II of Schedule XIII to the Act or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Act as may be re-codified.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that in supersession of the resolution passed by the Company in the Annual General Meeting held on 27th July, 1995, in relation to the exercise of borrowing powers, the Board of Directors of the Company be and is hereby authorised, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, to borrow from time to time for the purpose of the Company's business, any sum or sums of money, at its discretion from banks, financial institutions or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors upto a limit not exceeding in the aggregate USD 100 million (United State Dollars One Hundred Million Only) or equivalent thereof in any other currency, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the creation by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof) of such mortgages, charges and hypothecations in addition to the existing mortgages, charges and hypothecations created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with power to take over the Management of the Company in certain events, to secure the financial facilities / borrowings availed or to be availed by the Company from financial institutions / banks / any other investing agencies or any other persons(s) / bodies corporate by way of private placement or otherwise, to secure rupee / foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value

not exceeding USD 100 million (United State Dollars One Hundred Million Only) or equivalent thereof in any other currency, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the Agreements / Arrangements entered into / to be entered into by the Company in respect of the said loans / debentures / bonds or other instruments.

FURTHER RESOLVED that the Board be and is hereby authorised to finalise with the aforesaid parties or any of them, the documents for creating the mortgages / charges / hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this resolution.

FURTHER RESOLVED that the mortgage(s) / charge(s) created or to be created and / or all Agreements / Documents executed or to be executed and all acts done or to be done in terms of the above Resolution by and with the authority of the Board be and are hereby confirmed and ratified.

FURTHER RESOLVED that the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for implementing the above Resolution and to resolve any question or doubt which may arise in relation thereto, or otherwise considered by the Board to be in the best interest of the Company."

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

"RESOLVED that in accordance with the provisions of Section 31 of the Companies Act, 1956, and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by substitution of the following Article in place of the existing Article no.91(3):

'91(3). The remuneration payable to the Directors of the Company other than the Managing Director or Wholtime Directors of the Company for attendance at Meetings of the Board or any Committee thereof shall be such fee or amount determined by the Board from time to time within the limits, if any, permitted under or pursuant to the Act for the time being.'

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to take such action and steps as may be necessary and expedient to give effect to this resolution."

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

"RESOLVED that the consent of the Company be and is hereby accorded for the voluntary delisting of the Equity Shares of the Company from the Madras Stock Exchange Limited, Cochin Stock Exchange Limited and The Stock Exchange, Ahmedabad in accordance with the provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, provisions of the Listing Agreements entered into with the Stock Exchanges and other relevant Laws, Rules, Regulations and Guidelines and subject to such approvals, consents, permissions and sanctions of the Stock Exchanges where the Shares of the Company are listed and any other appropriate authorities, as may be necessary.

FURTHER RESOLVED that the Board of Directors of the Company (whether acting by itself or through any Committee thereof or through any Director or person authorised by it) be and is hereby authorised to seek voluntary delisting as aforesaid, to do all such acts, deeds and things as may be necessary in this regard and to settle any question, difficulty or doubt which for giving effect to the above Resolution as it may, in its absolute discretion, deem fit and to accept such conditions and modifications, if any, as may be prescribed or imposed by any authority while granting its approval and which may be agreed to by the Board of Directors without being required to seek any further approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval expressly by the authority of this Resolution."

Registered Office:
1110/1111, Embassy Centre
Nariman Point
Mumbai - 400 021

20th May, 2004.

By Order of the Board of Directors

Megha Samtani
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS BEHALF ON A POLL ONLY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business as set out above, is annexed hereto.
- Profiles of the Directors retiring by rotation and Director being re-appointed, as required by Clause 49 VI A of the Listing Agreements entered into with the Stock Exchanges, are given in the Report on Corporate Governance forming part of the Directors' Report.
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16th July, 2004 to Friday, 23rd July, 2004, both days inclusive, for the purpose of payment of dividend, if declared at the Annual General Meeting.



5. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid at par on or after Thursday, 29th July, 2004 to Members holding shares in physical form and whose names appear on the Company's Register of Members as holders of Equity Shares on Friday, 23rd July, 2004. In respect of Shares held in electronic form, the dividend will be paid to the beneficial owners of the Shares as at the end of the business hours on Thursday, 15th July, 2004 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
6. Shareholders holding shares in electronic form may please note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Shareholders for deletion of / change in such Bank details furnished by their respective Depositories to the Company. Further, instructions if any, given by them in respect of Shares held in physical form will not be automatically applicable to the dividend payable on Shares held in electronic mode. **Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.**
7. Members are requested to:
 - (a) Notify any change in their address to the Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Limited; C-13, Pannalai Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078, in case of Members holding shares in physical form and update such details with their respective Depository Participants, in case of Members holding shares in electronic form.
 - (b) Bring their attendance slips alongwith the copies of the Annual Report to the Meeting.
8. Pursuant to the provisions of Section 205 of the Companies Act, 1956, the Company has already transferred the unclaimed / unpaid dividend declared upto and including the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected their dividends upto the aforesaid financial year are requested to forward their claims in the prescribed Form II of the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978 to:
 Office of the Registrar of Companies
 Central Government Office Building
 "A" Wing, 2nd floor
 CBD Belapur, Navi Mumbai, Maharashtra - 400 614
 In terms of the provisions of Sections 205A and 205C of the Companies Act, 1956, as amended, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund established by the Central Government (hereinafter referred to as the 'said Fund'). Accordingly, unclaimed / unpaid dividend for the financial year ended 31st March, 1996 has been transferred to the said Fund.
 Unclaimed dividend for the financial year ended 31st March, 1997 and thereafter (wherever declared) is still lying with the Company. The Members, who have not yet encashed the dividend warrants for the financial periods ended 31st March, 1997, 30th September, 1998, 31st March, 1999, 31st March, 2001 and 31st March, 2002 are requested to claim it from the Company at the earliest since no claim shall lie against the Company or the said Fund after transfer as mentioned above.
9. All documents referred to in the above Notice and the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the Annual General Meeting.
10. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
11. Members who hold Shares in the physical form can nominate a person in respect of all the Shares held by them singly or jointly pursuant to the provisions of Section 109A of the Companies Act, 1956. Members who hold Shares in a single name are advised, in their own interests, to avail of the nomination facility by completing and submitting Form no.2B. Blank forms will be supplied by the Company's Registrar and Share Transfer Agent on request. Form No.2B can also be downloaded from the website of the Company at www.shreyas.co.in under the section 'Investors Area'. Members holding Shares in the dematerialised form may contact their Depository Participant for recording the nomination in respect of their Shares.
12. Members desirous of getting any information about the Accounts and / or Operations of the Company are requested to address their queries to the Company Secretary at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.

Registered Office:
 1110/1111, Embassy Centre
 Nariman Point
 Mumbai - 400 021

20th May, 2004

By Order of the Board of Directors

Megha Samtani
 Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.6**

Mr. S. Ramakrishnan was re-appointed as the Chairman & Managing Director of the Company for a period of five years with effect from 1st April, 1999. Consequently, his term as Chairman & Managing Director expired on 31st March, 2004.

Mr. S. Ramakrishnan is 43 years of age. He is the driving force of the Company. He is a Commerce Graduate having extensive experience in the Shipping Industry including ship owning, chartering and ship management. His expertise in all facets of running container feeder services has helped the Company in making all round progress including achieving consistent profitability.

Considering his strenuous efforts and absolute expertise in the Shipping Industry, the Board of Directors at the Board Meeting held on 24th January, 2004 decided to re-appoint Mr. S. Ramakrishnan as the Chairman and Managing Director of the Company for a further period of five years with effect from 1st April, 2004 on the terms and conditions including remuneration given below, subject to the approval of the Shareholders and the Central Government. His re-appointment and remuneration has also been approved by the Remuneration Committee of Directors. Mr. S. Ramakrishnan, being Non-resident Indian, an application has been made to the Central Government for its approval for the re-appointment of Mr. S. Ramakrishnan as Chairman & Managing Director in terms of Clause (e) of Part I of Schedule XIII of the Companies Act, 1956.

Mr. S. Ramakrishnan is not liable to retire by rotation in terms of Article 98 of the Articles of Association of the Company. Details of the Board and Committee memberships of Mr. S. Ramakrishnan have been given in the Report on Corporate Governance forming part of the Directors' Report.

Remuneration payable to Mr. S. Ramakrishnan

- a) **Salary** : Rs.1,50,000/- per month
- b) **Perquisites:**
 - i. contribution to provident fund, super-annuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income -tax Act, 1961.
 - ii. gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - iii. encashment of leave at the end of the tenure.
- c) **Perquisites allowable to Mr. S. Ramakrishnan, being a Non-resident Indian**
 - I **Children's 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.
 - II **Holiday passage for children studying outside India / family studying abroad**
Return holiday passage once in a year by economy class or once in two years by first class to 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.
 - III **Leave Travel Concession**
Return passage for self and family in accordance with the rules specified by the Company where it is proposed that leave be spent in the home country instead of anywhere in India.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the currency of the tenure of Mr. S. Ramakrishnan, the remuneration and perquisites and any other allowances as specified above may be paid to Mr. S. Ramakrishnan as minimum remuneration, provided that the total remuneration by way of salary and perquisites shall not, unless approved by the Central Government, exceed the ceiling as provided in Section II of Part II of Schedule XIII to the Act or within such ceiling limits as may be prescribed under Schedule XIII from time to time or the Act as may be re-codified.

Approval of the Members under Section 269 read with Schedule XIII to the Companies Act, 1956, is required for re-appointment of a Managing Director and for payment of remuneration to him. Hence, the Board of Directors commends Resolution at Item no.6 of the accompanying Notice for your approval. As required by Section 302 of the Companies Act, 1956, the Abstract of Terms and Memorandum of Interest dated 1st April, 2004 relating to the re-appointment and remuneration of Mr. S. Ramakrishnan has already been sent to the Members.

None of the Directors other than Mr. S. Ramakrishnan and Mr. S. Mahesh (who is a relative) are concerned or interested in this Resolution.

Item No.7

Section 293(1)(d) of the Companies Act, 1956 prescribes that the Board of Directors of a company shall not borrow moneys in excess of the Company's paid-up capital and free reserves, except with the consent of the Members of the Company. The Members had at the 7th Annual General Meeting held on 27th July, 1995 authorised the Board of Directors to borrow upto Rs.200 crores (Rupees Two Hundred Crores Only).

The Company has drastically reduced its exposure to debt and is ready for expansion. The Company is looking out for opportunities to expand into other strings of shipping operations which would warrant substantial investments. The anticipated financial requirements of the Company would warrant additional borrowings. The amount of ceiling fixed on borrowing powers of the Board of Directors at the aforesaid General Meeting with the consent of the Members needs to be enhanced in order to suit the future requirements of the Company.



Accordingly, approval of the Members is being sought for authorising the Board of Directors of the Company to borrow moneys in excess of the Company's paid-up capital and free reserves upto an amount equivalent to USD 100 million (United State Dollars One Hundred Million Only) to suit the needs of the Company.

Mr. M. Sudhendranath, Director nominated on the Board of the Company by ICICI Bank Ltd. may be deemed to be concerned or interested in the Resolution at Item No.7 of the accompanying Notice.

Item No.8

To meet the future expenditure requirements, the Company proposes to obtain in the coming years further financial assistance from financial institutions / banks / investing agencies by way of loans, issue of debentures / bonds / other instruments on private placement basis or otherwise. It is anticipated that the available limit for creation of charges will not be sufficient to secure the financial assistance to be availed of during the coming years. Therefore, as set out in the Resolution, it is proposed to create mortgages / charges / hypothecations on the assets of the Company upto a value not exceeding USD 100 million (United State Dollars One Hundred Million Only).

Approval is being sought from the Members to pass a Resolution under Section 293(1)(a) of the Companies Act, 1956, before the creation of the mortgages / charges / hypothecations.

Mr. M. Sudhendranath, Director nominated on the Board of the Company by ICICI Bank Ltd. may be deemed to be concerned or interested in the Resolution at Item No.8 of the accompanying Notice.

Item No.9

Article no. 91(3) of the Articles of Association of the Company provides for payment of sitting fees to the Directors for attending the meetings of the Board or Committee thereof at such sum not exceeding Rs.2,000/- as may be determined by the Board from time to time.

The limit of Rs.2,000/- per meeting as prescribed by the Articles of Association of the Company is very low compared to the limit prescribed by the Companies (Central Government's) General Rules and Forms, 1956 and also in view of the fact that the number of meetings of the Board and Committees thereof are increasing and the responsibilities cast on the Directors are onerous. The Board of Directors feel that the Directors must be suitably compensated for attending the meetings of the Board and its Committees whereat they extend their invaluable time and knowledge and varied experience for taking major policy decisions and therefore, proposes to increase the sitting fees payable to the Directors for attending the meetings of the Board and its Committees to such sum as may be prescribed by the Board of Directors from time to time not exceeding the limit as may be prescribed by the Companies Act, 1956 and Rules framed thereunder. The Board of Directors commends Resolution at Item no.9 of the accompanying Notice for your approval.

Mr. S. Ramakrishnan is interested in this Resolution, he being a relative of Mr. S. Mahesh. Mr. M. Sudhendranath is interested in this Resolution to the extent of his nomination on the Board of the Company by ICICI Bank Ltd. All the other Directors are also interested in this Resolution.

Item No.10

Presently, the Equity Shares of the Company are listed on the following Stock Exchanges:

1. The Stock Exchange, Mumbai (BSE)
2. National Stock Exchange of India Limited (NSE)
3. Madras Stock Exchange Limited
4. Cochin Stock Exchange Limited
5. The Stock Exchange, Ahmedabad

From the information furnished by the Madras Stock Exchange Limited, Cochin Stock Exchange Limited and The Stock Exchange, Ahmedabad, it is observed that, there has been no trading in the Company's Shares on these Stock Exchanges during the year ended 31st March, 2004. There is no significant and tangible advantage accruing to the Shareholders in continuing to keep the Shares listed on these three Stock Exchanges. On the contrary, it results in recurring cost (including payment of listing fees and other incidental expenses) and administrative work for the Company. Accordingly, the Board of Directors at the Board Meeting held on 20th May, 2004 decided to have the Shares voluntarily delisted from the Madras Stock Exchange Limited, Cochin Stock Exchange Limited and The Stock Exchange, Ahmedabad. However, the Shares will continue to be listed on BSE and NSE on which almost the entire trading in the Company's Shares takes place.

The Securities and Exchange Board of India has mandated the Company's Shares for compulsory trading and settlement only in electronic form with effect from 27th February, 2001. Since the Shares will continue to be listed on BSE and NSE which have nation-wide electronic trading terminals, no inconvenience will be caused to those Shareholders residing in the respective regions from where the Shares are proposed to be delisted.

As required by the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the approval of the Members by way of Special resolution is required for voluntary delisting of the Shares from Stock Exchanges. The proposed voluntary delisting is in the interest of the Company and hence, the Board of Directors commends Resolution at Item no.10 of the accompanying Notice for your approval.

None of the Directors is interested in this Resolution.

Registered Office:

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

20th May, 2004

By Order of the Board of Directors

Megha Samtani
Company Secretary