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**TOLANI**  
Bulk Carriers Limited**NINTH ANNUAL GENERAL MEETING**

**Date** : 29th June, 2000  
**Day** : Thursday  
**Time** : 3.00 p.m.  
**Place** : Ashoka Hall, Ground Floor,  
 Arcadia Building,  
 N.C.P.A. Marg,  
 Nariman Point, Mumbai - 400 021.

**BOARD OF DIRECTORS**

Dr. N. P. Tolani – Chairman Emeritus  
 Mr. R. N. Tolani – Chairman  
 Mr. P. L. Nain  
 Mr. Anil Harish  
 Mr. N. P. Gidwani  
 Mr. A. K. Srivastava  
 Vice Adm. (Retd.) M. P. Awati  
 Lt. Col. (Retd.) T. J. Reejhsinghani  
 Capt. S. K. Mansukhani  
 Mr. B. R. Gupta – ICICI Nominee

**MANAGER CUM SECRETARY**

Mr. R. Kumar

**BANKERS**

State Bank of India  
 Corporation Bank  
 HDFC Bank Ltd.

**AUDITORS**

Messrs Chandabhoy & Jassoobhoy  
 Kamanwala Chambers  
 Sir P. M. Road  
 Mumbai - 400 001.

**REGISTRARS & SHARE TRANSFER AGENTS**

Messrs Sharepro Services  
 912, Raheja Centre  
 Free Press Journal Road  
 Nariman Point  
 Mumbai 400 021.

**REGISTERED OFFICE**

10-A, Bakhtawar  
 Nariman Point  
 Mumbai 400 021.

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# **TOLANI**

**Bulk Carriers Limited**

## **Notice**

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of Tolani Bulk Carriers Limited will be held on Thursday, the 29th June, 2000 at 3.00 p.m. at Ashoka Hall, Ground Floor, Arcadia Building, N.C.P.A. Marg, Nariman Point, Mumbai 400 021 to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2000, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To confirm the interim dividend of 6% as final dividend for the financial year 1999-2000.
3. To appoint a Director in place of Mr.R.N.Tolani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Vice Adm.(Retd.) M.P.Awati, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Capt. S.K.Mansukhani, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint auditors and to fix their remuneration and for that purpose to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Chandabhoy & Jassoobhoy, Chartered Accountants, retiring Auditors of the Company, be and are hereby reappointed Auditors of the Company to hold office from the conclusion of Ninth Annual General Meeting upto the conclusion of Tenth Annual General Meeting, on a remuneration of Rs.80,000 (Rupees Eighty Thousand Only) inclusive of tax audit fees but excluding travelling and out of pocket expenses and any fees that may be payable for other services rendered.”

Mumbai, Dated : 9th May, 2000.

By Order of the Board of Directors

Registered Office :  
10-A, Bakhtawar  
Nariman Point, Mumbai 400 021.

R. Kumar  
Manager cum Secretary

### **NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, 10-A, BAKHTAWAR, NARIMAN POINT, MUMBAI-400021 NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

3. Members are hereby informed that consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investors Education and Protection Fund.

Members who have not encashed the dividend warrants for the financial year 1995 - 1996 or any subsequent dividend payments are requested to make their claims to the Company.

4. Members who are desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary at the Registered Office at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.

Mumbai, Dated : 9th May, 2000.

By Order of the Board of Directors

Registered Office :  
10-A, Bakhtawar  
Nariman Point, Mumbai-400 021.

R. Kumar  
Manager cum Secretary

## Annual Report 1999 - 2000

### Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting their Ninth Annual Report on the business and operations of your Company and the audited accounts for the year ended 31st March, 2000.

#### 1. FINANCIAL RESULTS

(Rs. in million)

	1999-2000	1998-99
<b>Profit before Depreciation and Taxes</b>	<b>104.89</b>	110.35
Less: Depreciation	<u>93.49</u>	<u>96.49</u>
<b>Profit before Tax</b>	<b>11.40</b>	13.86
Less: Provision for Taxation	<u>1.32</u>	<u>1.46</u>
<b>Profit after Tax</b>	<b>10.08</b>	12.40
Add/Less : Prior period adjustments (Net)	(0.16)	0.09
Add/Less : Excess/Short provision of Income Tax in earlier years	(0.30)	0.09
Add : Balance brought forward from previous year	<u>34.13</u>	<u>37.39</u>
<b>Amount available for appropriation</b>	<u><u>43.75</u></u>	<u><u>49.97</u></u>
<b>Appropriations have been made as under :</b>		
(i) Proposed dividend	14.40	14.40
(ii) Tax on proposed dividend	1.58	1.44
(iii) Balance carried to Balance Sheet	<u>27.77</u>	<u>34.13</u>
	<u><u>43.75</u></u>	<u><u>49.97</u></u>

Your Directors have declared an interim dividend of 6% on 24,000,000 equity shares of Rs.10 each for the year ended 31st March, 2000. Considering the interim dividend to be reasonable and commensurate with the financial results of the Company, your Directors do not recommend any further dividend for the year under review.

#### 2. OPERATIONS

During the major part of the year under review, recession in the shipping industry continued. With the operating costs being largely fixed, the lower freight and charter rates and high oil prices had a magnified impact on operating margins. As a result, the Company's profit before interest and depreciation stood at Rs.199.18 million as compared to Rs.217.27 million in the previous year. Your Company was able to arrest the fall in the profits after tax for the year under review largely due to the continued hard work to reduce costs. A number of restructuring efforts were also undertaken during the year with an objective to strengthen the financial position of the Company and reduce reliance on borrowings.

As part of such efforts, the Company sold its 20% ownership in m.v. Prabhu Yuvika to Tolani Limited with whom it had jointly acquired the vessel. The sale resulted in a profit of Rs.25.03 million. Your Company had taken on bare boat charter with demise m.v. Prabhu Parvati, a 41,427 dwt bulk carrier, from its holding company, Tolani Shipping Co. Ltd. This charter agreement provided an option to

# **TOLANI**

## **Bulk Carriers Limited**

acquire ownership of the vessel any time after 1st March, 1996. In view of the decision to consolidate the finances of the Company, the offer of sale made by the holding company was not favourably considered. Consequently, the bareboat charter was terminated to enable the holding company to sell the vessel to an overseas buyer. The proceeds of sale of m.v. Prabhu Yuvika and the receipt of balance bare boat deposit of m.v. Prabhu Parvati from the holding company were used to reduce the indebtedness of the Company. These steps are expected to enhance profitability of the Company.

### **3. FUTURE PROSPECTS**

The dry bulk trade has always been chiefly driven by the state of the world economy, with global activity exerting a major influence over international commodity trading and shipments by sea. The world economy appears to be recovering from the global slowdown of 1998 following the Asian crisis and further bouts of financial turbulence and contagion effects of the Russian and Brazilian crisis. In Asia, the serious economic crisis, which began in 1997-98, is now abetting and there are definite signs of recovery with positive growth rates forecast in 2000 for most of the affected economies of East Asia. Looking ahead, the mood in Asia has definitely changed for the better and the short-term and medium term positive supply side developments are expected to shore up the freight market.

One of the other reasons for the dry bulk freight rates remaining relatively depressed during the year under review has been the global excess of tonnage supply over tonnage demand. The Baltic Freight Index, which was 794 at the beginning of 1999 improved to 1,400 in the middle of February 2000. Consequently, the bulk carrier scrapping has reduced and is expected to work against the uptrends in the market. The analysts have forecast positive trends on both supply and demand sides converging to create the conditions for a freight market recovery. Some have concluded that this is the right time to invest in shipping. The improvement seen during the last quarter of 1999-2000 is expected to be sustained through the next year.

Seaborne transportation of steam coal has been on the rise and is expected to increase further in the coming years. The expectation is based on wider use of coal burning for energy production, particularly in Asia. The latest predictions for the grain trade indicate increase in the overall volume over the next year. Higher imports are forecast into the Middle East and CIS, while grain production and export are expected to increase in the USA and the EU. On the other hand, the world steel production and consumption would be decreased and as a result, the seaborne trade in iron ore, coking coal and steel products to become diminished in the current year.

Your Company with its young fleet has completed all the planned lay-ups and is now ready to reap the benefits in terms of enhanced returns in a rising freight market.

### **4. INSURANCE**

The fleet of the Company has been insured against Marine and War Risk for Rs.1,596 million.

### **5. YEAR 2000 COMPLIANCE (Y2K)**

Adequate steps were taken to ensure that all operating systems were fully Y2K compliant and the resulting roll over to the new millennium was smooth without any disruption. The Company incurred no significant costs in this regard.

## Annual Report 1999 - 2000

### 6. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earnings and outgoings are as follows:

<u>Particulars</u>	(Rs. in million)	
	<u>1999-2000</u>	<u>1998-99</u>
a. Foreign Exchange earnings/savings (including Rs.nil on account of sale of ship, previous year Rs.26.47 million).	357.98	453.50
b. Foreign Exchange used (including Rs.nil for ship acquisition and Rs.340.96 million towards loan repayments and interest; previous year Rs. 134.38 million for ship acquisition and Rs.219.75 million towards loan repayments and interest).	488.39	521.76

The other particulars in the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

### 7. DIRECTORATE

Mr. R.N. Tolani, Vice Adm.(Retd.) M.P.Awati and Capt. S.K.Mansukhani, retire by rotation at the Ninth Annual General Meeting and being eligible have offered themselves for re-appointment.

### 8. LISTING

Pursuant to the requirements of the Listing Agreement, it is stated that the Company's securities are listed at The Stock Exchange, Mumbai; National Stock Exchange of India Limited; and The Stock Exchange, Ahmedabad. The Company has paid annual listing fee to each of these Stock Exchanges.

### 9. PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, a statement of particulars of the employees has been annexed to this report.

### 10. AUDITORS

Chandabhoy and Jassoobhoy, Chartered Accountants, the auditors of the Company hold office until the conclusion of the Ninth Annual General Meeting and are eligible for reappointment.

### 11. APPRECIATION

Your Directors wish to thank the Ministry of Surface Transport (Department of Shipping), Transchart, Directorate General of Shipping, Mercantile Marine Department, Corporation Bank, State Bank of India, HDFC Bank Ltd., Den norske Bank, London, and other institutions for their consistent support to your Company. The Directors also wish to record their appreciation for the support received from shareholders

## **TOLANI**

**Bulk Carriers Limited**

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and ICICI Ltd. As a shareholder and as the Company's primary lending institution, ICICI Ltd. has provided invaluable and unfailing support. The confidence reposed in your Company's management by all these parties has been a source of strength to your Directors. Your Directors have appreciated their advice and support which has always been constructively received and utilised to the fullest. They look forward to the same support in the future. Your Directors further wishes to place on record their appreciation for the services rendered by our agents, brokers and last but not the least, by our floating staff and those placed ashore.

For and on behalf of the Board

Rohet N. Tolani  
Chairman

Mumbai, Dated : 9th May, 2000.





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Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of Directors' Report for the year ended 31st March, 2000.

Name of Employee	Designation	Remuneration (in Rs.)	Qualification	Period of Service		Expe- rience (Yrs.)	Age	Last Employment & Designation
Employed for part of the year								
H.V. Karunakara	Elect. Officer	3,50,482	Dip.Elec.Engr.	21/07/98 21/12/99	28/04/99 *	29	54	Tolani Shipping Co.Ltd. Elect. Officer
S.K. Mathews	Master	2,72,203	Master FG	02/08/98	19/05/99	18	42	Tolani Limited Master
J.J. Rapose	Second Officer	75,891	Second Mate FG	05/03/99	28/04/99	7	37	Tolani Shipping Co. Ltd. Second Officer
S.N. Singh	Second Officer	1,52,909	Second Mate FG	01/02/00	*	13	43	Tolani Shipping Co. Ltd. Second Officer
K.T. Thomas	Fitter	3,26,250	Fitter CDC	26/09/99	*	13	49	Tolani Limited Fitter
S.V.D. Prasad	Chief Engineer	8,36,425	MOT I Class	25/03/99	25/09/99	18	37	Tolani Shipping Co. Ltd. Chief Engineer
J.M. John	Chief Engineer	9,37,229	MOT I Class	25/09/99	*	11	35	Tolani Shipping Co. Ltd. Chief Engineer
P.C. Ghoshal	Radio Officer	26,272	COP II Class	23/11/98	08/04/99	27	48	Tolani Limited Radio Officer
A.M. Thomas	Elect. Officer	3,44,096	Dip. Elec. Engg	25/11/99	*	14	33	Tolani Shipping Co. Ltd. Elect. Officer
G.C. Pereira	Master	2,59,348	Master FG	01/07/99	19/08/99	16	37	Tolani Shipping Co. Ltd. Master
A.S. Dhody	Chief Officer	6,85,386	First Mate FG	29/03/99	22/10/99	4	29	Mitsui Osk Manning Services Second Officer
S.C. Ghoshal	Radio Officer	3,91,241	COP II Class	01/07/98	20/07/99	31	56	Tolani Shipping Co. Ltd. Radio Officer
Ashish C. Ranade	Second Officer	4,45,069	Second Mate FG	15/10/99	*	6	32	Tolani Shipping Co. Ltd. Second Officer
K.V. Kunchu	Elect. Officer	5,22,182	PWD Licence	29/03/99	23/10/99	21	38	Tolani Shipping Co. Ltd. Elect. Officer
Anjan Bakshi	Master	10,93,807	Master FG	12/05/99 02/02/00	23/10/99 *	15	38	Tolani Shipping Co. Ltd. Master
D. Ravindran	Chief Engineer	5,85,825	MOT I Class	16/05/99	23/10/99	8	36	Tolani Shipping Co. Ltd. Chief Engineer
P.K. Bhole	Chief Officer	4,79,295	First Mate FG	15/07/99	07/12/99	9	42	Tolani Limited Chief Engineer
Davinder Singh	Elect. Officer	6,13,312	PWD Licence	03/02/99	30/11/99	8	37	Tolani Shipping Co. Ltd. Elect. Officer
Sudhir Kumar Singh	Master	10,35,433	Master FG	04/02/99	10/12/99	7	37	Tolani Shipping Co. Ltd. Master
Vijay Bagchi	Second Officer	6,51,094	Second Mate FG	21/04/99	25/12/99	6	27	Tolani Limited Second Officer
Amit Mathur	Second Officer	5,71,163	Second Mate FG	04/08/98	23/10/99	2	27	Tolani Shipping Co. Ltd. Second Officer
Hanuman Singh	Third Engineer	6,77,199	MOT Class IV	29/07/99	*	13	41	Tolani Limited Third Engineer
Sebastian P. D'Lima	Second Officer	5,40,461	Second Mate FG	04/02/99	20/10/99	3	26	Tolani Shipping Co. Ltd. Second Officer
Ravi P. Singh	Second Engineer	6,32,394	MOT II Class	14/10/98	06/10/99	7	32	Tolani Shipping Co. Ltd. Third Engineer
L.M. Patkar	Second Engineer	6,12,599	MOT II Class	27/09/99	*	8	33	Tolani Shipping Co. Ltd. Second Officer
D. Misra	Chief Engineer	5,00,853	MOT I Class	26/12/99	*	33	56	Tolani Limited Chief Engineer
Sudesh D. Desai	Second Engineer	5,17,254	MOT II Class	30/10/99	*	6	33	Tolani Limited Fourth Engineer
R. Rajgopal	Chief Engineer	34,690	MOT I Class	14/05/99	20/05/99	14	38	Tolani Limited Chief Engineer
Jinaga Sivaprasad	Third Engineer	4,42,199	MOT Class IV	10/05/99	23/10/99	5	29	Tolani Limited Third Engineer
Noel Kennedy Fernandes	Master	3,76,131	First Mate FG	11/02/99	21/07/99	5	29	Century Shipping Co. Ltd Chief Officer
Avijit Kumar Singha	NWKO	18,971	NWKO	20/05/98	08/04/99	5	41	Amic Technocons Pvt. Ltd. Watch Keeping Officer
Manish Kashyap	Addl Second Officer	1,16,341	Second Mate FG	10/05/99	23/10/99	2	28	Tolani Limited Watch Keeping Officer



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## Bulk Carriers Limited

Particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of Directors' Report for the year ended 31st March, 2000.

Name of Employee	Designation	Remuneration (in Rs.)	Qualification	Period of Service		Expe- rience (Yrs.)	Age	Last Employment & Designation
				From	To			
Yabeshraj N. Milton	Addl Second Officer	1,65,798	Second Mate FG	20/01/00	*	2	25	Tolani Limited Watch Keeping Officer
Ajit K. Jaiswal	Master	7,37,391	Master FG	15/08/99	09/02/00	8	39	Tolani Shipping Co. Ltd. Chief Officer
V. Nageswara Rao	Chief Officer	5,95,091	First Mate FG	18/02/99 20/01/00	21/07/99 *	8	33	Tolani Shipping Co. Ltd. Chief Officer
Bijudas C. Das	Radio Officer	1,70,886	COP II Class	22/07/98	04/06/99	4	33	Tolani Shipping Co. Ltd. Radio Officer
Keith L. Miranda	Elect. Officer	5,84,650	Ncvt-Electrician	20/04/99	25/12/99	8	34	Tolani Shipping Co. Ltd. Elect. Officer
G.S. Ranganathan	Master	8,11,200	Master FG	23/01/99 04/12/99	21/08/99 *	10	33	Tolani Shipping Co. Ltd. Chief Officer
Sanjay Kumar	Fourth Engineer	4,83,522	MOT Class IV	25/03/99	24/10/99	18	39	Tolani Shipping Co. Ltd. Fourth Engineer
Hariram	Third Engineer	4,47,700	MOT Class IV	09/10/98	15/09/99	18	42	Tolani Shipping Co. Ltd. Third Engineer
Sudhir D. Divgi	Addl Third Engineer	1,03,454	MOT Class IV	24/03/99	14/05/99	32	57	Tolani Shipping Co. Ltd. Third Engineer
Madan Mohan Singh	Fifth Engineer	5,752	MOT Part A II Class	03/08/98	03/04/99	2	28	—
L. Rammohan Kumar	Addl Second Officer	6,06,849	MOT II Class	30/08/99	*	4	28	Binny Shipmanagement Fourth Engineer
N.V. Suresh	Chief Officer	1,80,311	Master FG	01/12/99	24/01/00	9	32	Tolani Limited Chief Officer
Avikar Munday	Second Officer	6,39,966	Second Mate FG	27/05/99	08/02/00	2	25	—
Amitabha Ghosh	Second Engineer	3,26,962	MOT II Class	05/07/99	23/10/99	8	54	Great Eastern Shipping Co. Ltd. Second Officer
M.V.S.S. Prasad	Second Engineer	7,33,269	MOT II Class	23/04/98	04/11/99	4	29	Shipping Corporation of India Ltd. Third Engineer
Vickram Caprihan	Fourth Engineer	19,281	MOT Class IV	06/07/98	08/04/99	3	27	Wallem Fifth Engineer
Chandrakant Chutani	Chief Officer	2,44,748	Master FG	15/07/99	29/09/99	5	32	Shipping Corporation of India Ltd. Chief Officer
Harsha Misra	Chief Officer	6,38,764	First Mate FG	21/09/99	*	4	39	Anglo Eastern Ship Management Third Officer
H.R. Premnath	Chief Engineer	3,00,456	MOT I Class	14/07/99	05/10/99	5	47	Geepee, Bangkok Second Engineer
Killi Mohana Rao	Second Engineer	3,08,818	MOT II Class	22/09/98	19/07/99	4	28	Shipping Corporation of India Ltd. Fourth Engineer
K.D. Chakravarthy	Chief Engineer	1,57,673	MOT I Class	27/03/99	14/05/99	10	41	Shipping Corporation of India Ltd. Second Engineer
Balummel Augustine	NWKO	1,38,753	NWKO	02/11/98	03/06/99	3	35	Balaji Ship Mgt. Chennai Third Officer
Chejarla Vinod	Third Engineer	3,20,715	MOT Class IV	11/11/98	04/08/99	3	30	Real Ship Ltd., Chennai Third Engineer
Chitturi Sarveswara Rao	Addl Third Engineer	1,65,199	MOT Class IV	31/10/98	04/06/99	4	30	Five Star Shipping Third Engineer
Manapragada V. Krishna	Chief Engineer	9,45,644	MOT I Class	19/12/98 24/09/99	20/07/99 28/12/99	17	41	India Cement Chief Engineer
Prasad Cherian	Addl Second Officer	7,32,524	Second Mate FG	02/04/99	24/01/00	2	29	Sesa, Goa Third Officer
Naresh Kumar	Addl Second Officer	4,23,216	Second Mate FG	29/04/99	23/10/99	2	26	L&T Shipping Co. Ltd. Second Officer
P.K. Hyder	Second Officer	1,97,897	Second Mate FG	22/12/99	*	—	29	—

### NOTES :

- \* Represents Employees who are in employment of the Company as on 31st March, 2000.
- Particulars of Age, Qualification, Experience and Last Employment are as per the information given by the employee concerned.
- Remuneration as shown above includes Salary, Company's Contribution to Provident Fund and Other Allowances as per Company's Rules.
- Nature of Employment is non contractual.
- None of the Employees are related to the Directors of the Company.

For and on behalf of the Board

Mumbai, Dated : 9th May, 2000.

Rohet N. Tolani  
Chairman