

MD				BKC	✓
CS				DPY	NA
RO				DIV	✓
TRA				AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		

27th
annual report
1997-98



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VARUN SHIPPING COMPANY LIMITED

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VARUN QUALITY POLICY

The Company is committed to its objectives of transportation of cargo by sea in a safe and efficient manner to the satisfaction of its clients. Towards maintaining the quality of its services, the Company affirms its intent in ensuring the compliance of all statutory and regulatory requirements applicable to its activities with particular reference to and emphasis on Safety of Life and Property, Protection of the Environment and the International Safety Management (ISM) code.

NOTICE

NOTICE is hereby given that the Twenty-seventh Annual General Meeting of the Company will be held at Patkar Hall, SNDT Women's University, 1, Nathibai Thackersey Marg, New Marine Lines, Mumbai 400 020, on Tuesday the 8th September, 1998 at 11.00 a.m. to transact the following business :

Ordinary Business :

1. To consider, approve and adopt the audited Balance Sheet as at 31st March, 1998, Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on preference and equity shares.
3. To appoint a Director in place of Mr. Dilip Khatau who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. A.K. Bhattacharya who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until 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, the following resolution as an ordinary resolution :-

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, if necessary, and subject to such conditions, modifications and changes as the Central Government may direct, require and approve and which the Directors be and are hereby authorised to accept, consent be and is hereby accorded to the re-appointment of Mr. Arun Mehta as the Managing Director of the Company for a further period of five years effective from 3rd October, 1998 and to the payment of the following remuneration and to the provision of the following benefits and amenities :-

- | | |
|--|--|
| 1. Salary | : Rs.1,40,000 per month. |
| 2. Commission | : At the rate of 3% on the net profits for the year, subject to the maximum of Rs.16,80,000 per annum. |
| 3. Housing | : Rent free fully furnished accommodation to be valued as per Income-tax Rules or House Rent Allowance of 60% of the salary. |
| 4. Medical Reimbursement | : Reimbursement of all the medical and hospitalisation expenses for self and family. |
| 5. Leave | : On full pay and allowances in accordance with the Rules of the Company but not exceeding one month's leave for every eleven months of service. |
| 6. Leave Travel Concession | : For self and family once in a year. |
| 7. Club Fees | : Fees of clubs. |
| 8. Personal Accident Insurance | : For self and family. |
| 9. Gratuity | : One month's salary for each completed year of service. |
| 10. Provident Fund & Superannuation Fund | : Contributions in accordance with the Rules of the Company. |
| 11. Telephone | : Free use of telephone at residence. |



12. Car : Car with driver.
13. Ceiling : Subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 when the profits in a financial year are adequate, the remuneration payable by way of salary, perquisites, commission and other allowances shall not exceed five per cent of the Company's net profits, provided that if there is more than one managerial person, it shall not exceed ten per cent for all of them together.
14. Encashment of Leave : Encashment of leave at the end of term of office shall not be included in the computation of ceiling on perquisites.
15. Minimum Remuneration : Notwithstanding the above where in any financial year during the currency of the term of office as Managing Director, the Company has made no profits or its profits are inadequate, the Company may pay remuneration by way of a salary of Rs.87,500 per month and other allowances and perquisites as mentioned above provided that the total remuneration shall not exceed the ceiling of Rs.10,50,000 per annum or Rs.87,500 per month. However, the following perquisites shall not be included in the computation of ceiling on remuneration specified above :
1. Contributions to provident fund and superannuation fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
 2. Gratuity payable at a rate not exceeding half a month salary for each completed year of service.
 3. Encashment of leave at the end of the tenure.
16. Reimbursement of Expenses : Reimbursement of all entertainment and other expenses properly incurred for the business of the Company.

RESOLVED FURTHER THAT Mr. Arun Mehta, shall, subject to the supervision, control and direction of the Board, be vested with substantial powers of management.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised further to increase, augment, vary and modify the remuneration payable and the benefits and amenities provided to Mr. Arun Mehta including the monetary value thereof, upto the limits prescribed in that behalf under or pursuant to the Companies Act, 1956 or any schedule thereunder or any statutory amendment, modification or re-enactment thereof from time to time in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, appropriate, and desirable to give effect to this Resolution."



7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution :-

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 and Articles 164 & 165 of the Articles of Association of the Company, consent of the Company be and is hereby accorded for payment of commission to the Directors (other than the managing/whole time directors) not exceeding 1% (one per cent) per annum of the net profit of the Company calculated in accordance with the provisions of the Companies Act, such commission being divisible amongst the said directors in such proportion and in such manner as decided by the Chairman of the Company and such payment shall be made in respect of the profits of the Company for each year for a period of five financial years of the Company commencing on 1st April, 1998.

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

By Order of the Board of Directors

K. RAMAKRISHNAN

Company Secretary

Mumbai, July 10, 1998

NOTES

- (a) 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.
The instrument appointing a proxy and the Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting as provided by Article 120 of the Articles of Association of the Company.
- (b) The Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of business under Item No.6 & 7 set out above is annexed hereto.
- (c) The Register of Members and Share Transfer Books will remain closed from Tuesday, the 18th August, 1998 to Tuesday, the 8th September, 1998 (both days inclusive).
- (d) Members are requested to notify the Registrars and Transfer Agents of the Company, M/s. MCS Limited, at Sri Venkatesh Bhavan, Plot No. 27, Road No.11, MIDC Area, Andheri (East), Mumbai - 400 093, or the Company at its Registered Office of any change in addresses quoting their Folio Number/s.
- (e) Dividend, if any, declared at the meeting will be payable to those members whose names appear in the Company's Register of Members on 8th September, 1998.
- (f) The Company had consolidated all shareholdings of members who were holding shares under multiple accounts, into one account and the stickers were sent under Registered Post to these members for affixing on the share certificates. Members who are still holding shares under multiple accounts are requested to intimate to the Company ledger folios of such accounts to enable the Company to consolidate all shareholdings into one account.
- (g) With a view to providing protection against fraudulent encashment of dividend warrants, the members



were requested in the past to provide their bank account numbers, names of the banks and addresses of the branches to enable the Company to incorporate the said details in the dividend warrants. Those members who have not yet provided such information are again requested to provide these details quoting their folio numbers to reach the Company latest by 18th August, 1998 to enable the Company to incorporate this information in the dividend warrants for the final dividend. Members will appreciate that the Company will not be responsible for any loss arising out of such fraudulent encashment of dividend warrants.

- (h) Members are informed that the unclaimed dividend for the year ended 31st March, 1995 will be transferred by the Company to the General Revenue Account of the Central Government and the same can be claimed by such members from the Registrar of Companies, Maharashtra, Mumbai.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.6

At the Twenty-second Annual General Meeting of the Company held on 25th August, 1993, the shareholders approved the re-appointment of Mr. Arun Mehta as the Managing Director of the Company for a period of five years from 3rd October, 1993.

Mr. Arun Mehta is a Chartered Accountant with vast and varied experience of over 40 years in business and industrial management. As the Managing Director of the Company for the last several years, he has guided the Company successfully through various stages of expansion and enabled it to reach its present position in the shipping industry. Therefore, the Directors consider that for the continued growth of the Company, it would be desirable to continue to avail of the services of Mr. Arun Mehta as the Managing Director for a further period of five years on terms of remuneration and perquisites detailed in the resolution under Item No.6. In his capacity as the Managing Director, Mr. Arun Mehta will continue to have overall charge of the management of the Company, subject to the supervision and control of the Board of Directors.

The Directors recommend that the resolution be passed.

The terms of remuneration as set out in the Resolution may be treated as an Abstract of the terms and conditions of appointment and Memorandum of Interest under Section 302 of the Companies Act, 1956.

None of the Directors other than Mr. Arun Mehta may be considered to be concerned or interested in the Resolution.

Item No.7

At the Annual General Meeting held on 25th August, 1993, it was resolved that commission at the rate not exceeding 1% (one per cent) of the net profit of the Company be paid to the Directors other than the Managing Director and the Executive Director and the said commission be divided in the manner to be decided by the Board of Directors. This resolution was effective upto 31st March, 1998. Considering the increasing operations of the Company and the time required to be spent by the Directors, it is proposed to continue the payment for a further period of 5 years commencing on 1st April, 1998.

Except Mr. Arun Mehta, Managing Director all other directors may be deemed to be considered as interested in this resolution.

By Order of the Board of Directors

K. RAMAKRISHNAN
Company Secretary

Mumbai, Dated July 10, 1998





VARUN SHIPPING COMPANY LIMITED

Registered Office : Laxmi Building, 6, Shoorji Vallabhdas Marg, Mumbai 400 001.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will create unnecessary inconvenience to you.

Please write below

Registered

Folio No.

Shares

held

(Please write your name in BLOCK letters)

I hereby record my presence at the 27th ANNUAL GENERAL MEETING of the Company held at Patkar Hall, SNDT Women's University, 1, Nathibai Thackersey Marg, New Marine Lines, Mumbai 400 020, on Tuesday, the 8th September, 1998 at 11.00 a.m.

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

Notes :

1. Members/Proxyholders are requested to bring their copies of the Annual Report with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

VARUN SHIPPING COMPANY LIMITED

Registered Office : Laxmi Building, 6, Shoorji Vallabhdas Marg, Mumbai 400 001.

PROXY FORM

Registered

Folio No.

Shares

held

I/We of

being a Member/Members of the abovenamed Company, hereby appoint

..... of

or failing him of

as my/our Proxy to vote for me/us and on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 8th September, 1998 and at any adjournment thereof.

Signed this day of 1998.

Signed by the said

Affix
30 Paise
Revenue
Stamp

Note : The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



NAME	DESIGNATION	TOTAL REMUNERATION RS.	QUALIFICATION	EXPERIENCE YEARS	DATE OF COMMENCEMENT OF THE SERVICE	AGE	LAST EMPLOYMENT BEFORE JOINING THE COMPANY
Capt. Willington D'silva	Master	636368	Master (HT)	20	01.12.1994	46	Seaspan Shipping Corporation
Capt. Sanjeev Kumar	Master	618344	Master (FG)	13	28.07.1994	39	Sea Containers Ltd.
Capt. G.S. Saxena	Master	518998	Master (FG)	28	01.04.1991	52	Indian Navy
Capt. Malay Das	Master	874076	Master (FG)	25	28.11.1994	48	Surendra Overseas Co. Ltd.
Capt. Inder Mohan Narang	Master	909108	Master (FG)	34	21.09.1995	56	Wallem Ship Management
Capt. Ashok Raghavan	Master	1271234	Master (FG)	17	28.10.1991	40	Jayshree Shipping Co. Ltd.
Capt. Atul Singh Rawat	Master	1039214	Master (FG)	19	30.08.1996	41	Anglo Eastern Shipping Co.
Capt. N.P. Dhond	Master	819000	Master (FG)	17	12.12.1996	41	Reliance Industries Ltd.
Capt. K.S. Virdi	Master	952641	Master (FG)	19	05.10.1993	39	Dura Steamship Co. Ltd.
Mr. G.S. Rawal	Chief Officer	621279	Master (FG)	30	01.04.1991	54	Indian Navy
Mr. C.S. Lohani	Chief Officer	643074	Master (FG)	26	21.08.1991	55	Indian Navy
Mr. O.P. Mathur	Chief Officer	600424	Master (FG)	26	07.10.1991	56	Indian Navy
Mr. Banarasi Dass	Chief Officer	857199	Master (FG)	24	14.04.1993	52	Indian Navy
Mr. Thomas Alex	Chief Officer	652149	1st Mate (FG)	8	24.04.1995	32	India Steamship Co. Ltd
Mr. Anand Kumar	Chief Officer	761827	1st Mate (FG)	5	21.08.1995	26	Larsen & Toubro Ltd.
Mr. Ravi Rana	Chief Officer	908691	Master (FG)	8	18.12.1992	28	Barber Ship Management
Mr. Hemant Jolly	Chief Officer	626036	1st Mate (FG)	19	02.12.1995	47	Shipping Corporation of India Ltd.
Mr. Rajiv Dabral	Chief Officer	1167682	1st Mate (FG)	17	11.07.1996	41	Reliance Industries Ltd.
Mr. T.P. Venkateshwaran	Chief Officer	934869	Master (FG)	23	23.06.1996	47	Shipping Corporation of India Ltd.
Mr. Ashish Dandona	Chief Officer	922600	1st Mate (FG)	5	19.09.1992	26	First Employment
Mr. Carl Merwyn Blanche	Chief Officer	450475	1st Mate (FG)	26	07.07.1993	49	Essar Shipping Co. Ltd.
Mr. Peter Eric Saldhana	Chief Officer	414798	Master (FG)	18	01.04.1997	43	Indian Navy
Mr. Harsh Rameshwar	Chief Officer	699312	1st Mate (FG)	5	28.08.1996	26	P & O Bulk Shipping Co.
Mr. Mukul Bahuguna	Chief Officer	1008361	Master (FG)	22	19.12.1996	43	Shipping Corporation of India Ltd.
Mr. Ashok Sandhu	Chief Officer	634703	Master (FG)	23	11.02.1995	47	South India Shipping Co. Ltd.
Mr. Baldeep Pal Randhawa	2nd Officer	445702	2nd Mate (FG)	7	10.05.1991	28	First Employment
Mr. Rejendra Kanwar	2nd Officer	522628	2nd Mate (FG)	2	28.02.1997	22	First Employment
Mr. Shanjib Pradhan	2nd Officer	489952	2nd Mate (FG)	2	03.09.1996	29	First Employment
Mr. Vineet Chawla	2nd Officer	577255	2nd Mate (FG)	2	13.12.1996	25	First Employment
Mr. Nilesh Sudhakar Lalsare	2nd Officer	696199	2nd Mate (FG)	1	04.02.1997	23	First Employment
Mr. Ranjit Singh	Nav W/Keep Officer	359063	NWKO	21	17.08.1995	51	Indian Navy
Mr. Suresh Chandra	Nav W/Keep Officer	357216	NWKO	13	01.12.1996	46	Aarnav Shipping
Mr. R. Rajamanalan	Radio Officer	1051601	2nd Class (COP)	20	29.09.1988	41	Najd Marine & Const. Jeddah
Mr. Ashok Ranade	Radio Officer	629226	2nd Class (COP)	28	25.05.1990	58	The Mogul Lines Ltd.
Mr. Arnab Neogy	Radio Officer	512860	2nd Class (COP)	3	17.02.1995	31	First Employment
Mr. Saroj Kumar Sahoo	Radio Officer	590803	2nd Class (COP)	5	28.12.1993	31	Oyster Marine
Mr. Cyriaco Baretto	Radio Officer	425665	2nd Class (COP)	32	07.10.1996	60	Essar Shipping Co. Ltd.
Mr. M.M. Saravanan	Radio Officer	534557	2nd Class (COP)	6	17.03.1994	26	Jayshree Shipping Co. Ltd.
Mr. D.P. Rajput	Radio Officer	644042	2nd Class (COP)	24	04.10.1995	53	Orion Shipping Agency
Mr. Pranab Bhattacharya	Radio Officer	599497	2nd Class (COP)	15	27.11.1987	42	Oil & Natural Gas Commission
Mr. R.M. Kulkarni	Radio Officer	650793	2nd Class (COP)	14	18.09.1995	36	Denholm Shipping Management
Mr. Prasun Kumar Das	Radio Officer	787503	2nd Class (COP)	23	08.05.1996	44	Wallem Ship Management. HKG.
Mr. P.K. Kamila	Radio Officer	591479	2nd Class (COP)	2	22.10.1996	33	First Employment
Mr. Cyrus Panthaki	Radio Officer	356306	RTG	8	26.06.1990	33	Marine MGMT. Services
Mr. S.V. Kerkar	Chief Engineer	889860	1st Class (Motor)	27	19.12.1987	50	Garware Shipping Corporation Ltd.
Mr. Z.H. Variyawa	Chief Engineer	910537	1st Class (Motor)	15	23.09.1985	37	Scindia Steam Navigation Co. Ltd.
Mr. P.K. Dey	Chief Engineer	834232	1st Class (Motor)	24	01.04.1991	47	Dolphine Offshore
Mr. S. Sudhakar	Chief Engineer	981869	1st Class (Motor)	28	01.01.1996	51	SPIC Shipping



ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Employees required under Section 217(2A) of the Companies Act, 1956 and forming part of the Director's Report for the year ended 31st March, 1998

NAME	DESIGNATION	TOTAL REMUNERATION RS.	QUALIFICATION	EXPE- RIENCE YEARS	DATE OF COMMENCEMENT OF THE SERVICE	AGE	LAST EMPLOYMENT BEFORE JOINING THE COMPANY
A. Employed throughout the year under review and were in receipt of remuneration for the year in aggregate of not less than Rs.3,00,000/- per annum.							
SHORE STAFF :							
Mr. Arun Mehta	Managing Director	2844216	B.Com.LL.B., F.C.A., FCS	42	03.10.1978	64	Cable Corportion of India Ltd. Chief Executive
Mr. Y.D. Khatau	Executive Director	1964200	BS Economics	8	25.01.1995	30	—
Mr. B.L. Mehta	Executive President	1257350	MOT (1st Class) Steam & Motor	41	10.07.1995	63	Reliance Industries Limited President (Shipping)
Mr. K. Ramakrishnan	Vice-President (Corporate Affairs & Company Secretary)	599602	L.L.B., F.C.S.	37	21.11.1995	56	Krupp Industries India Ltd. Company Secretary & V.P. (Finance)
Mr. Amar A. Korde	Vice-President (Corporate Finance & Accounts)	747138	A.C.A., C.S.	17	05.10.1989	41	Birla Yamaha Limited General Manager (Finance)
Mr. Arun Sharma	Vice-President (Operations/ Commercial/Agency)	704832	MOT (1st Class), F.I. Mar. Engg. (India), MCIT (London)	28	02.12.1991	49	Shipping Corporation of India Deputy General Manager
Mr. M.S. Rao	Vice-President (Corporate Affairs)	480607	Bachelor of Science	35	22.09.1980	62	Cable Corportion of India Ltd. Liaison Officer
Mr. N.K. Shah	General Manager (Corporate Finance & Accounts)	502076	B.Com (Hon), L.L.B., A.C.A.	28	14.07.1994	55	Reliance Ind. Ltd. General Manager (Finance) Shipping Div.
Mr. Sergie B. Dias	General Manager (Operations)	446313	MOT (1st Class), C. Engg. F.I. Mar. (E), India M.I.E. India, C.A. Engineer. DBM.	21	01.02.1993	42	Essar Shipping Co. Ltd. Deputy General Manager (Technical)
Mr. K.V.R. Pillai	General Manager (Operations)	454178	MOT (1st Class), C. Engg. F.I. Mar (E), India M.I.E. India, C.A. Engg.	32	01.09.1988	53	Goa Shipyard Ltd., Goa. Jt. Manager (Repairs & Services)
Mr. B.M. Iyer	General Manager (Personnel & Administration)	419222	Bachelor of Arts	35	04.10.1990	57	M/s. Buckau Wolf India Ltd. Manager (Human Resource Development)
Capt. V.K. Berry	General Manager (Fleet Personnel)	463738	Master (FG)	37	05.10.1994	54	Samrat Shipping Co. Pvt. Ltd. Regional Manager (Calcutta)
Capt. V.K. Gadhok	General Manager (Operations)	441399	Master (FG)	27	14.07.1986	46	Spanoceanic Service Pvt. Ltd. Chartering Broker and Liaison Officer
Mr. D.M. Lotia	General Manager (Purchase)	336775	Bachelor of Science	25	01.12.1977	48	Shree Ram Mills Limited. Assistant to internal Auditor
Mr. J.H. Makkar	Dy. General Manager (Corporate Finance & Accounts)	321239	A.C.A., Grad. I.C.W.A.	12	01.12.1989	35	Jindal Strips Limited Head of the Internal Audit Division
Mr. Ved Trivedi	Dy. General Manager (Technical Safety & Quality Assurance)	319417	MOT (1st Class)	21	07.01.1994	42	Essar Shipping Co. Ltd. Manager (Technical)
Mr. C.G.S. Iyer	Dy. General Manger (Corporate Finance & Accounts)	318233	A.C.A.	19	01.01.1988	42	M/s. Seamless Capsules Pvt. Ltd. Chief Accountant
Mr. S. Sundaram	Dy. General Manager (Commercial Operations)	313273	B.A. Chartered Shipbrokers, Member of Chartered Secretaries of London	34	01.08.1996	58	Sabic Marketing Ltd. (Saudi Arabia) Commercial Coordinator

FLOATING STAFF :

Capt. Joginder Singh	Master	1192076	Master (FG)	45	24.12.1980	62	Indian Navy
Capt. Manoharlal Choudhary	Master	952705	Master (HT)	31	24.03.1979	49	Bombay Marine & Engineering Works
Capt. P.M. Datar	Master	1109837	Master (FG)	16	16.03.1988	41	Scindia Steam Navigation Co. Ltd.
Capt. S.S. Lele	Master	1372766	Master (FG)	21	18.01.1982	41	First Employment
Capt. V.M. Pinto	Master	1395391	Master (FG)	19	13.06.1983	39	First Employment
Capt. V.K. Badwal	Master	885222	Master (FG)	28	16.11.1993	49	Great Eastern Shipping Co. Ltd.
Capt. Dinesh Arora	Master	660117	Master (FG)	26	20.06.1993	50	Tanker Pacific
Capt. Harminder Singh Mehar	Master	1104409	Master (FG)	26	24.05.1995	47	Apeejay Shipping Co. Ltd.
Capt. Alok Bahuguna	Master	1112140	Master (FG)	14	09.03.1994	36	Denholm Ship Management
Capt. K.S. Driver	Master	1118217	Master (FG)	15	05.10.1993	38	Dura Steam Ship Co.

