



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. Sudhendranath
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, feeder 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.

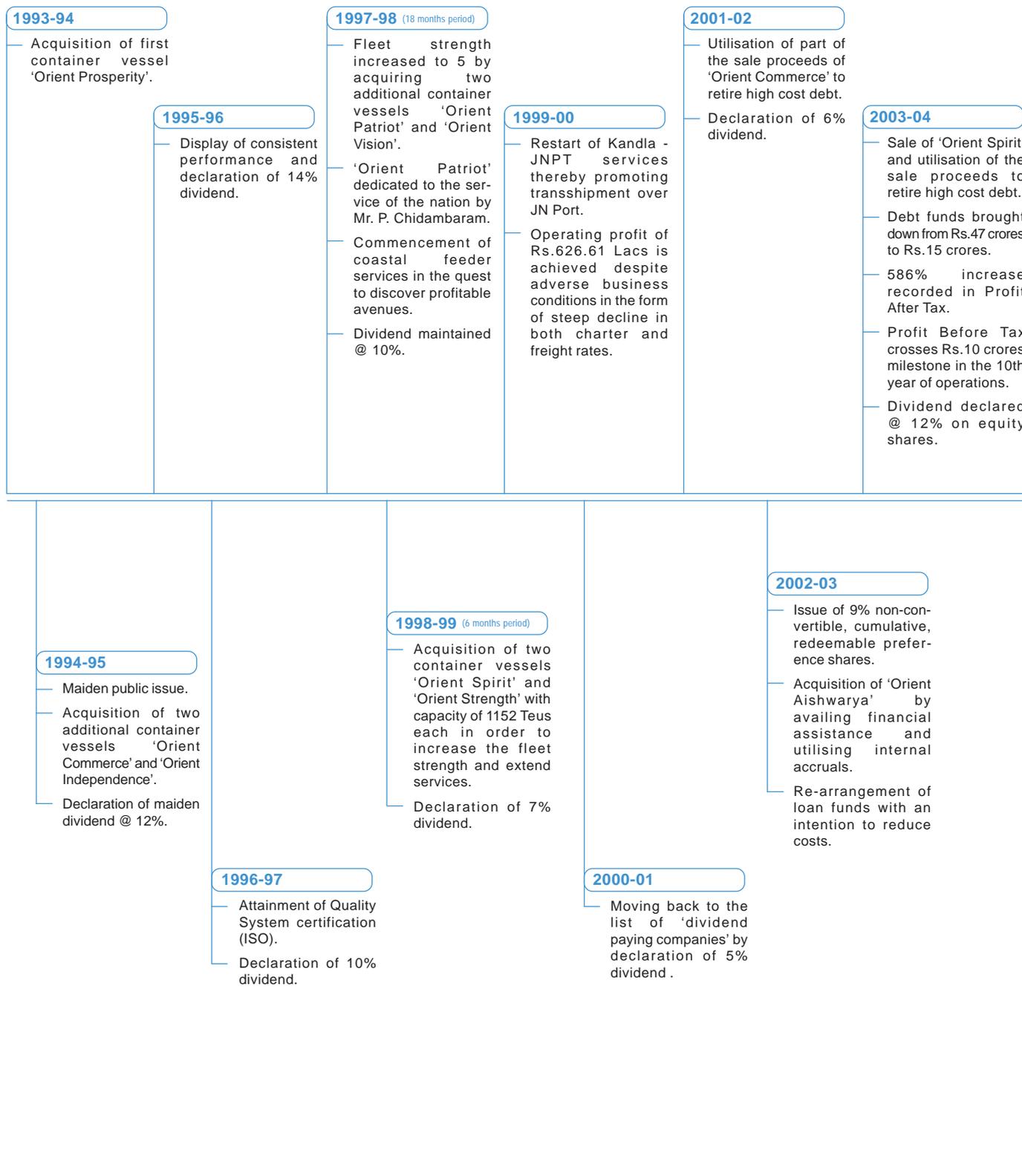
In the coming years, I see opportunities that will elevate Shreyas to a higher level of performance and promise. With your ever continuing support and unflinching dedication of our employees, we are confident of further improvement in Shreyas' performance and look forward to an equally rewarding decade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

Mumbai
20th May, 2004

S. Ramakrishnan
Chairman & Managing Director



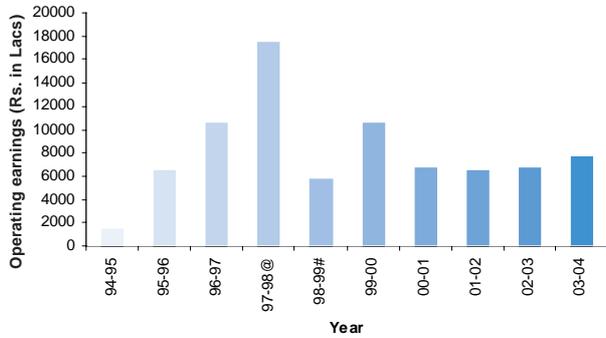
The Journey - 1994 to 2004



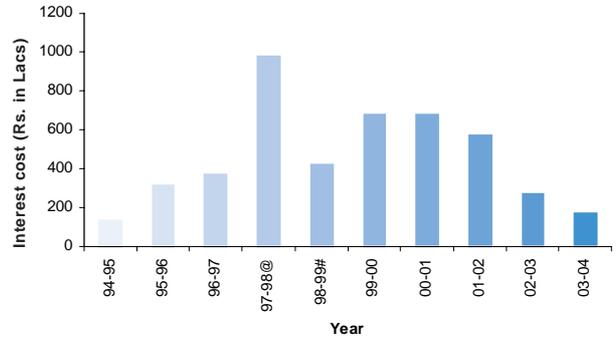


Snapshot of Financials for the last 10 years

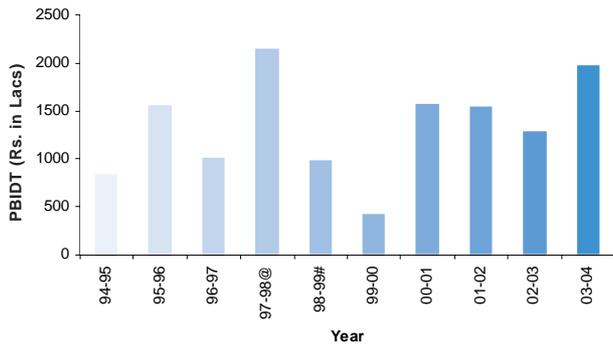
Movement of Operating earnings during the last 10 years



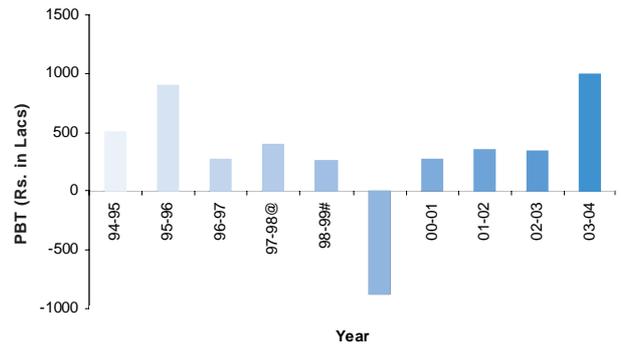
Interest Cost during the last 10 years



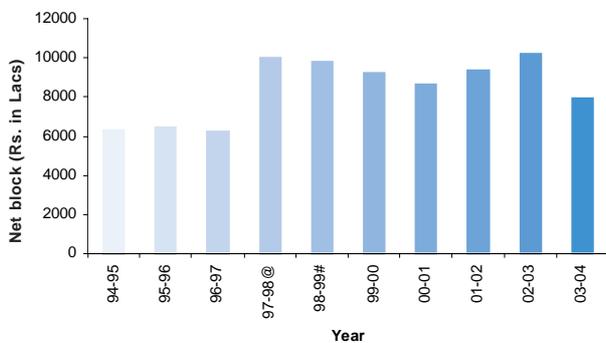
Profit Before Interest, Depreciation & Tax (PBIDT) for the last 10 years



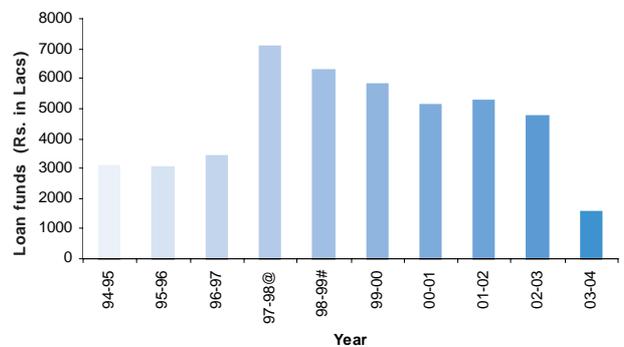
Profit Before Tax (PBT) for the last 10 years



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, Pannalal 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

Directors' Report

Your Directors are pleased to present the Sixteenth Annual Report and the audited accounts of the Company for the financial year ended 31st March, 2004.

FINANCIAL PERFORMANCE

	Current year ended 31.03.04	(Rupees in Lacs) Previous year ended 31.03.03
Operating Income	7689.86	6757.39
Other Income	693.08	147.92
Profit before Interest, Depreciation and Tax	1964.14	1281.32
Less: Interest	174.65	273.91
Depreciation	786.93	666.96
Profit before Tax	1002.56	340.45
Add: Prior period adjustment (Net)	-	44.27
Profit after prior period adjustment	1002.56	384.72
Less: Provision for Current Taxation	77.30	27.00
Provision for Deferred Tax	194.47	251.19
Profit after Tax	730.79	106.53
Add: Balance brought forward from previous year	465.05	416.74
Amount available for appropriation	1195.84	523.27
Appropriations:		
Proposed dividend on —		
Preference shares	117.00	51.61
Equity shares	237.89	-
Tax on dividend	45.47	6.61
Balance carried to Balance Sheet	795.48	465.05

DIVIDEND

Considering the performance of the Company for the year under review and the future requirements of funds by the Company, your Directors are pleased to recommend a final dividend at the rate of 12% on Equity Shares and at the rate of 9% on 9% non-convertible, cumulative, redeemable Preference Shares (i.e., Rs.1.20/- per Equity Share of Rs.10/- each and Rs.9/- per Preference Share of Rs.100/- each) for the year ended 31st March, 2004.

The payment of dividend on Equity Shares and Preference Shares will entail a cash outflow of Rs. 268.37 Lacs and Rs.131.99 Lacs respectively including dividend distribution tax.

REVIEW OF OPERATIONS

(a) Business and future prospects

The year 2003-04 was an encouraging year for the Indian shipping industry which had registered a sluggish growth during the year 2002-03. Its growth was impacted by several factors. Huge Chinese demands for raw materials like steel, iron ore and coal and high import volumes of grain and other items by the US and the UK have pushed the freight rate for Indian shipping lines to a new high. Moreover, the booming international charter markets have helped significantly in improving the bottomlines.

From April, 2003, the Indian fleet began to show signs of recovery. According to industry analysts, the tonnage began to soar after April 2003, when the boom in freight market actually began to galvanise ship-owners. From 6.20 million GRT (gross registered tonnage) as on January 1, 2003 the Indian tonnage floated up to 6.62 million GRT on January 1, 2004.

All the above factors are reflected in your Company's performance for the year under review. The turnover increased by 13.80% to Rs.7,689.86 Lacs as compared to Rs.6,757.39 Lacs last year. The Company posted a steady performance with Profit before Tax of Rs.1002.56 Lacs registering an increase of 194.47 % over the previous year. The Profit after Tax stood at Rs.730.79 Lacs as against Rs.106.53 Lacs last year. The market share of your Company in ports such as Kandla, Pipavav, etc. has improved significantly and the Company has during the year secured contracts from prestigious clients such as Sterlite, HLL, Nirma, etc. The Rupee appreciation trend continued during the year under review which is beneficial to your Company as a major part of the operating expenses of the Company are USD denominated.



Your Company recognises the fact that to continue to survive in the competitive industry, it is necessary to look at avenues to expand its scope of operations, to diversify into allied activities and to avoid getting restricted to the container feeder market. Accordingly, its efforts are concentrated on diversifying into other strings of shipping operations.

The boom in the world markets would reflect in the performance of the Indian markets which would, in turn, improve the opportunities for feeder operators such as Shreyas. The rising number of ports coming up will also open up new vistas for coastal feeder operations.

Your Company is taking active steps to comply with the International Ship and Port Safety Facility Code so as to beat the implementation deadline of 1st July, 2004 much in advance.

(b) Finance

During the year under review, your Company sold off one of its vessels 'Orient Spirit' and utilised the sale proceeds to retire high cost debt raised from ICICI Bank Ltd. which will result in saving of interest cost. This will further help in reducing the operating cost of vessels and to operate the vessels effectively and efficiently. Resultant this exercise, the Secured loans have reduced from Rs.4,760.51 Lacs as on 31st March, 2003 to Rs.1,582.24 Lacs as on 31st March, 2004 resulting in a comfortable debt-equity ratio of 0.36:1. Your Company has, therefore, successfully achieved its target of debt reduction during the current fiscal.

Operating efficiencies and lower interest payout supplemented by stringent cost reduction measures and efficient working capital management has resulted in an impressive growth in profit during the year under review.

MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis appearing as Annexure I to this Report.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 205C of the Companies Act, 1956, an amount of Rs.2.67 Lacs, being unclaimed dividend for the year ended 31st March, 1996 was transferred during the year to the Investor Education and Protection Fund established by the Central Government.

QUALITY

Your Company firmly believes that "pursuit of excellence" is one of the most critical components for competitive success in the global market. Your Directors take pleasure in informing you that your Company has upgraded its ISO certification to the new standard, i.e., ISO 9001:2000. The scope of certification includes shore based activities.

FIXED DEPOSITS

The Company has not accepted fixed deposits from the public during the year under review.

DIRECTORS

Mr. S. Ramakrishnan was re-appointed as Chairman and Managing Director of the Company by the Board of Directors at its meeting held on 24th January, 2004 for a further period of five years with effect from 1st April, 2004 on the completion of his term of five years on 31st March, 2004.

Mr. V. Ramnarayan and Mr. S. Mahesh retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

These appointments form part of the Notice of the Annual General Meeting and the Resolutions are recommended for your approval.

Profiles of these Directors, as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, are given in the Report on Corporate Governance forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, the Directors confirm that, to the best of their knowledge and belief;

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) appropriate accounting policies have been selected and applied consistently, and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2004 and of the profit of the Company for the year ended on 31st March, 2004;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the annual accounts have been prepared on a 'going concern' basis.

CORPORATE GOVERNANCE

As required by the existing Clause 49 of the Listing agreements entered into with the Stock Exchanges, a detailed Report on Corporate Governance is given as Annexure II to this Report alongwith the Auditors' Certificate on its compliance by the Company.

AUDITORS

M/s. Sridhar & Santhanam, Chartered Accountants, retire at the conclusion of the 16th Annual General Meeting and offer themselves for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

COST AUDIT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Under the Notification No.GSR 1029, dated 31st December, 1988, companies are required to furnish prescribed information regarding conservation of energy and technology absorption. This, however, does not apply to your Company as the shipping industry is not included in the Schedule to the relevant rules.

With regard to foreign exchange earnings and outgo, the position is as under:

	Rs. in lacs (2003-04)
(i) Foreign exchange earnings (on accrual basis)	8211.95
(ii) Foreign exchange outgo including operating components and spare parts, cost of ship and other expenditure in foreign currency (on accrual basis)	4985.95

PERSONNEL

Information as per 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 said Act, this Report and the Accounts Statement are being sent to all Shareholders excluding the Statement of Particulars of Employees under Section 217(2A). Any Shareholder interested in obtaining a copy of the statement may write to the Company Secretary at the Registered Office of the Company.

EVENTS AFTER THE YEAR UNDER CONSIDERATION

During the period from 1st April, 2004 to date, your Company has further retired debt to the tune of approximately Rs.2 crores utilising internal accruals. With this, the loan funds of the Company have reduced further to approximately Rs.13 crores.

ACKNOWLEDGMENTS

Your Directors thank the Company's clients, vendors, charterers, business associates, main line operators, investors and bankers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, co-operation and support.

Your Directors thank the Government of India, the Ministry of Shipping, the Ministry of Finance, the Directorate General of Shipping, the Mercantile Marine Department, the Stock Exchanges, the Reserve Bank of India, the Central Board of Excise and Customs, and other Government agencies for their support, and look forward to their continued support in the future. Your Directors also express their sincere thanks to the Indian National Ship Owners Association, port authorities, insurance companies, protection and indemnity clubs for their continued support during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 20th May, 2004

S. Ramakrishnan
Chairman & Managing Director



Management's Discussion and Analysis

(Annexure I to the Directors' Report)

Industry review

Indian shipping has seen an upsurge in fortunes during the last quarter of the fiscal 2003-04. As the country presents a 'shining' picture, with enhanced exports and imports, shipping and ports sector cannot lag behind. With global freight rates shooting through the roof, the industry is on a smooth sail, after a long time. The fortunes of the cyclical shipping industry have taken a highly favorable turn. The neglected sector, which was being tossed about roughly in choppy waters for a number of years, has started cruising smoothly in calm waters. With the international economy on the recovery path, there has been a steady improvement in sea-borne trade and, as there has been no noticeable increase in tonnage in the years of recession, there is a sharp spurt in freight rates. The buoyancy trend is most likely to continue for at least a year or two more.

The shipping sector is witnessing a rising trend as the strength of the Indian fleet registered an increase from 616 ships of 6.18 million Gross registered tonnage (GRT) on April 1, 2003 to 637 ships of 8.84 million GRT as on April 1, 2004. This development assumes importance as the country's fleet has been on the decline for quite a few years. The calendar year 2003 saw Indian ports crossing a record traffic of 330 million tonnes as against 306 million tonnes which is an 8% increase. The year 2003 also sailed smoothly for Indian port sector; the container port traffic exceeded 3.5 million TEUs, sharing 1.5 per cent of the world container traffic.

Over the last few years, India has emerged as an exceptional generator of container traffic. Except China, India is the only country world over that has registered more than 40 per cent compounded annual growth rate in a decade in the container segment. The container shipping industry is growing at 8 per cent per annum and this is expected to continue, at least for the next decade. Thanks to the high growth in cargo volumes from India to Asia and the Middle East, feeder is booming on the Indian coast. The fledgling coastal shipping in India seems to complement the fast container growth in the country.

The industry is however facing relentless pressure for change from several directions, regulations, tariffs, information technology and security aspects being a few. A barrage of tax demands have also been hitting the industry in the recent past. The industry is no longer merely changing; rather, its role is getting redefined. The changing business environment in India resulting from globalisation, evolution of e-commerce, resulting in keen and severe competition has direct impact on the role which shipping companies have to play. There are lots of emerging opportunities for India and the shipping industry is poised for a giant leap.

Performance review of Shreyas

● Operational review

Shreyas has managed to produce a strong performance and growth in the fiscal under review with increase in both, charter hire and freight income. During 2003-04, your Company was among the top ten shipping lines at JNPT carrying 50,875 TEUs (including import and export) tantamounting to a share of around 5% of total container traffic handled by JNPT during the year. Shreyas boasts of maximum vessels call at JNPT during the year 2003-04. Shreyas continues to be the market leader as far as cargo out of Kandla port is concerned.

During the year under review, Shreyas commenced feeder services between Nhava Sheva International Container Terminal (NSICT) and Mundra Port. Shreyas has made concerted efforts to promote coastal transshipment by pioneering coastal feeder services from Kandla, Cochin and Tuticorin into the port of Nhava Sheva. In addition to the feeder cargo carried by Shreyas, efforts are being made by its Domestic Division to provide a multimodal service for domestic movement of cargo on the West coast of India.

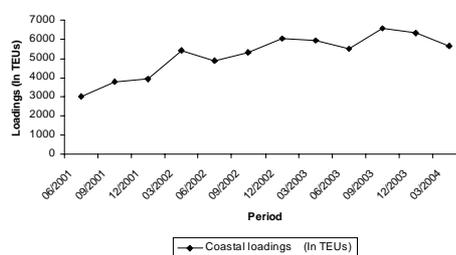
During the fiscal under review, the charter rates of the vessels deployed on time charter were revised upwards leading to an increase in the average daily charter earnings and a consequent improvement in the bottomlines.

The adjoining Charts give the coastal loadings and revenue of the Company for the last three years.

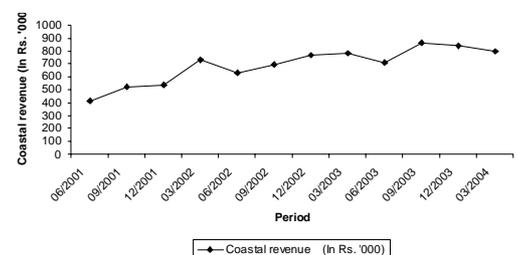
Presently, Shreyas owns six vessels of which three have been chartered out and the balance three are being run on coastal service, creating an efficient and economical mix. During the year under review, the Company has been successful in securing contracts in the domestic segment

from some prestigious clients such as Sterlite Industries, H. R. Johnson, Hindustan Lever Ltd., Nirma Ltd., etc. by providing safe, reliable and cost-effective transportation options. The Company will continue to target domestic clients and work towards establishing itself as a domestic liner operator.

Coastal loadings for past three years



Coastal revenue for past three years

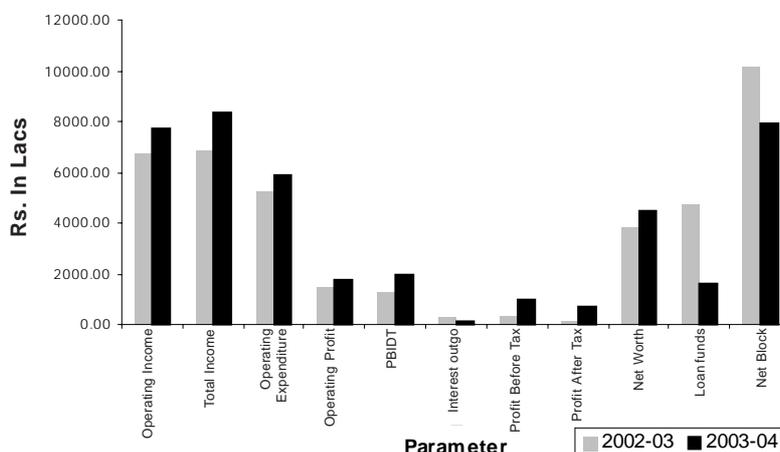


● **Financial review**

The year under review has been a significant year for Shreyas. Your Company continues to create value for its Shareholders by consistently delivering good performance. We present below a synopsis of our performance in 2003-04.

- **OPERATING INCOME** grew by **13.80 per cent** from Rs.6,757.39 Lacs in 2002-03 to Rs.7,689.86 Lacs in 2003-04.
- **TOTAL INCOME** increased by **21.40 per cent** from Rs.6,905.31 Lacs in 2002-03 to Rs.8,382.93 Lacs in 2003-04.
- **OPERATING EXPENDITURE** increased by **12.81 per cent** from Rs.5252.90 Lacs in 2002-03 to Rs.5925.77 Lacs in 2003-04 mainly on account of an additional burden to the Profit & Loss account due to change in the policy of charging off of drydock expenditure.
- **OPERATING PROFIT** increased by **17.25 per cent** from Rs.1504.50 Lacs in 2002-03 to Rs.1764.09 Lacs in 2003-04.
- **PROFIT BEFORE INTEREST, DEPRECIATION AND TAX (PBITD)** increased by **53.29 per cent** from Rs.1,281.32 Lacs in 2002-03 to Rs.1,964.14 Lacs in 2003-04.
- **INTEREST OUTGO** reduced by **36.24 per cent** from Rs.273.91 Lacs in 2002-03 to Rs.174.65 Lacs in 2003-04.
- **PROFIT BEFORE TAX (PBT)** increased by **194.47 per cent** from Rs.340.46 Lacs in 2002-03 to Rs.1002.56 Lacs in 2003-04.
- **PROFIT AFTER TAX (PAT)** increased by **585.99 per cent** from Rs.106.53 Lacs in 2002-03 to Rs.730.79 Lacs in 2003-04.
- **EARNING PER SHARE (EPS)** increased from Re.0.24 as on 31st March, 2003 to Rs.3.02 as on 31st March, 2004.
- **NET WORTH** increased by **14.95 per cent** from Rs.3872.37 Lacs in 2002-03 to Rs.4451.27 Lacs in 2003-04.
- **LOAN FUNDS** reduced by **66.76 per cent** from Rs.4760.51 Lacs in 2002-03 to Rs.1582.24 Lacs in 2003-04.
- **NET BLOCK** reduced by **22.17 per cent** from Rs.10209.73 Lacs in 2002-03 to Rs.7945.95 Lacs in 2003-04.

Snapshot of financials



During the fiscal under review, the Company has retired about Rs.17 crores of high cost debt by utilising the sale proceeds of its vessel 'Orient Spirit' which was sold during December, 2003. This, coupled with lower costs of debt due to the consistent rupee appreciation, has reduced interest outgo by 36.24 per cent from Rs.273.91 Lacs in 2002-03 to Rs.174.65 Lacs in 2003-04.

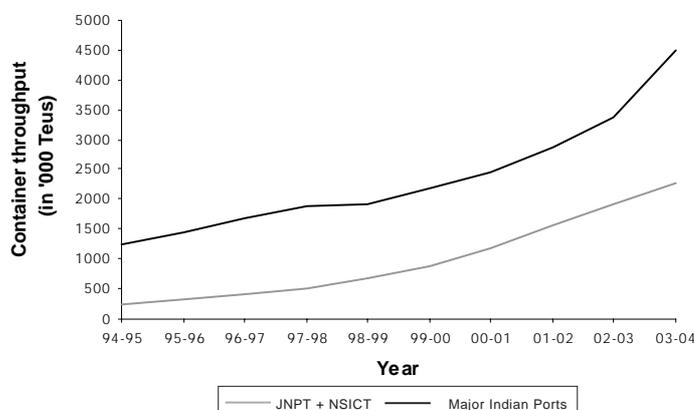
Operational efficiencies and lower interest payouts due to retirement of high cost debt during the year have resulted in a growth of both, pre-tax profit margin (PBT as a ratio of income) and post-tax profit margin (PAT as a ratio of income) and have translated into steady cash flows. The profitability also improved as a result of the cost effective measures undertaken during the year resulting in savings in operating and administration expenses.

Outlook on opportunities

The liberalisation of the largely insular Indian economy has opened a window of immense opportunity. The world over, huge multinationals and conglomerates from various sectors / industries are sitting up and taking note of India's significant potential in almost all sectors of business and economy. The Indian market holds tremendous potential for container trade. The container traffic in the country is slated to increase in the coming years. Fuelled by strong demand for space in many trade routes and by optimism, volumes will continue to grow. The adjoining Chart shows the container throughput of Indian ports during the last ten years.

We are cautiously optimistic about our prospects for the year 2004-05. A conducive fiscal and credit regime for the shipping sector should give a boost to our performance for the year 2004-05. We will concentrate on increasing our loadings and will simultaneously focus on diversifying into other strings of shipping operations in our quest to provide a seamless, multimodal logistics chain. At the same time, we will continue to concentrate on achieving operational efficiency and on effective cost control measures.

Container throughput for last ten years





The Union Ministry of Shipping is exploring the possibility of reopening the sea-borne cargo link between India and Pakistan which will facilitate significant movement of cargo and would thus offer lucrative business opportunities. The ambitious 'Sagar Mala Project' could boost the sector substantially.

The Ministry has proposed a separate coastal shipping development financial agency (CSDFA) as a key element to further the cause of coastal shipping in the country. It has also sought infrastructure status for coastal shipping, introduction and levy of tonnage tax, 50 per cent depreciation for coastal vessels and retention of Section 33AC of the Income Tax Act in its existing form. Further, it has suggested removal or exemption of customs duty on import of spares, stores and equipment needed for the repair of coastal vessels, removal of the existing 5 per cent customs duty on import and purchase of tugs, pusher, crafts, dredgers, floating docks, cranes and production platforms. The Ministry is actively pursuing duty-free supply of bunker to coastal ships as is available to foreign going vessels. Besides, it proposes to continue with the existing cabotage policy of reserving the coastal trade for Indian flag vessels, a reduction of marine dues on coastal vessels and levy of wharfage on coastal cargoes, as fiscal and policy inputs to enable the development of the domestic coastal shipping sector. These developments, if become concrete, will certainly benefit the Indian shipping industry as a whole, and Shreyas in particular.

A container is an integral part of the container carrying trade. There is an urgent need to allow Indian operators to import ISO containers at zero duty levels. This will spur investments in ISO containers and lead to spin off's in terms of growth in related industries, in addition to a quantum leap in coastal trade in containers.

The Company has envisioned itself to play a dominant role in the container feeder segment. The strategic focus is now slowly moving towards new business opportunities in the shipping sector by extension of the scope of its activities.

Outlook on Threats, Risks and Concerns

More than financial constraints, the maritime industry suffers from a lack of cohesive policy regime. With the introduction of tonnage tax, the shipping industry's grouse against lack of a proper tax policy affecting Indian tonnage would be addressed to some extent. Your Company will come up with concrete acquisition plans to rationalise its fleet when the market corrects itself in order to elaborate on the utilisation of savings that could accrue from the tonnage tax regime.

The beleaguered domestic shipping industry is reeling under a slew of unfavorable tax issues such as moves to impose sales tax on charter parties by Maharashtra government, the IT Department's contention that tax should be deducted at source while making charter payments to foreign ship owners and proposal to bring shipping services under the service tax net. These developments are expected to impart a negative impact on the bottomlines of the Indian shipping industry which is already reeling under a heavy burden of taxes. Reconciling to the demands of lean and mean expenditure budgets is an uphill climb for most shipping companies. There are certain aspects of the operating costs like fuel cost, port dues, insurance, etc. which place Indian shipping companies at a disadvantage vis-a-vis their foreign counterparts.

Lack of capacity is one more factor that can have severe negative impact on the cargo flows and the growth in containerised transportation. Also, the hinterland infrastructure is an important factor to evaluate in container growth.

Internal control systems and their adequacy

The Company has adequate internal control procedures commensurating with its size and the nature of its business. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and statutes. The internal control system provides for well-documented policies, guidelines, authorisations and approval procedures. The Internal Auditors carry out audits extensively throughout the year in areas such as Income, Expenditure, Financial Accounting, Payroll and Statutory compliances. The primary objective of such audits is to test the adequacy and effectiveness of all internal controls laid down by the Management and to suggest improvements.

Human resources

Much of the success of Shreyas is attributed to the quality of its people, their exemplary dedication and contribution. Shreyas is committed to recruiting, retaining and rewarding high-calibre talent. Shreyas regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain its pool of shore and floating staff through a work environment that encourages initiative, provides challenges and opportunities and recognises the performance and potential of its people through a judicious mix of incentives.

As on 31st March, 2004, your Company had 26 shore staff and 165 floating staff. The dedicated team of shore and floating staff provides continuous support to the operations of the Company which is reflected in the operational efficiency. The Company continues to focus on the safety, training and development of the employees.

Cautionary statement

Statements in this report describing the company's objectives, projections, estimates and expectations may be forward looking statements, within the meaning of applicable laws and regulations, based on beliefs of Shreyas' Management. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including amongst others, changes in the general economic and business conditions, changes in the currency exchange rates and interest rates, introduction of competing services, lack of acceptance of new services, and changes in business strategy. Shreyas does not intend to assume any obligation to update these forward-looking statements.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 20th May, 2004

S. Ramakrishnan
Chairman & Managing Director

Report on Corporate Governance

(Annexure II to the Directors' Report)

(As required by Annexure II to Clause 49 of the Listing Agreements entered into with the Stock Exchanges)

I. Corporate Governance Philosophy and Practice

The primary objective of Corporate Governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities and identify opportunities that best serve the goal of value creation.

Shreyas is committed to good Corporate Governance. We believe that best board practices, transparent disclosures, and shareholder empowerment are necessary for creating shareholder value. The Company lays significant emphasis on the principles of trusteeship, transparency, integrity, empowerment and above all accountability. Appropriate disclosures are made to the Shareholders, thereby ensuring greater transparency, and better financial reporting. Shreyas continues to follow procedures and practices in conformity with clause 49 of the Listing agreement. The details of the compliance by the Company are as under:

II. Board of Directors

Composition of Board of Directors and Directors' attendance record

Name of the Director	Category of Directorship [@]	Number of Board meetings attended out of six held during the year 2003-04	Attendance at the last AGM (17.09.03)	No. of Directorships in other public limited companies as on 31.03.2004	No. of Committee positions held in other public limited companies as on 31.03.2004 [#]	
					Chairman	Member
Mr. S. Ramakrishnan Chairman & Managing Director	ED	3	Yes	7	NIL	NIL
Mr. V. Ramnarayan Director	NED (NI)	6	Yes	7	NIL	NIL
Mr. S. Mahesh Director	NED (NI)	3	Yes	7	NIL	NIL
Mr. L. B. Culas Director	NED (I)	2	Yes	NIL	NIL	NIL
Mr. K. P. Medhekar Director	NED (I)	4	Yes	3	NIL	2
Capt. P. P. Radhakrishnan Director	NED (I)	5	Yes	2	NIL	1
Mr. M. Sudhendranath Director appointed as Nominee by ICICI Bank Ltd.	NED (I)	5	Yes	4	NIL	3

@ Category of Directorship:

ED - Executive Director; NED (NI) - Non-Executive Director and not Independent ; NED (I) - Non-Executive Director and Independent

As required by Clause 49 of the Listing agreement entered into with the Stock Exchanges, only memberships of the Audit Committee, Remuneration Committee and Shareholders' and Investors Grievance Committee have been considered.

Number of Board meetings

The Company has held six Board meetings during the year ended on 31st March, 2004. These were on 9th May, 2003, 26th June, 2003, 25th July, 2003, 17th September, 2003, 23rd October, 2003 and 24th January, 2004.

The gap between any two Board meetings did not exceed four months.

Information supplied to the Board

Detailed Agenda folder is sent to each Director well in advance of the Board meeting. To enable the Board to discharge its responsibilities effectively, the Chairman and Managing Director briefs the Board on the overall performance of the Company which is followed by pointwise discussion on Agenda items.

The information as specified in Annexure 1 to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, is made available to the Board whenever applicable and materially significant.



III. Audit Committee of Directors

Composition

The Board of Directors constituted an Audit Committee in February, 2001. Its present composition is as follows:

Name	Position held	Category
Mr. M. Sudhendranath	Chairman	Non-Executive and Independent Director
Mr. K. P. Medhekar	Member	Non-Executive and Independent Director
Capt. P. P. Radhakrishnan	Member	Non-Executive and Independent Director
Ms. Megha Samtani	Secretary	Company Secretary

The General Manager - Accounts, representative of the Internal auditors and the Statutory auditors are permanent invitees to the meetings of the Audit Committee.

Terms of reference

The powers and terms of reference of the Audit Committee are as mentioned in clause 49(II)(D) of the Listing agreement and Section 292A of the Companies Act, 1956. The terms of reference are briefly described below:

- To investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Review with the management, the annual financial statements before submission to the Board.
- Review with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors.
- Discussion with external auditors before the audit commences on the nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- Review the Company's financial and risk management policies.
- To look into the reasons for substantial default in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

The Committee is vested with necessary powers, as defined in its Charter, to achieve its objectives.

Meetings and attendance during the year

During the financial year under review, the Audit Committee met thrice, i.e., 27th May, 2003, 23rd October, 2003 and 23rd January, 2004 where all the Members were present.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. As a matter of policy, Minutes of the Audit Committee meetings are circulated to all Directors within one week of the conclusion of the meeting.

The Chairman of the Audit Committee was present at the 15th Annual General Meeting held on 17th September, 2003.

IV. Shareholders' / Investors Grievance Committee of Directors

Composition

The Board of Directors constituted a Shareholders' / Investors Grievance Committee in June, 2001. Its present composition is as follows:

Name	Position held	Category
Mr. K. P. Medhekar	Chairman	Non-Executive and Independent Director
Mr. V. Ramnarayan	Member	Non-Executive Director; Not Independent
Ms. Megha Samtani	Secretary	Company Secretary & Compliance Officer

Terms of reference

- a. Review the existing investor redressal system and suggest measures for improvement.
- b. Resolution of investor grievances / complaints.
- c. Suggest improvement in investor relations.
- d. Consider and take on record Certificate from a practicing Company Secretary under clause 47(c) of the Listing agreement.
- e. Propose to the Board of Directors, the appointment / re-appointment of the Registrar and Share Transfer Agent, including the terms and conditions, remuneration, service charge / fees.

Meetings and attendance during the year

The Company has held three meetings of the Shareholders' / Investors Grievance Committee during the year ended on 31st March, 2004. These were on 9th May, 2003, 27th May, 2003 and 17th September, 2003. All members of the Committee were present at the above meetings.

The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the "Compliance Officer" as required under Sebi regulations / Listing agreement, and the Registrar and Share Transfer Agent, M/s. Intime Spectrum Registry Ltd. attend to all grievances of the Shareholders and the investors. The Company and M/s. Intime Spectrum Registry Ltd. are making further attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Shareholders. The Directors review the position on all major investor grievances at meetings of the Board of Directors and the Shareholders' / Investors Grievance Committee.

A comparative statement of the various complaints received and redressed by the Company and M/s. Intime Spectrum Registry Ltd. during the year 2003-04 is given below:

Nature of complaints	Number of complaints	
	Received	Pending
Non-receipt of dividend	25	0
Non-receipt of Share certificates after transfer	17	0
Non-receipt of Annual report	2	0
Non-receipt of demat credit / remat credit	24	0
Non-receipt of rejected Demat Requisition Form	24	0

No share transfers were pending as on 31st March, 2004.

V. Remuneration Committee

Composition

The Board of Directors constituted a Remuneration Committee in January, 2004. Its present composition is as follows:

Name	Position held	Category
Capt. P. P. Radhakrishnan	Chairman	Non-Executive and Independent Director
Mr. K. P. Medhekar	Member	Non-Executive and Independent Director
Mr. M. Sudhendranath	Member	Non-Executive and Independent Director
Ms. Megha Samtani	Secretary	Company Secretary

Terms of reference

- a. Determine the Company's policy on specific remuneration packages for Executive Directors.
- b. Bring about objectivity in determining the remuneration package of Executive Directors while striking a balance between the interest of the Company and the Shareholders.
- c. Recommend the remuneration package of Executive Directors to the Board for its approval.

Meetings and attendance during the year

During the financial year ended 31st March, 2004, the Remuneration Committee met once, i.e., on 24th January, 2004 where all the Members were present.



Remuneration Policy

The Board of Directors / Remuneration Committee of Directors is authorised to decide the remuneration of the Executive Director(s), subject to the approval of the Shareholders and the Central Government, if required. The details of remuneration paid to Mr. S. Ramakrishnan, Chairman & Managing Director for the year 2003-04 have been disclosed in Note no.8 to the accounts. The same is paid in terms of the approval received from the Central Government vide its letter bearing reference no. 1/301/99-CG VII dated 15th November, 1999 which is valid upto 31st March, 2004.

The Non-Executive Directors are paid remuneration by way of Sitting fees of Rs.2,000/- per Board and Committee Meeting attended. The details of sitting fees paid to the Non-Executive Directors for the year 2003-04 are as under:

Name of the Director	Sitting fee for Board meetings (Rs.)	Sitting fee for Committee meetings (Rs.)
Mr. V. Ramnarayan	12,000	-
Mr. S. Mahesh	6,000	-
Mr. L. B. Culas	4,000	-
Mr. K. P. Medhekar	8,000	6,000
Capt. P. P. Radhakrishnan	10,000	6,000
Mr. M. Sudhendranath*	10,000	6,000

* Sitting fees paid to ICICI Bank Ltd.

VI. Other Committees

(a) Executive Committee

Executive Committee is the Committee constituted by the Board for taking certain routine business decisions in accordance with the guidelines prescribed by the Board. The composition of the Committee is as follows:

Name	Position held	Category
Mr. V. Ramnarayan	Chairman	Director
Mr. K. P. Medhekar	Member	Director
Mr. M. Sudhendranath	Member	Director

Meetings of the Executive Committee are held as and when required.

(b) Share Transfer Committee

The Share Transfer Committee has been set up for approving the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced Share certificates, etc. ensuring compliance with legal requirements of share transfers and co-ordination with the Registrar and Share Transfer Agent, Depositories, etc. The composition of the Committee is as follows:

Name	Position held	Category
Mr. S. Ramakrishnan	Chairman	Chairman & Managing Director
Mr. V. Ramnarayan	Member	Director
Mr. S. Mahesh	Member	Director
Ms. Megha Samtani	Member	Company Secretary
Capt. Kapil Kekre*	Member	General Manager - Commercial
Mr. Anand Meecheri	Member	General Manager - Accounts
Capt. V. K. Singh®	Member	General Manager - Commercial & Operations

* resigned with effect from 27th January, 2004

® appointed with effect from 27th January, 2004

Meetings of the Share Transfer Committee are held as and when required, usually fortnightly. 24 meetings of the Share Transfer Committee were held during the year 2003-04.

VII. General Body Meetings
a. Particulars of the last three Annual General Meetings (AGM's):

Financial year	AGM No.	Date	Venue	Time
2002-03	15th	17th September, 2003	Sivaswamy Auditorium of Fine Arts Cultural Centre, Chembur (East) Mumbai - 400 071	11.00 a.m.
2001-02	14th	25th July, 2002		11.00 a.m.
2000-01	13th	23rd August, 2001		11.00 a.m.

Extra-ordinary General Meeting (EGM) of the Members of the Company was held on 22nd October, 2002 at Sivaswamy Auditorium of Fine Arts Cultural Centre, Chembur (East), Mumbai - 400 071 at 10.00 a.m. to consider amendment to the Memorandum and Articles of Association of the Company and issue of 9% non-convertible, cumulative, redeemable preference shares of Rs.100/- each under Section 81(1A) of the Companies Act, 1956.

b. Special resolutions passed at last three Annual General Meetings:

No Special resolution was passed at the last three Annual General Meetings.

c. Passing of resolutions by Postal ballot

During the year ended 31st March, 2004, there have been no resolutions passed by the Company's Shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

VIII. Disclosures
a. Disclosure regarding appointment or re-appointment of Directors

Mr. V. Ramnarayan and Mr. S. Mahesh retire by rotation and being eligible, offer themselves for re-appointment. Mr. S. Ramakrishnan is being recommended for re-appointment as Chairman & Managing Director of the Company for a further period of five years with effect from 1st April, 2004. The brief resume of these Directors is given hereinbelow:

i. Name: Mr. S. Ramakrishnan
Experience:

Mr. S. Ramakrishnan is the driving force behind the Company. He is around 43 years of age. He is a Commerce Graduate having over 26 years of experience in the shipping industry including hands on experience in shipowning, chartering and ship management. His extensive experience in all facets of running container feeder services has helped the Company in making all round progress including achieving consistent profitability. He directly oversees the day-to-day activities of the Company.

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
ADMEC Logistics Ltd.	Director
Albatross Shipping Pvt. Ltd.	Director
Albatross Surveyors Ltd.	Director
Balaji Logistics Pvt. Ltd.	Director
Clarion Shipping Agency Pvt. Ltd.	Director
Crescent Shipping Agency (I) Pvt. Ltd.	Director
Crescent Take Global Supply Chain Pvt. Limited	Director
Haytrans (India) Pvt. Ltd.	Director
Meridian Shipping Agency Pvt. Ltd.	Director
Orient Express Ship Management Ltd.	Director
Relay Shipping Agency Ltd.	Director
Sea Orient Shipping (India) Pvt. Ltd.	Director
Shreyas Shipping Services (India) Pvt. Ltd.	Director
Sivaswamy Holdings Pvt. Ltd.	Director
Tejas Oil Pvt. Ltd.	Director
Transcorp Finance Ltd.	Director
Transcorp Securities Ltd.	Director



<u>Name of the companies/firm</u>	<u>Nature of interest</u>
Transworld Constructions Pvt. Ltd.	Director
Transworld Energies Ltd.	Director
Transworld Logistics Private Limited	Director
Transworld Management Consultancy Pvt. Ltd.	Director
Transworld Oil Pvt. Ltd.	Director
Transworld Pharma (Madras) Pvt. Ltd.	Director
Transworld Plantations Pvt. Ltd.	Director
Transworld Shipping Services (India) Pvt. Ltd.	Director
Trident Overseas Pvt. Ltd.	Director
Trident Trading Pvt. Ltd.	Director
Yashodham Chit Fund Pvt. Ltd.	Director

Committee memberships : NIL

II. Name: Mr. V. Ramnarayan

Experience:

Mr. V. Ramnarayan is around 55 years of age. He is a Graduate in Science from the University of Mumbai with a Post Graduate Diploma in Business Management. He has over 26 years of experience in the container shipping industry. 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.

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
ADMEC Logistics Ltd.	Director
Albatross Shipping Pvt. Ltd.	Director
Albatross Surveyors Ltd.	Director
Balaji Logistics Pvt. Ltd.	Director
Clarion Shipping Agency Pvt. Ltd.	Director
Crescent Shipping Agency (I) Pvt. Ltd.	Director
Crescent Take Global Supply Chain Pvt. Ltd.	Director
Haytrans (India) Pvt. Ltd.	Director
Interseas Shipping Pvt. Ltd.	Director
Meridian Shipping Agency Pvt. Ltd.	Director
NLS Agency (India) Pvt. Ltd.	Director
Orient Express Ship Management Ltd.	Director
Relay Shipping Agency Ltd.	Director
Sea Orient Shipping (India) Pvt. Ltd.	Director
Shreyas Shipping Services (India) Pvt. Ltd.	Director
Sivaswamy Holdings Pvt. Ltd.	Director
Transcorp Finance Ltd.	Director
Transcorp Securities Ltd.	Director
Transworld Constructions Pvt. Ltd.	Director
Transworld Energies Limited	Director
Transworld Logistics Pvt. Ltd.	Director
Transworld Management Consultancy Pvt. Ltd.	Director
Transworld Pharma (Madras) Pvt. Ltd.	Director
Transworld Plantations Pvt. Ltd.	Director
Transworld Shipping Services (India) Pvt. Ltd.	Managing Director
Trident Overseas Pvt. Ltd.	Director
Trident Trading Pvt. Ltd.	Director
Committee memberships: NIL	

III. Name: Mr. S. MaheshExperience:

Mr. S. Mahesh is around 37 years of age. He is a Graduate in Commerce from the University of Mumbai and has hands on experience in shipowning and ship management. In addition, he has expertise in International Trading.

Other Directorships:

<u>Name of the companies/firm</u>	<u>Nature of interest</u>
ADMEC Logistics Ltd.	Director
Albatross Shipping Pvt. Ltd.	Director
Albatross Surveyors Ltd.	Director
Balaji Logistics Pvt. Ltd.	Director
Clarion Shipping Agency Pvt. Ltd.	Director
Crescent Shipping Agency (I) Pvt. Ltd.	Director
Haytrans (India) Pvt. Ltd.	Director
Meridian Shipping Agency Pvt. Ltd.	Director
NLS Agency (India) Pvt. Ltd.	Director
Orient Express Ship Management Ltd.	Director
Relay Shipping Agency Ltd.	Director
Sea Orient Shipping (India) Pvt. Ltd.	Director
Shreyas Shipping Services (Ind) Pvt. Ltd.	Director
Sivaswamy Holdings Pvt. Ltd.	Director
Tejas Oil Pvt. Ltd.	Director
Transcorp Finance Ltd.	Director
Transcorp Securities Ltd.	Director
Transworld Constructions Pvt. Ltd.	Director
Transworld Energies Ltd.	Director
Transworld Logistics Private limited	Director
Transworld Management Consultancy Pvt. Ltd.	Director
Transworld Oil Pvt. Ltd.	Director
Transworld Pharma (Madras) Pvt. Ltd.	Director
Transworld Plantations Pvt. Ltd.	Director
Transworld Shipping Services (India) Pvt. Ltd.	Director
Trident Overseas Pvt. Ltd.	Director
Trident Trading Pvt. Ltd.	Director

Committee memberships: NIL

- b. The Company has duly complied with the requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority.
- c. There are some materially significant related party transactions, pecuniary transactions or relationships between the Company and its Promoters, Directors or the Management, their subsidiaries or relatives, etc. and Annexure I to the Notes to accounts sets out the nature of transactions with Related Parties. These are not in conflict with the interests of the Company in view of the following:
- All details relating to financial and commercial transactions, wherein Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.
 - These are at prices which are reasonable having regard to the prevailing market prices at the relevant time.

IX. Means of communication

- a. The financial results are generally published in the Free Press Journal and Navshakti. With effect from quarter ended 31st December, 2003, the financial results of the Company are being published in leading newspapers such as the Economic Times and Maharashtra Times to provide easier accessibility to the Shareholders.



The financial results are also displayed on the Company's website www.shreyas.co.in. In compliance with clause 51 of the Listing agreement with the Stock Exchanges, the Company is posting the required statements or documents on the Electronic Data Information Filing and Retrieval 'Edifar' website maintained by NIC. The same can be viewed by logging on to www.sebi.gov.in.

- b. Official press releases and presentations as and when made to the media and Analysts are made available on the Company's website www.shreyas.co.in.
- c. The Management's Discussion & Analysis Report is appearing as Annexure I to the Directors' Report.

X. Auditors' certificate on Corporate Governance

The Auditors certificate on compliance with the Corporate Governance requirements under Clause 49 of the Listing agreements entered into with the Stock Exchanges is given as Annexure III to the Directors' Report.

XI. Code of Conduct for prevention of Insider trading

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading" with effect from 24th May, 2002. The Company Secretary has been appointed as the "Compliance Officer" for this purpose. The Code of Conduct is applicable to all Directors and such employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

XII. Status of compliance with non-mandatory requirements

- a. The Board of Directors has constituted a Remuneration Committee of Directors.
- b. Since the half-yearly financial results are being published in leading newspapers as well as being displayed on the Company's website and EDIFAR website of the SEBI, the Results are not being sent to each household of Shareholders.

XIII. General Shareholders' Information

S. No.	Salient items of interest	Particulars
i.	AGM date	Friday, 23rd July, 2004
ii.	AGM Time	11:00 a.m.
iii.	AGM Venue	Sivaswamy Auditorium of Fine Arts Cultural Centre, 61/21 R. C. Marg, Opp. Vijaya Bank, Chembur, Mumbai - 400 071
iv.	Financial Calendar (tentative)	1.04.2004 to 31.03.2005
	Results for the quarter ending	
	30th June, 2004	Last week of July, 2004
	30th September, 2004	Last week of October, 2004
	31st December, 2004	Last week of January, 2005
	31st March, 2005	Last week of June, 2005
		Annual General Meeting is proposed to be held in September, 2005
v.	Dates of Book Closure	Friday, 16th July, 2004 to Friday, 23rd July, 2004 (both days inclusive)
vi.	Dividend Payment date	The final dividend on Equity shares, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par on or after Thursday, 29th July, 2004, to those Members whose names appear on the Company's Register of Members as holders of Equity Shares in physical form on Friday, 23rd July, 2004. In respect of Shares held in dematerialised form, the dividend will be paid on the basis of beneficial ownership details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on the close of business hours on Thursday, 15th July, 2004. The final dividend on Preference shares, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting, will be paid at par on or after Friday, 23rd July, 2004, to the Preference Shareholders.
vii.	Listing on Stock Exchanges	The Stock Exchange, Mumbai National Stock Exchange of India Ltd. Madras Stock Exchange Ltd. Cochin Stock Exchange The Stock Exchange, Ahmedabad

		<ul style="list-style-type: none"> ● Annual listing fees for the year 2004-05, as applicable, have been paid to all Stock Exchanges. ● The Company proposes to delist its Shares from the Madras Stock Exchange Ltd., Cochin Stock Exchange and The Stock Exchange, Ahmedabad in accordance with the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003. However, the Shares of the Company will continue to be listed on The Stock Exchange, Mumbai and National Stock Exchange of India Ltd. Necessary Resolution for this purpose forms part of the Notice of the Annual General Meeting and is recommended to the Members for their approval.
viii.	Stock Code	520151 - The Stock Exchange, Mumbai SHREYASHIP - National Stock Exchange of India Ltd. SHG - Madras Stock Exchange Ltd. SYH - Cochin Stock Exchange 53117 - The Stock Exchange, Ahmedabad
ix	The International Securities Identification Number (ISIN Number) for the Company's Shares in dematerialised form.	INE757B01015
x.	Registrar & Share Transfer Agents	Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (West) Mumbai - 400 078 Tel nos. 5555 5454 ; Fax no. 5555 5353
xi.	Share Transfer System	Transfer of Shares in physical form are processed by M/s. Intime Spectrum Registry Limited and are approved by the Share Transfer Committee, which usually meets fortnightly. Transfers of Shares are effected and Share Certificates are dispatched within a period of 30 days from the date of receipt of the request, provided the relevant documents are valid and complete in all respects. Trading in the Company's Shares is permitted only in dematerialised form. In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit of the accounts involved.
xii.	Dematerialisation of shares	As at 31st March, 2004 - 5508 members (32.42% of the total members) hold 18,22,000 Equity Shares of Rs.10/- each (9.19% of the total Equity Shares) in dematerialised mode.
xiii.	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	Not applicable
xiv.	Plant locations	Not applicable as the Company is a ship owning Company.
xv.	Address for correspondence	Registered office: 1110/1111 Embassy Centre Nariman Point Mumbai - 400 021 Administrative office: 'Orient Shreyas', Plot no.203 Station Avenue Road Chembur (East) Mumbai - 400 071 Registrar & Share Transfer Agent M/s. Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (West) Mumbai - 400 078



Distribution of Shareholding as on 31st March, 2004

Category (Nominal value of shares) From To		No. of Shareholders	% of Shareholders	Share amount (In Rs.)	% of Shareholding
Upto	2,500	15,223	89.59	16,372,120	8.26
2,501 -	5,000	1,006	5.92	4,095,730	2.07
5,001 -	10,000	410	2.41	3,431,940	1.73
10,001 -	20,000	195	1.15	2,962,880	1.49
20,001 -	30,000	65	0.38	1,595,470	0.80
30,001 -	40,000	19	0.11	669,020	0.34
40,001 -	50,000	18	0.11	852,420	0.43
50,001 -	1,00,000	22	0.13	1,646,550	0.83
1,00,001 & above		33	0.20	166,615,870	84.05
Total		16,991	100.00	198,242,000	100.00

Shareholders' profile

As on 31st March, 2004, the Company had 16,991 Shareholders. The Company's Shares are held by diverse entities as per the following break-up:

Sr. No.	Category	No. of Shares held	% of shareholding
(I)	Promoter's holding		
1	Promoters		
	Indian Promoters	3,796,600	19.15
	Foreign Promoters	12,351,650	62.31
2	Persons acting in concert	94,100	0.47
(II)	Non Promoter's holding		
3	Institutional Investors		
	A Mutual funds and UTI	900	0.00
	B Banks, Financial Institutions, Insurance Companies	21,500	0.11
4	Others		
	A Private Corporate Bodies	326,418	1.65
	B Indian Public	3,227,382	16.28
	C NRIs / OCBs	5,650	0.03
Total (1+2+3+4)		19,824,200	100.00

Stock price data

(1) The monthly high and low stock quotations during the financial year 2003-04 and performance in comparison to the BSE Sensex is given below:

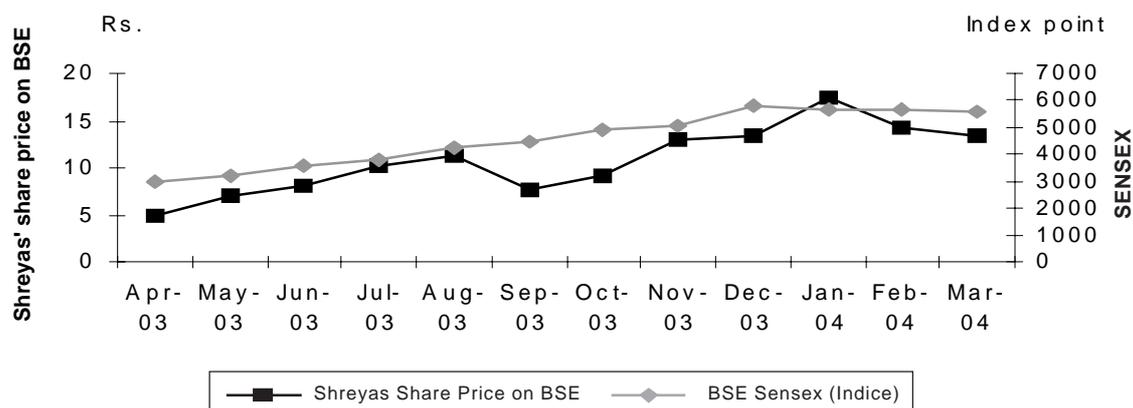
Month & Year	Share Price of Shreyas on BSE		Sensex	
	Month's High (Rs.)	Month's Low (Rs.)	Month's High (Index point)	Month's Low (Index point)
April 2003	5.75	4.15	3221.90	2904.44
May 2003	7.90	4.50	3200.48	2934.78
June 2003	9.00	5.71	3632.84	3170.38
July 2003	10.14	6.30	3835.75	3534.06
August 2003	15.05	10.48	4277.64	3722.08
September 2003	12.55	6.63	4473.57	4097.55
October 2003	10.84	7.16	4951.11	4432.93
November 2003	13.06	7.00	5135.00	4736.70
December 2003	15.16	11.10	5920.76	5082.82
January 2004	22.40	13.26	6249.60	5567.68
February 2004	18.65	14.00	6082.80	5550.17
March 2004	14.50	10.70	5951.03	5324.78

(2) **Shares traded during 1st April, 2003 to 31st March, 2004**

Number of shares traded: 15,82,005

Number of trades: 9,274

(3) **The Company's share price movement (closing share price at the end of each month) during 2003-04 on BSE vis-a-vis Sensex (closing Index point at the end of each month) is given below:**



For and on behalf of the Board of Directors

Place : Mumbai
Date : 20th May, 2004

S. Ramakrishnan
Chairman & Managing Director

Certificate

(Annexure III to the Directors' Report)

To The Members of

Shreyas Shipping Limited

We have examined the compliance of conditions of Corporate Governance by Shreyas Shipping Ltd. for the year ended on 31st March, 2004 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2004, no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Sridhar & Santhanam
Chartered Accountants

Place : Mumbai
Date : 20th May, 2004

S. Ramakrishnan
Partner
Membership No.18967



Auditors' Report

To,
The Members of Shreyas Shipping Ltd.

1. We have audited the attached Balance sheet of Shreyas Shipping Ltd. as at 31st March 2004, the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - (iii) The Balance sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance sheet, Profit and Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in case of the Balance sheet, of the state of affairs of the company as at 31st March, 2004;
 - (b) in case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (c) in case of the Cash Flow statement, of the cash flows for the year ended on that date.

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner

Membership No.18967

Place : Mumbai
Date : 20th May, 2004

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date.)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i)
 - a) The company is maintaining proper records for all major assets showing full particulars including quantitative details and situation of fixed assets.
 - b) The major fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c) Substantial part of fixed assets have not been disposed off during the year.
- ii)
 - a) Physical verification of inventory has been conducted at reasonable intervals by the management.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

- c) Proper records of inventory are maintained and no material discrepancies were noticed on physical verification.
- iii) Company has neither granted nor taken any loans from companies etc. covered in the register maintained under Section 301 of the Act.
- iv) There is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets; the company does not sell any goods. During the course of audit, we have not observed any continuing failures to correct major weaknesses in internal controls.
- v) a) According to information and explanations given to us, transactions that need to be entered into a register in pursuance of Section 301 of the Act have been so entered.
- b) In the case of transactions with parties entered in Section 301 register, exceeding the value of Rs. 5 Lacs in respect of any one party in the year, according to the information and explanations given to us, these have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The company has not accepted any deposits from the public.
- vii) The company has an internal audit system commensurate with its size and nature of its business.
- viii) Maintenance of cost records has not been prescribed by the Central Government for this company.
- ix) a) The company is regular in depositing undisputed statutory dues including PF, Investor education and protection fund, ESI, Sales tax, Custom duty, excise duty, cess and other statutory dues with the appropriate authorities except that:
- A. Seaman's Provident fund of Rs.17016 has been paid during the year after a delay of 276 days and
- B. There have been delays in payment of TDS on salary to crew/officers during the year.
- b) No undisputed amounts payable in respect of the statutory dues were in arrears, as at March 31, 04 for a period of more than six months from the date they became payable except that :
- A. An amount of Rs.12945 relating to Seaman's Provident fund is outstanding for a period of more than six months as on March 31, 04 and
- B. TDS crew/ Officers account is under reconciliation and, we are informed that there are no amounts outstanding for a period of over six months.
- c) There are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The company has no accumulated losses nor has it incurred any cash loss during the financial year covered by audit and the immediately preceding financial year.
- xi) The company has not defaulted in repayment of dues to any financial institution or bank or debenture-holders.
- xii) No loans /advances have been given by the company on the basis of security.
- xiii) Provisions of special statute applicable to chit fund are not applicable to this company.
- xiv) Company does not deal or trade in shares, securities etc.
- xv) No guarantees have been given by the company for loans taken by others.
- xvi) Term loans have been applied by the company for the purpose for which loans were obtained.
- xvii) On an overall examination of the Balance sheet of the company we report that funds raised for short term have been used to the extent of Rs 2.33 Crores for long term purposes. Company informs us that they intend correcting this by using internal accruals in the ensuing year.
- xviii)The company has not made any preferential allotment of shares during the year.
- xix) No debentures have been issued by the company.
- xx) There has been no Public issue during the year.
- xxi) According to the information and explanations provided to us, no fraud on or by the company has been noticed or reported during the year.

For Sridhar & Santhanam
Chartered Accountants

(S.Ramakrishnan)
(Partner)
Membership.No. 18967

Place : Mumbai
Date : 20th May, 2004



BALANCE SHEET AS ON 31ST MARCH, 2004

(AMOUNT IN RUPEES)

	Schedule	AS AT 31.03.2004	AS AT 31.03.2003
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1	328,242,000	328,242,000
RESERVES AND SURPLUS	2	263,294,374	230,386,409
		<u>591,536,374</u>	<u>558,628,409</u>
LOAN FUNDS			
SECURED LOANS	3	158,224,459	476,051,079
UNSECURED LOANS		—	—
		<u>158,224,459</u>	<u>476,051,079</u>
DEFERRED TAX LIABILITY (NET)		<u>76,779,891</u>	<u>57,333,018</u>
	TOTAL	<u><u>826,540,724</u></u>	<u><u>1,092,012,506</u></u>
APPLICATION OF FUNDS			
FIXED ASSETS			
GROSS BLOCK	4	1,212,621,304	1,381,270,517
LESS : DEPRECIATION		418,026,683	360,297,862
NET BLOCK		<u>794,594,621</u>	<u>1,020,972,655</u>
INVESTMENTS			
CURRENT ASSETS, LOANS AND ADVANCES	5	1,405,000	22,451,256
INVENTORIES	6	16,739,318	17,500,664
SUNDRY DEBTORS	7	53,560,761	52,623,473
CASH AND BANK BALANCES	8	11,696,530	8,872,206
OTHER CURRENT ASSETS	9	6,844,101	36,153,051
LOANS AND ADVANCES	10	49,843,580	49,404,348
		<u>138,684,290</u>	<u>164,553,742</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES	11	83,402,415	150,284,794
PROVISIONS	12	40,036,074	5,822,052
		<u>123,438,489</u>	<u>156,106,846</u>
NET CURRENT ASSETS		<u>15,245,801</u>	<u>8,446,896</u>
MISCELLANEOUS EXPENDITURE			
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
SHARE ISSUE EXPENSES	13	—	1,772,538
DRY DOCK/ SPECIAL SURVEY EXPENSES		15,295,302	38,369,161
		<u>15,295,302</u>	<u>38,369,161</u>
	TOTAL	<u><u>826,540,724</u></u>	<u><u>1,092,012,506</u></u>
NOTES TO ACCOUNTS	18		

AS PER OUR REPORT ATTACHED

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner
Membership No. 18967

Place : Mumbai
Date : 20th May, 2004

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman and Managing Director

V. Ramnarayan
Director

K. P. Medhekar
Director

Place : Mumbai
Date : 20th May, 2004

Anil Devli
Chief Executive Officer

Megha Samtani
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2004

(AMOUNT IN RUPEES)			
	Schedule	Year ended 31.03.2004	Year ended 31.03.2003
INCOME			
OPERATING EARNINGS			
a) CHARTER HIRE INCOME		329,160,947	288,014,718
b) FREIGHT INCOME		439,824,765	387,724,538
OTHER INCOME			
a) PROFIT ON SALE OF SHIP		52,209,499	—
b) MISCELLANEOUS INCOME	14	17,098,252	14,791,753
TOTAL INCOME		838,293,463	690,531,009
EXPENDITURE			
OPERATING EXPENSES	15	592,577,092	525,289,702
ADMINISTRATION & OTHER EXPENSES	16	49,302,651	37,108,812
INTEREST	17	17,465,457	27,390,551
DEPRECIATION		78,827,351	66,864,563
LESS : DEPRECIATION ADJUSTED FROM CAPITAL RESERVE		(134,704)	(168,286)
		78,692,647	66,696,277
TOTAL EXPENDITURE		738,037,847	656,485,342
PROFIT BEFORE TAX		100,255,616	34,045,667
ADD / (LESS) PRIOR PERIOD ITEM		—	4,426,811
LESS : PROVISION FOR TAXATION			
- CURRENT		7,730,000	2,700,000
- DEFERRED		19,446,873	25,119,449
PROFIT AFTER TAX		73,078,743	10,653,029
BALANCE BROUGHT FORWARD		46,505,150	41,674,173
AMOUNT AVAILABLE FOR APPROPRIATION		119,583,893	52,327,202
APPROPRIATIONS			
PROPOSED EQUITY DIVIDEND		23,789,040	—
PROPOSED PREFERENCE DIVIDEND		11,700,000	5,160,822
TAX ON DIVIDEND		4,547,034	661,230
SURPLUS CARRIED FORWARD TO BALANCE SHEET		79,547,819	46,505,150
		119,583,893	52,327,202
NOTES TO ACCOUNTS	18		
EARNINGS PER SHARE - BASIC AND DILUTED (REFER NOTE 14 IN SCHEDULE 18)		3.02	0.24

AS PER OUR REPORT ATTACHED

For Sridhar & Santhanam
 Chartered Accountants

S. Ramakrishnan
 Partner
 Membership No. 18967

 Place : Mumbai
 Date : 20th May, 2004

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
 Chairman and Managing Director

V. Ramnarayan
 Director

K. P. Medhekar
 Director

 Place : Mumbai
 Date : 20th May, 2004

Anil Devli
 Chief Executive Officer

Megha Samtani
 Company Secretary



SCHEDULES TO BALANCE SHEET

(AMOUNT IN RUPEES)

	AS AT 31.03.2004	AS AT 31.03.2003
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
24,000,000 Equity Shares of Rs 10/- each	240,000,000	240,000,000
1,400,000 9% Non Convertible Cumulative Redeemable Preference Shares of Rs 100/- each	140,000,000	140,000,000
	380,000,000	380,000,000
ISSUED, SUBSCRIBED AND PAID UP		
19,824,200 Equity Shares of Rs 10/- each fully Paid up	198,242,000	198,242,000
Of above, 10,162,750 Equity Shares of Rs 10/- each allotted as fully paid up pursuant to a contract without payment being received in cash.		
1,300,000 9% Non-Convertible, Cumulative, Redeemable Preference Shares of Rs 100/- each fully paid up	130,000,000	130,000,000
There is a put & call option to redeem the Preference Shares at the expiry of 24 months from the date of allotment (390,000 to be redeemed after 36 months from the date of allotment) (390,000 to be redeemed after 48 months from the date of allotment) (520,000 to be redeemed after 60 months from the date of allotment) Date of allotment : 22nd October, 2002		
TOTAL	328,242,000	328,242,000
SCHEDULE 2 : RESERVES AND SURPLUS		
SHARE PREMIUM ACCOUNT		
As per last balance sheet	177,272,000	177,272,000
GENERAL RESERVE		
As per last balance sheet	5,359,620	42,000,000
Less : Opening Deferred Tax Liability	—	(36,640,380)
	5,359,620	5,359,620
CAPITAL RESERVE		
As per last balance sheet	1,249,639	1,417,925
Less : Provision for depreciation on Capital Reserve	(134,704)	(168,286)
	1,114,935	1,249,639
SURPLUS AS PER PROFIT AND LOSS ACCOUNT		
	79,547,819	46,505,150
TOTAL	263,294,374	230,386,409

SCHEDULE 3 : SECURED LOANS

		(AMOUNT IN RUPEES)	
		AS AT 31.03.2004	AS AT 31.03.2003
LOANS FROM BANKS			
1.	TERM LOANS	—	17,444,000
(a)	ICICI BANK LTD. (RUPEE LOAN)		
	Secured by a pari passu charge by way of mortgage of 3 ships and pari passu charge by way of hypothecation on all present and future immovable and movable assets such as short term securities, recoverables, cash and bank balances, fixed deposits with banks, ship's stores and supplies and other movable assets and personally guaranteed by three Directors and Transworld Holdings Limited, Mauritius, a company in which two Directors of the Company are directors.		
(b)	ICICI BANK LTD. (FCNR LOAN)	102,511,943	317,626,986
	Secured by a pari passu charge by way of mortgage of 2 ships and personally guaranteed by three Directors and Orient Express Lines Inc., Panama, a company in which two Directors of the company are directors and Orient Express Lines Ltd., Mauritius, a company in which three Directors of the Company are directors.		
(c)	ICICI BANK LTD. CAR LOAN	1,831,091	2,070,203
	Secured by hypothecation of Car.		
2.	WORKING CAPITAL LOANS		
(a)	STATE BANK OF INDIA (FCNR LOAN)	25,911,663	49,937,953
	Secured by way of hypothecation of current assets (including book debts) of the Vessel M.V.Orient Independence, statutory Mortgage of the company's vessels M.V.Orient Independence (first mortgage) and M.V.Orient Prosperity (second mortgage), personal Guarantee of two Directors and Corporate Guarantee of M/s. Orient Express Lines Ltd., Mauritius, a company in which three Directors of the Company are directors.		
(b)	STANDARD CHARTERED BANK	27,969,762	88,971,937
	Secured by hypothecation of present and future book debts and stocks.		
TOTAL		158,224,459	476,051,079



SCHEDULE 4 : FIXED ASSETS

(AMOUNT IN RUPEES)

PARTICULARS	FLEET	EQUIPMENTS ON BOARD	CONTAINER EQUIPMENT	FURNITURE & FIXTURES	OFFICE EQUIPMENTS	VEHICLES	ADJUSTMENT FOR DEPRECIATION ON CAPITAL RESERVE	TOTAL 31.03.2004	TOTAL 31.03.2003
GROSS BLOCK AS AT 01.04.2003	1,343,325,255	16,255,040	—	4,010,585	12,546,115	5,133,522	—	1,381,270,517	1,233,188,995
ADDITIONS DURING THE YEAR	—	—	431,250	—	330,569	967,823	—	1,729,642	160,228,466
	1,343,325,255	16,255,040	431,250	4,010,585	12,876,684	6,101,345	—	1,383,000,159	1,393,417,461
DELETIONS DURING THE YEAR	(166,991,320)	(205,000)	—	—	(2,510,979)	(671,556)	—	(170,378,855)	(12,146,944)
GROSS BLOCK AS AT 31.03.2004	1,176,333,935	16,050,040	431,250	4,010,585	10,365,705	5,429,789	—	1,212,621,304	1,381,270,517
DEPRECIATION AS ON 01.04.2003	345,868,359	4,180,308	—	1,721,001	7,896,044	463,864	168,286	360,297,862	293,980,345
DEPRECIATION FOR THE YEAR	76,379,751	809,425	7,502	195,802	906,885	393,282	134,704	78,827,351	66,864,563
DEPRECIATION AS ON 31.03.2004	422,248,110	4,989,733	7,502	1,916,803	8,802,929	857,146	302,990	439,125,213	360,844,908
DEPRECIATION DEDUCTION DURING THE YEAR	(19,013,010)	(22,401)	—	—	(1,785,048)	(278,071)	—	(21,098,530)	(547,046)
DEPRECIATION UPTO 31.03.2004	403,235,100	4,967,332	7,502	1,916,803	7,017,881	579,075	302,990	418,026,683	360,297,862
NET BLOCK AS ON 31.03.2004	773,098,835	11,082,708	423,748	2,093,782	3,347,824	4,850,714	(302,990)	794,594,621	1,020,972,655
NET BLOCK AS AT 31.03.2003	997,456,895	12,074,733	—	2,289,584	4,650,071	4,669,658	(168,286)	1,020,972,655	

Addition/ (Deletion) to Fleet include (Rs. 16,370,407) /- (Previous Year Rs. 10,363,749/-) towards adjustment in respect of exchange difference.

SCHEDULE 5 : INVESTMENTS
Particulars of Investments
(A) Equity Shares (At cost) - Quoted

Fully Paid-up unless otherwise stated.

S.No.	Name of the Company	Face Value Rupees	As at 31.03.2004		As at 31.03.2003	
			No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
1	Pearl Organics Ltd.	10	—	—	7,800	374,790
2	Bhuvan Tripura Ltd.	1	1,000	—	61,000	117,474
3	Jindal Vijaynagar Steels Ltd.	10	200	—	10,000	133,900
4	Godavari Drugs Ltd.	10	15,000	600,000	15,000	600,000
5	Petron Engineering Ltd.	10	—	—	100	7,000
				600,000		1,233,164
	Less: Provision for diminution in value of investments			495,000		994,374
	Total (A)			105,000		238,790

(B) Equity Shares (Non-Trade) (At cost) Unquoted

Fully Paid-up unless otherwise stated.

S.No.	Name of the Company	Face Value Rupees	As at 31.03.2004		As at 31.03.2003	
			No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
1	Spectrum Corporate Services Ltd.	10	100,000	1,000,000	100,000	1,000,000
2	Orient Express Ship Management Ltd.	10	30,000	300,000	30,000	300,000
	Total (B)			1,300,000		1,300,000

(C) 15% BONDS - Quoted

S.No.	Name of the Company	Face Value Rupees	As at 31.03.2004		As at 31.03.2003	
			No. of Bonds	Amount Rupees	No. of Bonds	Amount Rupees
1	Sardar Sarovar Narmada Nigam Ltd.	50,000	—	—	400	20,912,466
	Total (C)			—		20,912,466
	Total investments (A+B+C)			1,405,000		22,451,256
	Aggregate Market Value of quoted investments:			106,760		267,290

(Other than Sardar Sarovar Narmada Nigam Ltd. for which recent quotes were not available)

Details of Investments (Equity Shares) Sold during the year 2003-2004

Name of the Company	No. of Shares Sold
Bhuvan Tripura Ltd.	60,000
Jindal Vijaynagar Steels Ltd.	9,800
Petron Engineering Ltd.	100
Pearl Organics Ltd.	7,800

Details of Investments (Bonds) Redeemed during the year 2003-2004

Name of the Company	No. of Bonds
Sardar Sarovar Narmada Nigam Ltd.	400



(AMOUNT IN RUPEES)

SCHEDULE 6 : INVENTORIES

(At lower of cost or market value)

	AS AT 31.03.2004	AS AT 31.03.2003
Lube Oils and Fuel Oil	16,019,553	12,950,643
Maintenance Spares & Stores	—	3,768,306
Victualling Stock	719,765	781,715
(As valued and Certified by the Management)	TOTAL	17,500,664

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured)

Over six months old		
Considered good	875,156	12,543,994
Considered doubtful	14,773,055	10,661,711
	15,648,211	23,205,705
Less: Provision for doubtful debts	14,773,055	10,661,711
	875,156	12,543,994
Others		
Considered good	52,685,605	40,079,479
	TOTAL	52,623,473

SCHEDULE 8 : CASH AND BANK BALANCES

Cash on Hand	1,734,326	2,610,264
With Scheduled Banks		
Current Accounts	6,951,712	3,073,173
Fixed Deposits	1,800,000	1,800,000
(Fixed Deposits are Pledged with Bank as Margin for Guarantees issued)		
Unclaimed Dividend Account	1,210,492	1,388,769
	TOTAL	8,872,206

SCHEDULE 9 : OTHER CURRENT ASSETS

Claims Receivable		
Considered good	5,230,492	30,546,741
Considered doubtful	827,374	—
	6,057,866	30,546,741
Less: Provision for Doubtful Claims receivable	827,374	—
	5,230,492	30,546,741
Unfinished Voyages Expenses	1,613,609	5,606,310
	TOTAL	36,153,051

		(AMOUNT IN RUPEES)	
		AS AT 31.03.2004	AS AT 31.03.2003
SCHEDULE 10 : LOANS AND ADVANCES			
(Unsecured, considered good, unless otherwise stated)			
a)	Interest income accrued but not due	23,537	2,791,142
b)	Advances recoverable in cash or in kind or for value to be received	32,898,155	22,054,812
c)	Taxation- Advance Tax Payments Less Provisions	4,857,765	2,060,640
d)	Bills receivable		
	Considered good	—	2,266,418
	Considered doubtful	2,266,418	—
		<u>2,266,418</u>	<u>2,266,418</u>
	Less: Provision for Doubtful Bills receivable	<u>2,266,418</u>	<u>—</u>
		—	2,266,418
e)	Sundry Deposits		
	Considered good	12,064,123	20,231,336
	Considered doubtful	8,200,000	—
		<u>20,264,123</u>	<u>20,231,336</u>
	Less: Provision for Doubtful Deposits	<u>8,200,000</u>	<u>—</u>
		<u>12,064,123</u>	<u>20,231,336</u>
	TOTAL	<u><u>49,843,580</u></u>	<u><u>49,404,348</u></u>
Note : The Company has not made any loans and advances in the nature of loans to associates or loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below the rate prescribed by Section 372A of the Companies Act, 1956. Also, there are no loans and advances in the nature of loans to firms / companies in which the Directors are interested. The question of granting loans and advances in the nature of loans to subsidiary companies does not arise as the Company has no subsidiary company.			
SCHEDULE 11 : CURRENT LIABILITIES			
	Sundry Creditors for Trade	55,251,489	109,656,897
	Creditors for Expenses	8,027,338	11,901,974
	Other Liabilities	17,402,034	22,184,138
	Unfinished Voyages Income	452,700	2,509,824
	Unclaimed Dividend	1,210,492	1,388,769
	Interest accrued but not due on loans	1,058,362	2,643,192
		<u>83,402,415</u>	<u>150,284,794</u>
	TOTAL	<u><u>83,402,415</u></u>	<u><u>150,284,794</u></u>
SCHEDULE 12 : PROVISIONS			
	Proposed Equity Dividend	23,789,040	—
	Proposed Preference Dividend	11,700,000	5,160,822
	Provision for tax on Dividend	4,547,034	661,230
		<u>40,036,074</u>	<u>5,822,052</u>
	TOTAL	<u><u>40,036,074</u></u>	<u><u>5,822,052</u></u>
SCHEDULE 13 : MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
SHARE ISSUE EXPENSES			
	As per last Balance Sheet	1,772,538	3,545,778
	Less: Written off during the year	<u>1,772,538</u>	<u>1,773,240</u>
		<u>—</u>	<u>1,772,538</u>
	TOTAL	<u><u>—</u></u>	<u><u>1,772,538</u></u>



SCHEDULES TO PROFIT AND LOSS ACCOUNT

(AMOUNT IN RUPEES)

	Year ended 31.03.2004	Year ended 31.03.2003
SCHEDULE 14 : OTHER INCOME		
Dividends on Long Term Investments	—	330
Clearing/Forwarding Services	5,483,779	—
Interest Others (TDS Rs. 12,12,261/-, Previous year Rs. 7,33,734/-) (Includes Interest on Long Term Investment Rs. 29 Lacs, Previous year Rs. 30 Lacs)	3,615,308	3,328,150
Insurance Claim	—	3,514,264
Provision for Diminution in Investment no longer required	499,374	—
Miscellaneous Income	7,499,791	7,949,009
TOTAL	17,098,252	14,791,753
SCHEDULE 15 : DETAILS OF OPERATING EXPENSES		
Salaries, Wages & Other Allowances for Floating Staff	133,048,507	135,419,992
Fuel/Lube Oils Consumed	153,216,616	142,927,441
Slot Hire Costs	5,926,978	2,229,620
Port and Marine Dues	83,536,309	57,774,771
Stevedoring and Cargo Expenses	5,400	441,396
Stores and Spares Consumed	58,515,746	47,605,127
Crew Victualling	12,653,980	12,779,673
Repairs and Maintenance to Fleet	21,655,490	13,015,967
Insurance and Protection Club fee	43,858,691	42,439,890
Vessel Management and Agency Fees	32,953,999	29,769,165
Dry Dock Expenses	34,482,615	36,970,412
Transportation/Loading/Handling Expenses	6,032,387	—
Provision for Doubtful Claim Receivable	827,375	—
Claim Receivable written off	2,977,638	—
Sundry Expenses	2,885,361	3,916,248
TOTAL	592,577,092	525,289,702
SCHEDULE 16 : ADMINISTRATION & OTHER EXPENSES		
Salaries and Other Allowances		
Salaries and Bonus	7,802,432	6,043,726
Contribution to Provident Fund	612,141	550,768
Staff Welfare	829,082	782,315
TOTAL	9,243,655	7,376,809
Postage, Telephone and Fax	1,905,628	2,277,561
Travelling and Conveyance	1,579,681	1,515,105
Legal, Professional and Audit Fees	1,193,260	2,271,454
Loan Conversion/ Pre-Payment Fees	3,750,000	9,030,000
Provision for Bad Debts	4,111,344	—
Doubtful Advances Written Off	2,108,242	—
Provision for Doubtful Bills Receivable / Deposits	10,466,418	—
Loss on Sale / Redemption of Investments	1,168,985	221,203
Loss on Sale of Assets	243,486	—
Insurance Expenses	287,111	253,812
Rent Expenses	1,469,000	1,100,600
Share issue Expenses	1,772,538	1,773,240
Miscellaneous Expenses	9,416,716	8,837,538
Exchange Variation	586,587	2,451,490
TOTAL	49,302,651	37,108,812
SCHEDULE 17: INTEREST		
On Loans For Fixed Periods	12,196,809	21,628,353
Others	5,268,648	5,762,198
TOTAL	17,465,457	27,390,551

SCHEDULE 18 : NOTES TO THE ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES****(i) Accounting basis and convention**

The Financial Statements are prepared under the historical cost convention on an accrual basis and comply with Section 211(3C) of the Companies Act, 1956.

(ii) Fixed Assets

Fixed Assets are stated at cost of acquisition less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Major improvements to the vessels are added to the cost of the vessel concerned.

When assets are retired or otherwise disposed off, the cost of such assets and the related accumulated depreciation are removed from the accounts. Any profit or loss on retirement or other disposal is reflected in the profit and loss account.

(iii) Depreciation

In respect of fleet, the amount determined by charging cost less residual value as technically assessed equally over the remaining estimated useful life of the fleet or depreciation at the rate prescribed (5%) under Schedule XIV of Companies Act ,1956 whichever is higher, is provided as depreciation.

Depreciation of other Fixed Assets has been provided on straight line method on pro-rata basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Where the cost of depreciable asset has undergone change due to increase/decrease in

- (a) Long term liability on account of exchange fluctuations.
- (b) Additions and major improvements forming an integral part of an asset, depreciation on such additions has been provided prospectively.

(iv) Investments (Long Term)

Investments are classified as long term investments and are stated at cost. Diminution in the value of investments, other than temporary in nature, is provided for.

(v) Inventories

Inventories are valued at Lower of Cost or Market Value. The costs are in general, determined under "First in First out" formula.

(vi) Foreign Exchange Transactions

- (a) The exchange differences on translation of foreign currency liabilities contracted for acquisition of fixed assets are added to/ deleted from the cost of the relevant fixed assets.
- (b) Current Assets and Current Liabilities are translated at the year end exchange rates. The resultant gain or loss on such translation is recognized in the Profit and Loss Account.
- (c) Transactions in foreign currencies are recorded at standard exchange rates prevailing in the respective months of the relevant transactions. The realised exchange gains or losses are recognized in the Profit and Loss Account.

(vii) Income and Expenditure

- (a) All Income and expenditure are accounted for, on accrual basis other than interest on overdue bills.
- (b) Operating Earnings represent the value of charter hire and freight earnings. Freight income is recognized on completion of the voyage.
- (c) Income and Expenses relating to voyages unfinished as at the date of Balance Sheet are carried forward and included under Current Liabilities and Current Assets respectively.

(viii) Retirement Benefits**Provident Fund and Gratuity**

The Company has schemes of retirement benefits namely Provident Fund and Gratuity and contributions are charged to the Profit and Loss account. Contributions to the Provident Fund are made to the relevant authorities.

Contributions to the Gratuity Fund are made in accordance with the terms of Group Gratuity Scheme of The Life Insurance Corporation of India. The shortfall, if any, between the amount payable to the employees and accumulated sum with The Life Insurance Corporation of India is borne by the Company.

Provision for leave encashment is provided based on actual workings for leave standing to the credit of employees at period end.

(ix) Dry Dock/Special Survey expenses

Dry Dock/Special Survey expenses (which are normally incurred twice in a period of five years) were amortized over 2.5 years till 31st March, 2003 and thereafter this expenditure is charged to Profit and Loss account as an when incurred in line with Accounting Standard 26 on Intangible Assets.



(x) Preliminary and Share issue Expenses

Preliminary and Share issue expenses are amortized over a period of ten years.

(xi) Provision for Taxation:

- (1) Provision for current income-tax is made on the basis of the assessable income under the Income-tax Act, 1961.
- (2) Deferred tax liability has been quantified on timing differences at 50% of the tax rate applicable on the net timing difference in view of the Company's entitlement to 50% deduction of Income under Section 33AC of the Income Tax Act, 1961. While working out the net timing difference, the unabsorbed Losses/Allowances have been deducted as per claim before the tax authorities.

NOTES ON ACCOUNTS

1. The break-up of Net Deferred Tax Liability is as follows :-

		AMOUNT (Rs. in Lacs)	
S. No.	Particulars	Year ended 31.03.2004	Year ended 31.03.2003
	<u>Deferred Tax Liability on Account of</u>		
i.	Difference in Depreciation between Books and Tax	1,170.47	1,158.85
ii.	Provision for Disallowance of Expenses	1.50	—
		<u>1,171.97</u>	<u>1,158.85</u>
	<u>Deferred Tax Asset on Account of</u>		
i.	Disallowance of Provision for Doubtful Debts	26.50	19.59
ii.	Adjustment for Carried Forward Loss and Depreciation*	377.67	565.93
		<u>404.17</u>	<u>585.52</u>
	Net Deferred Tax Liability	<u>767.80</u>	<u>573.33</u>

* Considered certain as this will have to be adjusted before difference in Depreciation is taxed.

**2. Related Party Transactions
(As per Annexure 1)**

3. The provision for leave encashment which was not provided for till 31st March, 2003 on grounds of materiality has been provided in current year and the Profit and loss account includes a charge for Rs 8,35,919/- on account of this.
4. The Company used to take inventories of stores and spares as valued and certified by the management. The Company has decided to charge off such stores and spares to Profit and Loss account on receipt, as it is not economical and effective to keep detailed records for such items and value them. The impact of this in the Profit and Loss account has not been determined but is not material.
5. Under the Loan Agreements with the Company, ICICI Bank Limited has the right of conversion of part of the loan into equity in the event of any default in repayment or payment of any installment of Principal or Interest or any combination thereof on the part of the Company.
6. Information pursuant to para 4-D, clauses a,b,c and e of Part II of Schedule VI of the Companies Act, 1956 has not been given in view of exemption granted by the Department of Company Affairs vide Order No. 46/30/2004-CL-III Dated 5th May, 2004.

7. Dividend remitted in Foreign Currency

		Year ended 31.03.2004 (Rupees)	Year ended 31.03.2003 (Rupees)
(i)	Dividend (Gross)	—	7,410,990
(ii)	Number of Non-resident shareholders	—	1
(iii)	No. of shares held	—	12,351,650
(iv)	Type	—	Final
(v)	For the year	—	2001-2002
8.	MANAGERIAL REMUNERATION - REMUNERATION TO MANAGING DIRECTOR		
(i)	Remuneration	1,050,000	1,050,000
(ii)	Contribution to Provident Fund	126,000	126,000
	TOTAL	<u>11,76,000</u>	<u>11,76,000</u>

Note: The appointment of Managing Director is valid till 31st March, 2004. Application has been made to the Central Government for its approval to the re-appointment and remuneration to Managing Director w.e.f. 1st April, 2004.

9. AUDITORS' REMUNERATION

Particulars	Year ended on 31.3.2004 (Rupees)	Year ended on 31.3.2003 (Rupees)
(i) As Auditors	270,000	210,000
(ii) In other capacity		
a) Tax Audit Fees	27,000	26,250
b) Fees for Limited Review of Quarterly Accounts	81,000	—
c) Transfer Pricing Audit Fees	54,000	—
d) Fees for other services	32,100	—
e) Out of Pocket Expenses	172,845	15,000
TOTAL	636,945	251,250

*Note : Out of Pocket Expenses includes Rs 20,000/- & fees for other services includes Rs 10,500/- paid to previous auditor.

10. CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Guarantees issued by Banks	53.93 Lacs	31.06 Lacs
b) Claims against the Company not acknowledged as debts	1057.00 Lacs	1057.00 Lacs
c) Tax matters	6.55 Lacs	—

11. Segment Reporting:

- (a) The Company's business is only one segment namely shipping and hence there is no segment reporting to be done.
- (b) All the ships are registered in India and almost all the income is based on US Dollars. The Company had started clearing and forwarding activity during the year but the revenue and results of the same were insignificant hence the company has predominantly only one business segment viz. Fleet operations and chartering. The following table provides an analysis by secondary geographical segment of operating earnings.

(Rs. in Lacs)

Revenues	Year ended on 31.3.2004	Year ended on 31.3.2003
Within India	4398.25	3877.24
Outside India	3291.61	2880.15
TOTAL	7689.86	6757.39

12. Intangible Assets

Dry Dock/Special Survey expenses

(Rs. in Lacs)

Particulars	Year ended on 31.3.2004	Year ended on 31.3.2003
Accumulated balance at the beginning	383.69	119.54
Addition during the year	Nil	633.85
Total	383.69	753.39
Charged to Profit and Loss Account during the year	187.65	369.70
Net Balance	196.04	383.69
Retirement / Disposal during the year	43.09	Nil
Net Balance	152.95	383.69

13. Accounting for Lease

The Company has taken Containers on Operating Lease and the lease rental of Rs. 20.65 Lacs is charged to the Profit and Loss account.

14. Working of Earning Per Share:

Weighted average number of Equity shares	198.24 Lacs	198.24 Lacs
Nominal value Per Share	Rs. 10/-	Rs. 10/-
Profit for the year after Tax (adjusted for previous year expenses)	Rs. 730.79 Lacs	Rs. 106.53 Lacs
Less: Provision for proposed Preference Dividend and Tax Thereon	Rs. 131.99 Lacs	Rs. 58.22 Lacs
Net Balance available to Equity Shareholders	Rs. 598.80 Lacs	Rs. 48.31 Lacs
Earning Per Share (Basic)	Rs. 3.02	Re. 0.24
Earning Per Share (Diluted)	Rs. 3.02	Re. 0.24

15. There are no dues to small scale industries undertakings.

16. Previous years figures have been regrouped/recast wherever necessary to confirm to the current year's classifications.



ANNEXURE -1

RELATED PARTY TRANSACTIONS

(In terms of Accounting Standard - 18 issued by the Institute of Chartered Accountants of India)

During the year 2003-04, the Company has transactions with the following related parties:

Particulars of transactions with related parties (In Rs.'000)

Particulars of transaction	Holding company *	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.2004	Total as at 31.03.2003
Charter hire income from related parties	—	276,677	—	—	—	276,677	288,015
Service / freight income from related parties	—	13,627	30,834	—	—	44,461	2,386
Invoicing and freight collection income from related parties	—	2,299	—	—	—	2,299	2,879
Vessel management fees paid to related parties	—	—	18,662	—	—	18,662	17,690
Service / freight income to related parties	—	5,927	—	—	—	5,927	—
Stores, spares, victualling expenses, etc. paid to related parties	—	—	21,569	—	—	21,569	20,578
Rent expenses paid to related parties	—	—	1,416	—	—	1,416	1,044
Container rental charges paid to related parties	—	—	372	—	—	372	299
Agency Fees paid to related parties	—	—	1,393	—	—	1,393	—
Remuneration paid to related parties (Gross)	—	—	—	1,176	—	1,176	1,176
Dividend paid to related Parties	—	—	5,161	—	—	5,161	8,435
Sale of Vessel to related parties	—	184,000	—	—	—	184,000	—
Sale of Asset	—	—	130	—	—	130	745
Sale of Stock/Bond on board to related party	—	1,929	—	—	—	1,929	—
Purchase of Container from Related Party	—	431	—	—	—	431	—
Allotment of 9% non-convertible, cumulative, redeemable preference shares to related parties.	—	—	—	—	—	—	130,000
Repayment of inter-corporate deposits with accrued interest	—	—	—	—	—	—	2,540
Purchase of vessel from related party	—	—	—	—	—	—	156,800
Stock/Bond on board from related party	—	—	—	—	—	—	1,262
Commission paid to related parties	—	—	—	—	—	—	12,054

Outstanding balances pertaining to related parties as at 31st March, 2004 (In Rs.'000)

Nature of balance	Holding company *	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total as at 31.03.2004	Total as at 31.03.2003
Debit balance	0	6,604	25,074	0	0	31,678	18,916
Credit balance	0	322	7,940	0	0	8,262	8,695

NOTE: FIGURES HAVE BEEN ADJUSTED FOR EXCHANGE RATE VARIATIONS

* Names of related parties

Nature of relationship	Name of the related party
Holding company	Transworld Holdings Ltd. (holds 62.31% of the equity share capital as at 31st March, 2004)
Fellow subsidiaries	Shreyas World Navigation Pte. Ltd., Singapore Orient Express Lines Ltd., Mauritius Orient Express Lines (S) Pte. Ltd., Singapore Balaji Shipping (UK) Ltd. Balaji Shipping Co. SA, Panama Aqua Container Lines Ltd., Mauritius
Other related parties	Orient Express Ship Management Ltd. Transworld Shipping Services (I) Pvt. Ltd. NLS Agency (India) Pvt. Ltd. Sivaswamy Holdings Pvt. Ltd. Crescent Shipping Agency (India) Pvt. Ltd. Transworld Logistics Pvt. Ltd. Albatross Shipping Pvt. Ltd. Transworld Management Consultancy Pvt. Ltd. Lanka Orient Express Lines Ltd., Colombo Haytrans India Pvt. Ltd. ADMEC Logistics Ltd. Relay Shipping Agency Ltd. Meridian Shipping Agency Pvt. Ltd. Clarion Shipping Agency Pvt. Ltd.
Key Management Personnel	Mr. S. Ramakrishnan
Relatives of Key Management Personnel	Mrs. Geeta Ramakrishnan Mr. Ritesh Ramakrishnan Ms. Anisha Ramakrishnan Mr. S. Mahesh Mrs. Valli Sivaswamy

Note : Reimbursement of expenses incurred by/to Group Companies is not included here.

Additional information under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I	Registration details	
	Registration No.	48500
	State Code	11
	Balance Sheet Date	31/03/2004
II	Capital raised during the year	Amount (Rs.in '000)
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	
	9% Non-Convertible, Cumulative, Redeemable Preference Shares of Rs 100/- each	Nil
III	Position of Mobilization and Deployment of Funds	Amount (Rs.in '000)
	Total Liabilities	826,541
	Total Assets	826,541
	Source of Funds	
	Share Capital	328,242
	Reserves & Surplus	263,294
	Secured Loans	158,225
	Unsecured Loans	NIL
	Deferred Tax Liability	76,780
	Application of Funds	
	Net Fixed Assets	794,595
	Investments	1,405
	Net Current Assets	15,246
	Misc. Expenditure	15,295
	Accumulated losses	NIL
IV	Performance of the Company	Amount (Rs.in '000)
	Turnover (Including other income)	838,293
	Total Expenditure	738,037
	Profit/(Loss) before Tax	100,256
	Profit/(Loss) after Tax and prior period item	73,079
	Proposed Preference Dividend	11,700
	Proposed Equity Dividend	23,789
	Tax on Dividend	4,547
	Balance available to Equity Shareholders	33,043
	Earnings per share (Rs.)	3.02
	Dividend rate%	12%
V	Generic Names of three Principal products/Services of the Company	
	Item Code No. (ITC Code)	Nil
	Product description	Nil

Note: This is a Shipping Company.

SIGNATURES TO SCHEDULES 1 TO 18

FOR AND ON BEHALF OF THE BOARD

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Chairman and Managing Director

V. Ramnarayan
Director

Anil Devli
Chief Executive Officer

S. Ramakrishnan
Partner
Membership No. 18967

K. P. Medhekar
Director

Megha Samtani
Company Secretary

Place : Mumbai
Date : 20th May, 2004

Place : Mumbai
Date : 20th May, 2004



CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2004

(Amount in Rs. Lacs)

Particulars		Year ended 31st March, 2004	Year ended 31st March, 2003
A	Cashflow from operating activities		
	Net profit/ (Loss) Before tax	1002.56	340.46
	Adjusted for:		
	Depreciation	786.93	666.96
	Amortisation of miscellaneous expenses	362.55	387.44
	Interest income	(36.15)	(33.28)
	(Profit)/Loss on Sale of Fixed Investments	11.69	—
	Profit on Sale of Asset	(522.09)	2.21
	Loss on Sale of Asset	2.43	—
	Interest Provision	174.65	273.91
	Exchange Loss/(Gain) on Current Assets & Liabilities	5.87	24.52
	Provision /(Reversal) for Appreciation of Investments	—	(0.76)
	Operating Profit Before Working Capital changes (a)	1788.44	1661.46
	Adjustments for : Increase/(Decrease) in Working Capital		
	Trade & Other Receivables	273.75	(314.07)
	Inventories	7.60	(36.20)
	Total (b)	281.35	(350.27)
	Increase/(Decrease) in Working Capital		
	Trade & Other Payables (c)	(657.78)	432.45
	Cash Generated from Operations (a)+(b)+(c)=(d)	1412.01	1743.64
	Interest	(190.50)	(336.88)
	Direct Taxes Paid	(98.68)	(38.75)
	Cash flow before extra-ordinary items	1122.83	1368.01
	NET CASH FROM OPERATING ACTIVITIES (A)	1122.83	1368.01
B	Cash flow from investing activities		
	Purchase of Fixed Assets	(17.30)	(1602.28)
	Sale of Fixed Assets	2012.46	113.79
	Deferred Revenue Expenditure	(114.09)	(633.85)
	Sale / Diminution in Value of Investments	198.77	—
	Interest/Dividend Received	63.83	35.11
	NET CASH FROM INVESTING ACTIVITIES (B)	2143.67	(2087.23)
C	Cash Flow from Financing Activities		
	Proceeds / (Repayment) of Borrowings (net)	(3178.26)	814.69
	Issue of Preference Share	—	1300.00
	Repayment of Borrowings (net)	—	(1325.93)
	Dividend Paid (Preference Dividend & Unclaimed Dividend)	(60.00)	(116.48)
	NET CASH FROM FINANCING ACTIVITIES (C)	(3238.26)	672.28
	NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	28.24	(46.94)
	CASH & CASH EQUIVALENTS - OPENING BALANCE	88.72	135.66
	CASH & CASH EQUIVALENTS - CLOSING BALANCE	116.96	88.72

AS PER OUR REPORT ATTACHED

For Sridhar & Santhanam
Chartered Accountants

S. Ramakrishnan
Partner
Membership No. 18967
Place : Mumbai
Date : 20th May, 2004

FOR AND ON BEHALF OF THE BOARD

S. Ramakrishnan
Chairman and Managing Director

V. Ramnarayan
Director

K. P. Medhekar
Director

Place : Mumbai
Date : 20th May, 2004

Anil Devli
Chief Executive Officer

Megha Samtani
Company Secretary



FINANCIAL HIGHLIGHTS

(Rs. in Lacs except where stated otherwise)

	1994-95	1995-96	1996-97	1997-98*	1998-99#	1999-00	2000-01	2001-02	2002-03	2003-04
Operating Earnings	1,401.91	6,515.20	10,521.14	17,544.36	5,741.10	10,544.32	6,674.57	6,492.67	6,757.39	7,689.86
Other Income	126.24	106.87	11.59	84.40	6.57	91.12	147.17	116.14	147.92	693.08
Total Income	1,528.15	6,622.07	10,532.73	17,628.76	5,747.67	10,635.44	6,821.74	6,608.81	6,905.31	8,382.94
Operating Expenses	594.77	4,857.92	9,236.10	14,898.85	4,470.81	9,917.71	4,769.91	4,768.15	5,252.90	5,925.77
Administration & Other Expenses	94.50	210.52	291.99	502.42	296.79	297.56	486.43	305.76	371.09	493.03
PBIDT	838.88	1,553.63	1,004.64	2,136.49	980.07	420.17	1,565.40	1,534.90	1,281.32	1,964.14
Interest	134.11	314.82	373.33	977.71	421.09	681.14	679.16	569.10	273.91	174.65
PBDT	704.77	1,238.81	631.31	1,158.78	558.98	(260.97)	886.24	965.80	1,007.41	1,789.49
Depreciation	203.02	333.58	361.56	762.15	300.94	607.73	610.10	605.58	666.96	786.93
PBT	501.75	905.23	269.75	396.63	258.04	(868.70)	276.14	360.22	340.45	1,002.56
Tax	-	-	35.00	41.65	27.75	-	2.79	53.55	278.19	271.77
PAT (Including prior year item)	501.75	905.23	234.75	354.98	230.29	(868.70)	273.35	306.67	106.53	730.79
Share Capital	1,982.42	1,982.42	1,982.42	1,982.42	1,982.42	1,982.42	1,982.42	1,982.42	3,282.42	3,282.42
Reserves & Surplus	2,237.52	2,865.21	2,881.90	3,018.81	3,095.07	2,226.36	2,390.48	2,623.64	2,303.86	2,632.94
Loan Funds	3,101.70	3,038.49	3,409.38	7,067.93	6,277.15	5,835.31	5,139.88	5,271.75	4,760.51	1,582.24
Fixed Assets (Net)	6,295.83	6,431.86	6,244.26	9,996.25	9,796.09	9,262.00	8,668.44	9,392.09	10,209.73	7,945.95
Investments	38.60	77.41	39.81	69.17	69.17	40.33	14.63	223.75	224.51	14.05
Net Current Assets	827.63	781.38	1,638.70	1,664.12	1,226.58	(263.49)	205.43	106.97	84.47	152.46
EPS (Annualised) (Rs.)	2.53	4.57	1.18	1.19	2.32	-	1.38	1.55	0.24	3.02
Debt Equity Ratio	0.73	0.63	0.70	1.41	1.24	1.39	1.17	1.14	0.85	0.36
Dividend Per Equity Share (Rs.)	1.20	1.40	1.00	1.00	0.70	-	0.50	0.60	-	1.20
Book Value per share (Rs.)	21.29	24.45	24.54	25.23	25.61	21.23	22.06	23.23	21.62	22.45

* For 18 months

For 6 months