

50TH ANNUAL REPORT

1999-2000

Towards the new millennium
with renewed focus and energy



The Shipping Corporation Of India Ltd.

(A Government of India Enterprise)

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BOARD OF DIRECTORS



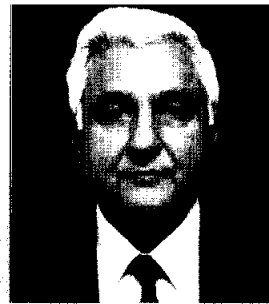
Shri P. K. Srivastava
Chairman & Managing Director



Shri K. R. Bhati



Shri M. G. Bhide



Shri B. M. Ghildiyal



Shri K. M. Joseph



Shri S. H. Khan



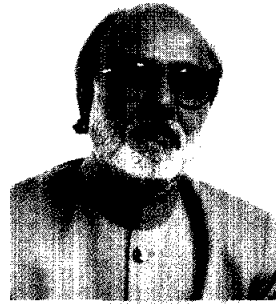
Shri K. K. Kothari



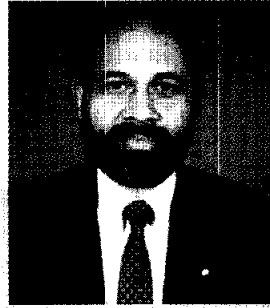
Shri O. N. Marwaha



Shri K. K. Palit



Dr. Pritam Singh



Shri M. Ramachandran



Shri S. S. Rangnekar



Shri N. C. Singhal

Company Secretary:
Shri S. Ramamoorthy

Auditors:
Messrs Sorab S. Engineer & Co.
Messrs S. Mann & Co.

Solicitors:
Messrs Mulla & Mulla &
Craigie Blunt & Caroe

Registered Office: Shipping House, 245, Madame Cama Road, Mumbai 400 021.

Registrar & Share Transfer Agents: M/s. Sharepro Services (Investor Relation Centre)
912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

Photographs of Directors appear in alphabetical order

NOTICE OF MEETING

NOTICE is hereby given that the 50th Annual General Meeting of The Shipping Corporation of India Ltd. will be held at the Registered Office of the Company at "Shipping House", 245, Madame Cama Road, Mumbai - 400 021 at 1530 hrs. on Friday, November 3, 2000 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March 2000, Profit & Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri K.K. Kothari who retires at this meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K.M. Joseph who retires at this meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. To appoint a Director in place of Shri M.G. Bhide who under Article 125 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and from whom the Company has received a notice in writing signifying his candidature to the office of Director and who is eligible for appointment.
6. To appoint a Director in place of Shri S.H. Khan who under Article 125 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and from whom the Company has received a notice in writing signifying his candidature to the office of Director and who is eligible for appointment.
7. To appoint a Director in place of Dr. Pritam Singh who under Article 125 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and from whom the Company has received a notice in writing signifying his candidature to the office of Director and who is eligible for appointment.
8. To appoint a Director in place of Shri N.C. Singhal who under Article 125 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and from whom the Company has received a notice in writing signifying his candidature to the office of Director and who is eligible for appointment.
9. To appoint a Director in place of Shri O.N. Marwaha who under Article 125 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 holds office only upto the date of this Annual General Meeting and from whom the Company has received a notice in writing signifying his candidature to the office of Director and who is eligible for appointment.

By Order of the Board of Directors
for **The Shipping Corporation of India Ltd.**

S. Ramamoorthy
Company Secretary

Registered Office:
Shipping House,
245, Madame Cama Road,
Mumbai 400 021.

Dated : 26th September, 2000.

Notes:

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
- b) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 5 to 9 of the Notice set out above is annexed hereto.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from 13.10.2000 to 20.10.2000 (both days inclusive).
- d) Dividend if any declared, at this meeting, will be paid on or after 27th November 2000 to those shareholders of the Company, whose names stand on the Register of Members on 20th October 2000.
- e) Members are requested to notify immediately any change in their address to the Share Transfer Agents of the Company at the following address:

M/s. Sharepro Services
(Investor Relation Centre)
912, Raheja Centre, Free Press Journal Road
Nariman Point, Mumbai - 400 021.
- f) Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205-C by the Companies (Amendment) Act 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.
- g) With a view to provide protection against fraudulent encashment of dividend warrants, the members are requested to provide their bank account numbers, names of the banks and address of the branches quoting their folio numbers to reach the Company latest by 20th October 2000, to enable the Company to incorporate this information in the dividend warrants. Members will appreciate that the Company will not be responsible for any loss arising out of such fraudulent encashment of dividend warrants.
- h) While opening a depository account with participants of NSDL/CDSL, members might have given their bank account details, which will be used by your Company for printing on dividend warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the account specified on the dividend warrant. This ensures safety for investors. However, members may want to receive dividend in an account other than the one specified, while opening the depository account. If so, they may inform change/correct bank account details with the depository participant. We also request you to kindly give MICR code of your bank to your depository participant.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

The following explanatory statement sets out all the material facts relating to special business mentioned at Item Nos. 5 to 9 of the accompanying Notice dated 26th September, 2000 convening the 50th Annual General Meeting of the Company.

Item No. 5 of the Notice

The Company has received a communication in writing from the Govt. of India, Ministry of Surface Transport, conveying the nomination of Shri M.G. Bhide by the President of India for appointment as Director, for a period of three years or until further orders. Accordingly, Shri M.G. Bhide was appointed as Director by the Board of Directors pursuant to the powers vested in them. In accordance with Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting.

Shri M.G. Bhide, former Chairman & Managing Director of Bank of India, has vast experience and knowledge in banking, finance and a member on various Advisory Committees dealing with money management, banking and finance. It is, therefore, recommended that in the interest of the Company, he may be appointed as Director.

Shri M.G. Bhide is interested in the resolution as it concerns him. No other Director is interested in the resolution.

Item No. 6 of the Notice

The Company has received a communication in writing from the Govt. of India, Ministry of Surface Transport, conveying the nomination of Shri S.H. Khan by the President of India for appointment as Director, for a period of three years or until further orders. Accordingly, Shri S.H. Khan was appointed as Director by the Board of Directors pursuant to the powers vested in them. In accordance with Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting.

Shri S.H. Khan is the former Chairman & Managing Director of Industrial Development Bank of India. He is a banker by profession with vast experience and knowledge in banking and finance. He was also holding directorships in Financial Institutions, Insurance Companies and Air-Line Companies. To take the benefit of his rich knowledge and vast experience, it is recommended that in the interest of the Company, Shri S.H. Khan may be appointed as Director.

Shri S.H. Khan is interested in the resolution as it concerns him. No other Director is interested in the resolution.

Item No. 7 of the Notice

The Company has received a communication in writing from the Govt. of India, Ministry of Surface Transport, conveying the nomination of Dr. Pritam Singh by the President of India for appointment as Director, for a period of three years or until further orders. Accordingly, Dr. Pritam Singh was appointed as Director by the Board of Directors pursuant to the powers vested in them. In accordance with Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting.

Dr. Pritam Singh is the Director of the Indian Institute of Management, Lucknow. He is a prolific writer, has authored 5 books and over 60 research papers. He is also a consultant, advisor to many

companies and possess rich administrative experience, apart from his contributions in the areas like research, teaching and training. In view of his background and experience, it is recommended that in the interest of the Company, Dr. Pritam Singh may be appointed as Director.

Dr. Pritam Singh is interested in the resolution as it concerns him. No other Director is interested in the resolution.

Item No. 8 of the Notice

The Company has received a communication in writing from the Govt. of India, Ministry of Surface Transport, conveying the nomination of Shri N.C. Singhal by the President of India for appointment as Director, for a period of three years or until further orders. Accordingly, Shri N.C. Singhal was appointed as Director by the Board of Directors pursuant to the powers vested in them. In accordance with Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting.

Shri N.C. Singhal, former Vice-Chairman & Managing Director of erstwhile SCICI Ltd. (The Shipping Credit & Investment Corporation of India Ltd.) is a development banker by profession with vast experience and knowledge in shipping, development of industry and infrastructure. He was also a consultant and management specialist and is a Director in number of manufacturing, financial and consultancy companies. To get the benefit of his vast knowledge and experience, it is recommended that in the interest of the Company, Shri N.C. Singhal may be appointed as Director.

Shri N.C. Singhal is interested in the resolution as it concerns him. No other Director is interested in the resolution.

Item No. 9 of the Notice

The Company has received a communication in writing from the Govt. of India, Ministry of Surface Transport, conveying the nomination of Shri O.N. Marwaha by the President of India for appointment as Director, whose appointment is co-terminus of his holding the charge of Director (Marketing) in the Indian Oil Corporation Ltd. Accordingly, Shri O.N. Marwaha was appointed as Director by the Board of Directors pursuant to the powers vested in them. In accordance with Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting.

Shri O.N. Marwaha, a Chartered Accountant by profession, is the Director (Marketing) in the Indian Oil Corporation Ltd. He has rich experience in finance and a specialist in marketing and distribution. It is, therefore, recommended that in the interest of the Company, Shri O.N. Marwaha may be appointed as Director.

Shri O.N. Marwaha is interested in the resolution as it concerns him. No other Director is interested in the resolution.

S. Ramamoorthy
Company Secretary

Registered Office:

Shipping House,
245, Madame Cama Road,
Mumbai 400 021.

Dated : 26th September, 2000.

SALIENT STATISTICS 1999/2000

Authorised Capital	Rs. 450.00 Crores
Subscribed and Paid-up Capital	Rs. 282.30 Crores
Depreciation Provision	Rs. 274.81 Crores
Gross Earnings	Rs. 2607.98 Crores
Gross Investment on Fleet	Rs. 5292.12 Crores
No. of Voyages made	844
No. of Passengers carried (including managed vessels)	2,19,851
No. of Employees (including crew) (1 st Sept., 2000)	10169
Vessels Owned (As on 1 st Sept., 2000)	
- Number	109
- Tonnage	2.79 Million GRT
	4.63 Million DWT
Vessels on Order	
- Number	9
- Tonnage	0.356 Million GRT
	0.576 Million DWT

DECADE AT A GLANCE

OPERATIONAL STATISTICS

(Figures in Crores of Rupees)

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Operating Earnings	1,105.1	1,328.8	1,404.7	1,480.3	1,722.0	2,114.0	2,270.0	2,414.5	2,520.8	2,542.8
Other Income	46.0	52.3	94.5	100.1	84.9	134.4	172.0	107.0	61.5	65.2
Total Earnings	1,151.1	1,381.1	1,499.2	1,580.4	1,806.9	2,248.4	2,442.0	2,521.5	2,582.3	2,608.0
Operating Expenses	853.2	980.7	1,055.1	1,063.2	1,178.3	1,386.7	1,603.4	1,754.3	1,799.4	1,908.1
Other Expenses	61.2	68.1	76.9	105.0	103.4	144.0	129.6	129.7	175.3	150.1
Interest & Finance Charges	71.0	86.9	84.2	83.7	130.3	161.9	200.0	86.5	100.4	*72.4
Depreciation	111.2	137.8	148.4	161.3	193.5	232.4	235.7	249.8	258.9	274.8
Tax Liability	0.0	(1.3)	(8.5)	(0.4)	0.0	0.0	40.0	55.0	47.0	41.0
Total Expenses	1,096.6	1,272.2	1,356.1	1,412.8	1,605.5	1,925.0	2,208.7	2,275.3	2,381.0	2,446.4
Profit after Tax	54.5	108.9	143.1	167.6	201.4	323.4	233.3	246.2	201.3	161.6

*Net

FINANCIAL HIGHLIGHTS :

	31.03.91	31.03.92	31.03.93	31.03.94	31.03.95	31.03.96	31.03.97	31.03.98	31.03.99	31.03.2000
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WHAT THE COMPANY OWNED

Fixed Assets										
Gross Block	2,129.2	2,599.7	2,742.2	3,442.7	4,058.9	4,459.3	4,562.0	4,782.3	5,098.3	5,303.0
Less : Depreciation (Cum)	878.8	1,003.1	1,113.7	1,244.9	1,414.7	1,593.9	1,796.1	2,014.2	2,223.1	2,477.6
Net Block	1,250.4	1,596.6	1,628.5	2,197.8	2,644.2	2,865.4	2,765.9	2,768.1	2,875.2	2,825.4
Assets under Construction	217.9	186.3	196.9	142.7	95.6	66.0	151.3	239.3	251.9	89.5
Ships Retired from Operation	14.0	14.1	6.6	0.1	0.0	0.3	0.0	0.0	9.8	0.0
Working Capital	147.7	230.2	192.7	285.6	263.0	564.2	463.7	522.5	415.1	434.2
Investments	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	9.3
Total	1,630.4	2,027.6	2,025.1	2,626.6	3,003.2	3,496.3	3,381.3	3,530.3	3,552.4	3,358.4

WHAT THE COMPANY OWED

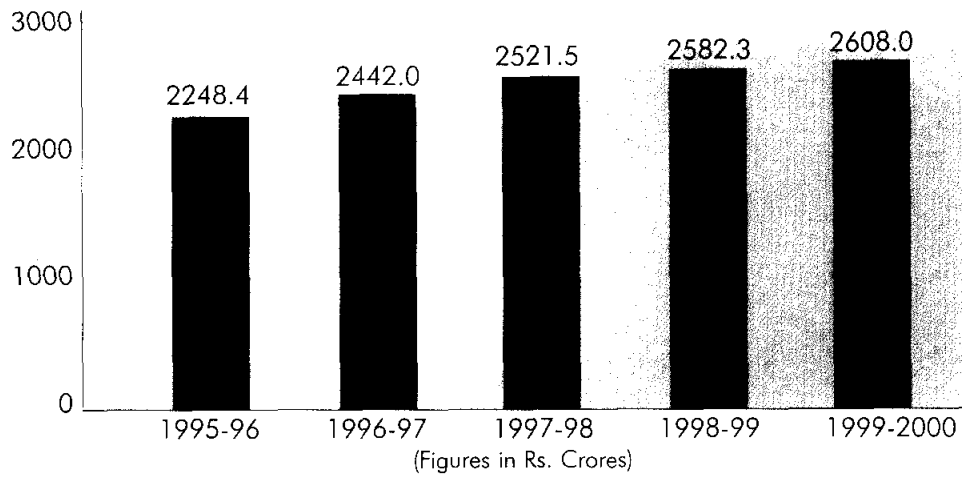
Long Term Funds :										
SDFC/Govt. Loans	589.8	677.4	678.0	637.6	610.8	580.9	553.3	498.7	451.9	381.9
Bank Loans	133.7	219.3	279.5	416.0	627.9	638.6	537.0	603.3	1044.3	1060.2
Mumbai Port Trust	0.0	0.0	0.0	0.0	0.0	67.6	67.6	67.6	119.1	0.0
Deferred Credits	377.1	513.8	348.0	731.3	752.5	881.9	783.8	707.0	130.9	0.0
Unsecured Loans	0.0	0.0	0.0	0.0	0.0	54.2	0.0	24.9	41.9	30.8
Total	1,100.6	1,410.5	1,305.5	1,784.9	1,991.2	2,223.2	1,941.7	1,901.5	1,788.1	1,472.9

NET WORTH OF THE COMPANY

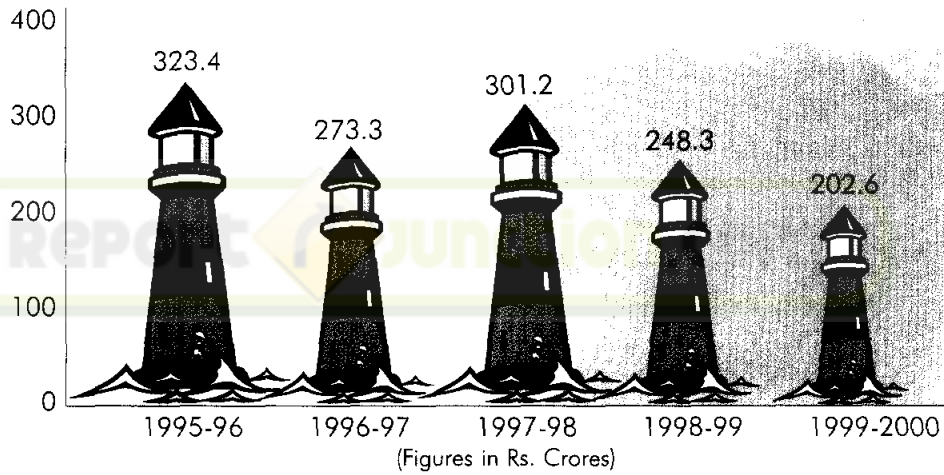
Share Capital	282.3	282.3	282.3	282.3	282.3	282.3	282.3	282.3	282.3	282.3
Reserve & Surplus	254.1	346.1	461.0	586.2	754.7	1,021.3	1,192.2	1,376.1	1,529.7	1,636.0
Deferred Revenue	(6.6)	(11.3)	(23.7)	(26.8)	(25.0)	(30.5)	(34.9)	(29.6)	(47.7)	(32.8)
Expenditure	529.8	617.1	719.6	841.7	1,012.0	1,273.1	1,439.6	1,628.8	1,764.3	1,885.5
Dividend Paid	13.1	16.9	28.2	42.3	42.3	56.5	56.5	56.5	42.4	**45.2

**Proposed Dividend

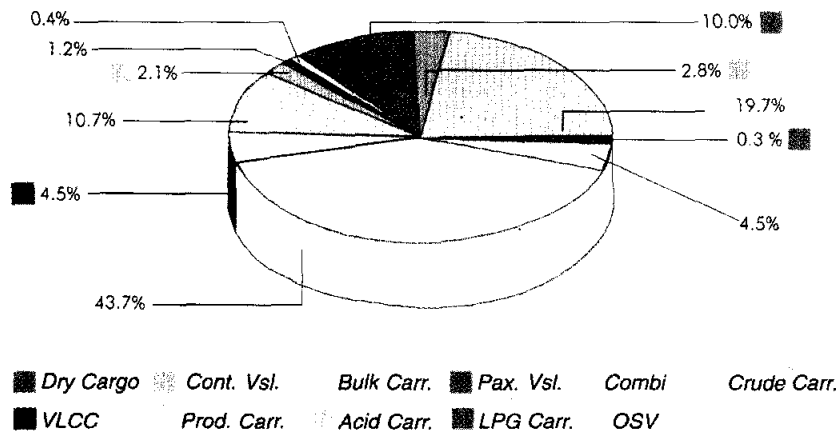
TURNOVER



PROFIT BEFORE TAX



COMPOSITION OF FLEET



IN TERMS OF GRT AS ON 31st MARCH 2000