

ANNUAL
REPORT
2000 - 2001

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In the middle of the ocean

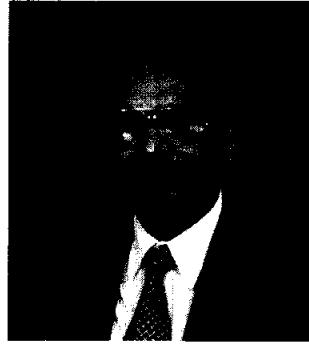


The Shipping Corporation Of India Ltd
(A Government of India Enterprise)

CONTENTS

CONTENTS :	PAGE NO.
Board of Directors	3
Notice of Meeting	4
Salient Statistics	8
Decade at a Glance	9
Directors' Report	13
Auditors' Report	35
Accounts :	
Balance Sheet as at 31st March, 2001	38
Profit & Loss account for the year ended 31st March, 2001	39
Annexures to Balance Sheet	40
Annexures to Profit & Loss Account	49
Review of Accounts being Annexure to the Directors' Report	62
Comments of the Comptroller and Auditor General of India	66

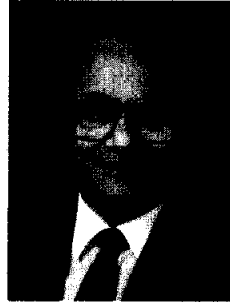
BOARD OF DIRECTORS



Shri P. K. Srivastava
Chairman & Managing Director



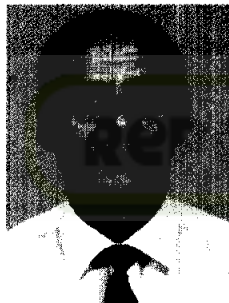
Shri K. R. Bhati



Shri M. G. Bhide



Shri S. Hajara



Capt. T. D. Hazari



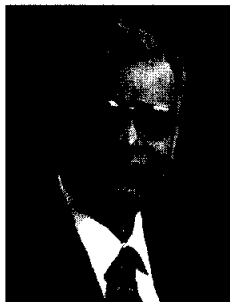
Shri K. M. Joseph



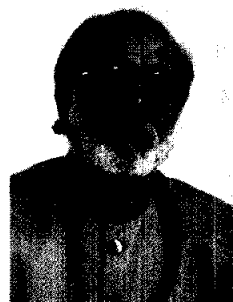
Shri S. H. Khan



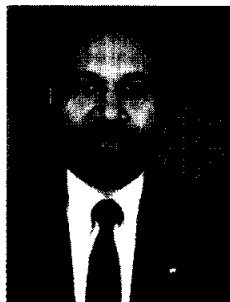
Shri K. K. Kothari



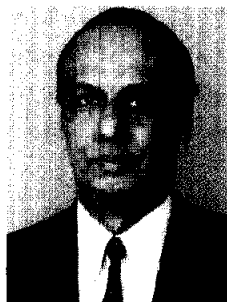
Shri O. N. Marwaha



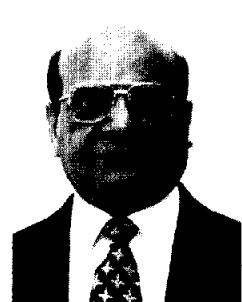
Dr. Pritam Singh



Shri M. Ramachandran



Shri S. S. Rangnekar



Shri N. C. Singhal

Company Secretary:
Shri J. M. Veeton

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

Solicitors:
Messrs Mulla & Mulla &
Craigie Blunt & Caroe

Registered Office: Shipping House, 245, Madam 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 51st Annual General Meeting of The Shipping Corporation of India Ltd. will be held at the Registered Office of the Company at "Shipping House", 245, Madam Cama Road, Mumbai - 400 021 at 1530 hrs. on Friday, September 28, 2001 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March 2001, 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 S.S. Rangnekar who retires at this meeting and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri K.M. Joseph who retires at this meeting and being eligible, offers himself for re-appointment.
6. To fix remuneration of the Auditors.

SPECIAL BUSINESS

7. To appoint a Director in place of Shri S. Hajara 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 Capt. T.D. Hazari 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 consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in Clause 17 of Article 166 of the Articles of Association of The Shipping Corporation of India Ltd., the words "*group general managers*" be inserted after the word "such" and before the words "general managers."

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

Registered Office:

Shipping House,
245, Madam Cama Road,
Mumbai - 400 021.

J.M. Veeton
Company Secretary

Dated : 27th August 2001.

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. 7 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 18.09.2001 to 28.09.2001 (both days inclusive).
- d) Dividend if any declared, at this meeting, will be paid on or after 15th October 2001 to those shareholders of the Company, whose names stand on the Register of Members on 28th September 2001.
- 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 205C 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 28th September 2001, to enable the Company to incorporate this information in the dividend warrants for the dividend. 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.

EXURE 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. 7 to 9 of the accompanying Notice dated 27th August 2001, convening the 51st Annual General Meeting of the Company.

Item No. 7 of the Notice

The Company has received a communication in writing from the Govt. of India, Ministry of Shipping, conveying the nomination of Shri S. Hajara by the President of India for appointment as Director, for a period of five years or till the date of his superannuation, whichever is earlier. Accordingly, Shri Hajara 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 Hajara joined SCI in 1973 and since then has been associated with the Company in various capacities. He possesses an excellent academic record and also has a good track record in SCI. He had also topped in various shipping examinations during his career. In view of his varied experience and knowledge in shipping, management and other allied subjects, it is recommended that in the interest of the Company, Shri Hajara may be appointed as Director.

Shri Hajara 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 Shipping, conveying the nomination of Capt. T.D. Hazari by the President of India for appointment as Director, for a period of five years or till the date of his superannuation. Accordingly, Capt. Hazari 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.

Capt. Hazari commenced his sea career in SCI and has served in various managerial capacities on shore. He has acquired a very good experience and knowledge in shipping upon his serving in various operating divisions of the Company, besides his exposure at sea. It is, therefore, recommended that in the interest of the Company, Capt. Hazari may be appointed as Director.

Capt. Hazari is interested in the resolution as it concerns him. No other Director is interested in the resolution.

Item No. 9 of the Notice

The Group General Managers who were elevated from the post of General Managers continued to remain in the grade of the General Managers i.e. E-8 with some additional privileges. Since E-9 grade already existed in the Company unfilled, it is now proposed to create a regular cadre of Group General Managers by placing them in the E-9 grade, being the highest grade below the Board level. In terms of Clause 17 of Article 166 of the Articles of Association of the Company, the Board has the power to appoint General Managers, Managers, etc. In order to give effect to the above, it is proposed to insert the words "group general managers" after the word "such" and before the words "general managers" in Clause 17 of Article 166. The Board recommends the resolution for the approval of the members. None of the Directors is interested in the resolution.

A copy of the Articles of Association of the Company together with proposed alteration will be available for inspection by the members at the Registered Office of the Company on any working day prior to the date of the meeting between 11 a.m. and 1 p.m. and will also be available at the meeting.

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

J.M. Veedon
Company Secretary

Registered Office:

Shipping House,
245, Madam Cama Road,
Mumbai - 400 021.

Dated : 27th August 2001.

**DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT/
APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Name of the Director	Shri K.K. Kothari	Shri S.S. Rangnekar	Shri K.M. Joseph	Shri S. Hajara	Capt. T.D.Hazari
Date of Birth	01.11.1949	03.06.1948	22.03.1944	03.12.1952	21.03.1946
Date of Appointment	09.11.1992	14.03.1997	05.12.1997	01.02.2001	01.07.2001
Qualifications	-B.Sc. (Hons.) (Physics) -MBA, IIM, Ahmedabad	-B.Tech. (Chemical Engineering) -Post-Graduate Diploma in Business Administration, IIM, Ahmedabad	MOT First Class (S&M)	-B.Sc.(Hons) (Chemistry) -Post graduate diploma in Management from IIM, Kolkata. -LL.B.	-Extra-Master Certificate of Competency from DTP, U.K. -M.Sc. in Maritime Education and Training from World Maritime University, Sweden.
Expertise in specific functional areas	Raising of financial resources for ship acquisition projects. Vast experience and knowledge in finance and other allied subjects.	Vast experience and knowledge in stevedoring operations, contracting, liner operations, etc.	Vast experience and knowledge in management, technical and other allied subjects.	Wide experience in Marketing, chartering, import operations, etc.	Nautical sciences; Tanker operations, safety and marine environment protection; Development and implementation of the requirements of ISM Code in the Company and fleet; Maritime education and training, etc.
List of public companies in which directorship held as on 31.03.2001.	NIL	NIL	NIL	NIL	NIL

NT STATISTICS 2000/2001

Authorised Capital	Rs. 450.00 Crores
Subscribed and Paid-up Capital	Rs. 282.30 Crores
Depreciation Provision	Rs. 273.63 Crores
Gross Earnings	Rs. 3132.23 Crores
Gross Investment on Fleet	Rs. 5455.36 Crores
No. of Voyages made	658
No. of Passengers carried (including managed vessels)	2,40,750
No. of Employees (including crew) (1 st August, 2001)	9620
Vessels Owned (As on 1 st August, 2001)	
- Number	98
- Tonnage	2.67 Million GRT
	4.46 Million DWT
Vessels on Order	
- Number	8
- Tonnage	0.329 Million GRT
	0.534 Million DWT

DECADE AT A GLANCE

OPERATIONAL STATISTICS

(Figures in Crores of Rupees)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001
Operating Earnings	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	2,994.8
Other Income	52.3	94.5	100.1	84.9	134.4	172.0	107.0	61.5	65.2	137.4
Total Earnings	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	3,132.2
Operating Expenses	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	2,049.0
Other Expenses	68.1	76.9	105.0	103.4	144.0	129.6	129.7	175.3	150.1	189.3
Interest & Finance	86.9	84.2	83.7	130.3	161.9	200.0	86.5	100.4	72.4	*65.7
Charges										
Depreciation	137.8	148.4	161.3	193.5	232.4	235.7	249.8	258.9	274.8	273.6
Tax Liability	(1.3)	(8.5)	(0.4)	0.0	0.0	40.0	55.0	47.0	41.0	172.0
Total Expenses	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	2,749.6
Profit after Tax	108.9	143.1	167.6	201.4	323.4	233.3	246.2	201.3	161.6	382.6

*Net

FINANCIAL HIGHLIGHTS :

	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	31.03.2001
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WHAT THE COMPANY OWNED

Fixed Assets

Gross Block	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	5,254.3
Less : Depreciation (Cum)	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	2,559.1

Net Block	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	2,695.2
Assets under Construction	186.3	196.9	142.7	95.6	66.0	151.3	239.3	251.9	89.5	303.7
Ships Retired from Operation	14.1	6.6	0.1	0.0	0.3	0.0	0.0	9.8	0.0	0.0
Working Capital	230.2	192.7	285.6	263.0	564.2	463.7	522.5	415.1	434.2	442.8
Investments	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	9.3	21.9
	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	3,463.6

WHAT THE COMPANY OWED

Long Term Funds :

SDFC/Govt. Loans	677.4	678.0	637.6	610.8	580.9	553.3	498.7	451.9	381.9	308.3
Bank Loans	219.3	279.5	416.0	627.9	638.6	537.0	603.3	1,044.3	1,060.2	948.0
Mumbai Port Trust	0.0	0.0	0.0	0.0	67.6	67.6	67.6	119.1	0.0	0.0
Deferred Credits	513.8	348.0	731.3	752.5	881.9	783.8	707.0	130.9	0.0	0.0
Unsecured Loans	0.0	0.0	0.0	0.0	54.2	0.0	24.9	41.9	30.8	19.8
	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	1,276.1

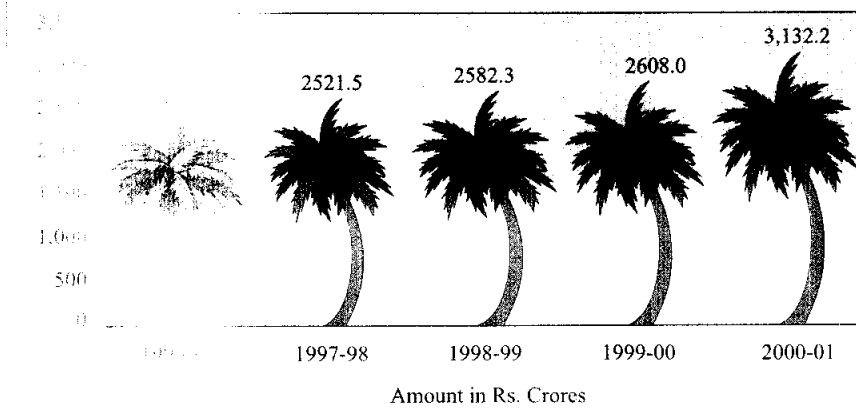
NET WORTH OF THE COMPANY

Share Capital	282.3	282.3	282.3	282.3	282.3	282.3	282.3	282.3	282.3	282.3
Reserve & Surplus	346.1	461.0	586.2	754.7	1,021.3	1,192.2	1,376.1	1,529.7	1,636.0	1,924.8
Deferred Revenue	(11.3)	(23.7)	(26.8)	(25.0)	(30.5)	(34.9)	(29.6)	(47.7)	(32.8)	(19.6)
Expenditure										
	617.1	719.6	841.7	1,012.0	1,273.1	1,439.6	1,628.8	1,764.3	1,885.5	2,187.5
Dividend Paid	16.9	28.2	42.3	42.3	56.5	56.5	56.5	42.4	45.2	70.6

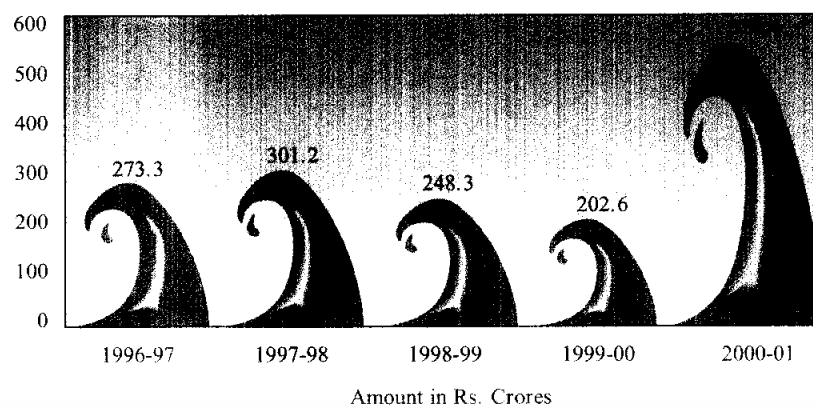
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**Proposed Dividend

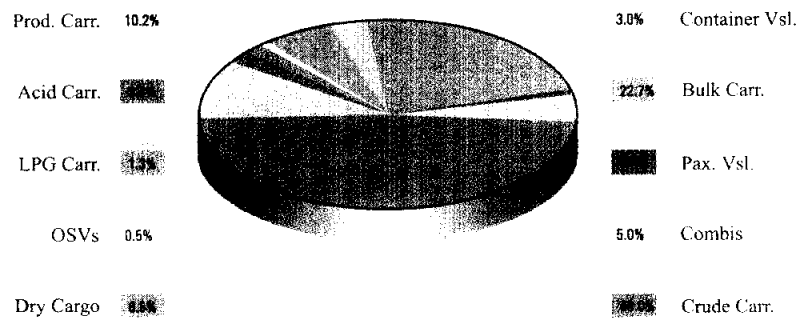
TURNOVER



PROFIT BEFORE TAX



COMPOSITION OF FLEET In Terms of GRT as on 31st march 2001



COMPOSITION OF FLEET In Terms of GRT as on 31st march 2001