

Performing in Harmony. Overcoming Challenges.



58th Annual Report
2007-2008





We announce with immense pleasure the achievement of the much coveted "Navratna" status by the Shipping Corporation of India Ltd.

SCI is the seventeenth PSE which has been able to

achieve this feat. The Navratna status confers upon the

company enhanced autonomy in operations and

financial investment decisions. This is in line with

Government of India's philosophy of making SCI

a dominant player in the shipping industry.

With continuous patronage and support from all the

stakeholders, the Management is committed to make

SCI a leading name in the World Maritime Sector.



The Shipping Corporation of India - Swift, efficient and customer friendly.

SCI has come a long way from where it started and is today one of the most admired, dependable and progressive shipping companies in the world.

SCI has been consistently creating value for its stakeholders and customers through technology upgradation, strategic tie-ups, fleet expansion and manpower development, while maintaining high standards of safety and reliability.

With a highly diversified fleet and a network that covers almost every major sea route, SCI now renews its commitment to continue as the touchstone for outstanding performance, and to remain highly responsive and efficient in terms of service, thus making a mark for itself in the Indian maritime industry.

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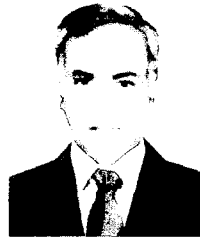
BOARD OF DIRECTORS



Shri S. Hajara
Chairman & Managing Director



Shri C. Balakrishnan
Government Director



Shri Rajeev Gupta
Government Director



Shri J.N. Das



Dr. Bakul H. Dholakia



Shri A. D. Fernando



Shri U. C. Grover



Shri Kailash Gupta



Shri A. K. Mago



Shri B. K. Mandal



Shri Nasser Munjee



Shri Keshav Saran



Shri J. N. L. Srivastava



Shri U. Sundararajan



Shri S.C. Tripathi

Shri Dipankar Halder
*SVP (Legal Affairs) &
Company Secretary*

Messrs. **KHANDELWAL JAIN & CO.**
Messrs. **S. BHANDARI & CO.**
Auditors

Messrs. **MULLA & MULLA &
CRAIGIE BLUNT & CAROE**
Solicitors

Registered Office: Shipping House, 245, Madam Cama Road, Mumbai 400 021
Registrar & Transfer Agents : M/s. Sharepro Services (India) Pvt. Ltd. Satam Estate, 3rd Floor,
Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099.
(Investor Relation Centre) 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021.

Photographs of Directors (other than S/Shri S. Hajara, C. Balakrishnan and Rajeev Gupta) appear in alphabetical order of Surnames.



BRIEF PROFILE OF THE DIRECTORS OF THE COMPANY

Shri S. Hajara is Chairman & Managing Director since September 2005 before which he held the post of Director (Personnel & Administration). He holds a Bachelor's degree in Science - Chemistry and a Post Graduate Diploma in Management from IIM, Kolkata. He also holds a degree in Law, diploma in Professional Ship Management, Norwegian Shipping Academy, Oslo. He is also experienced in marketing, chartering, import operations, liner conference / bilateral matters, commercial operations in liner, bulk and tanker.

Shri C. Balakrishnan, Additional Secretary and Financial Advisor, Ministry of Shipping, Road Transport & Highways, an ex-officio part-time Director of the Company was appointed on Board of Directors in September 2005. Shri Balakrishnan, an I.A.S. Officer of the Himachal Pradesh cadre, holds a Masters degree in Business Administration (MBA) from the University of Florida, is an M.P.A. from the Harvard University and an M.Phil. of the Punjab University from the Indian Institute of Public Administration. He held several posts in both the State and Central Governments and was the Joint Secretary (Planning & UNESCO) in the Ministry of Human Resource Development. He was also a District Magistrate of Sirmur District and Divisional Commissioner of Kangra Division.

Shri Rajeev Gupta, Joint Secretary (Shipping), Ministry of Shipping Road Transport & Highways, an ex-officio part-time Director of the Company, was appointed on the Board of Directors in June 2007. Shri Rajeev Gupta, an I.R.S.M.E. Officer, is a graduate in both Mechanical and Electrical Engineering. He has had experience in shipping, inland waterways, chartering, enterprise planning, vigilance, human resource management among other subjects. He has held several posts in Central Governments and was in the Railway Board and was involved in formulating the Tenth Five Year Plan for Railways.

Shri J.N. Das is Director (Liner & Passenger Services) since December 2007. He is a Marine Engineer from Marine Engineering Training College (DMET), Kolkata and possesses First Class Engineer (MOTOR) Certificate of Competency from MOT. He is a member of the Institute of Engineers (MIE India) and a fellow of Institute of Marine Engineers (FIME) India. He has vast experience in shipping management, bulk carriers, tankers, chemicals, LPG & LNG operations, new building & offshore services.

Dr. Bakul H. Dholakia is a part-time non-official Director inducted on the Board in July 2007. He is also a member of the Audit Committee of the Board. He was the former the Director of Indian Institute of Management (IIM), Ahmedabad and holds Master's Degree in Economics and is also a Ph.D. in Economics. He has 38 years of professional experience including 32 years in IIMA and in recognition of his contribution to Management Education in India, Dr. Dholakia was awarded Padma Shree in 2007. He is presently the Chairman of National Board of Accreditation for Technical Education in India and has also served as part time External Director on the Board of several companies. His areas of specialization include Business Economics, Economic Policy, Corporate Strategy and Public Enterprise Management.

Shri A.D. Fernando is a part-time non-official Director inducted on the Board in July 2007. He is the Chairman & Managing Director of Victoria Marine & Agro Export Ltd. He is a BE in Mechanical Engineering from Madras University and has a diploma in Global Trade from the City University of New York, USA. He has vast knowledge in global trade, export and import of Marine & Agro products, Marine Biotech, Shipping & Port Management, Thermal Plant operations and Governmental Aquarian policy planning (State planning commission).

Shri U.C. Grover is Director (Technical & Offshore Services) since April 2006. He is a Marine Engineer from Marine Engineering College (DMET), Kolkata and possesses First Class Engineer (MOTOR) Certificate of Competency from MOT. He has vast experience and knowledge in ship acquisitions, project management,



new business development, commercial operations in Liner & Container Services, Marketing, Liner Conferences / Bilateral Matters, Stevedoring Operations, Bulk Carrier & Tanker Operations, Fleet Management, etc. He also has the experience in Maritime Training, Safety and Marine Environment Protection, development and implementation of the requirements of ISM Code in the Company and fleet.

Shri Kailash Gupta is Director (Personnel & Administration) since July 2006. He is a post graduate in Personnel Management from XLRI, Jamshedpur, and also has degree in law from the University of Delhi. Shri Gupta has also worked with NALCO Ltd. as General Manager (HRD & Administration) for over six years prior to joining SCI.

Shri A.K. Mago is a part-time non-official Director inducted on the Board in July 2007 and is the Chairman of the Shareholders'/Investors' Grievance Committee of the Board. He is also a member of the Audit Committee. He joined the IAS in 1967 and retired in 2004 as Chief Secretary, Govt. of Maharashtra. He was also the former Chairman of Maharashtra State Electricity Board and Mumbai Port Trust. He is M.Sc.(Physics), M.Phil.(Social Sciences) and holds diplomas in management, public administration (Paris and Delhi), public finance (Paris) and possesses knowledge of French language. He also holds a certificate in International Law & Diplomacy. He has valuable administrative and management expertise/skills and is also well conversant with matters relating to policy/planning and implementation in power, port and urban infrastructure sectors. He has worked, for over 37 years, in different capacities in the State and Central Government in several sectors which include energy, port, urban infrastructure, environment & forest and industries sectors.

Shri B.K. Mandal is Director (Finance) since November 2005 and is a post graduate in Management from the Indian Institute of Management, Ahmedabad and also a Fellow member of the Institute of Cost & Works Accountants of India. Shri Mandal was working in NTPC Ltd., Delhi, as General Manager (Finance) and has also worked with BHEL in the initial years of his career.

Shri Nasser Munjee is a part-time non-official Director inducted on the Board in August 2007. He is presently the Chairman of Development Credit Bank (DCB) and was the former Managing Director & CEO of the IDFC. He holds a Bachelor's degree from the University of Chicago and Master's degree from the London School of Economics, U.K. His journey in creating financial institutions began with the HDFC (which he has been assisting since its inception in 1978) and he joined the Board as an Executive Director in 1993 with primary responsibility for resource mobilization, research, publications, training, communication and managing the Centre for Housing Finance. He has deep interest for rural development, housing finance, urban issues, specially the development of modern cities and humanitarian causes. Shri Munjee is also a Technical Advisor on the various Funds of the World Bank and the memberships held by him include that of the Goa Planning Board, Managing Committee of the Bombay Chamber of Commerce & Industry and CII, Western Region. He is also on the Board of Governors of the NMIMS and a Member and Honorary Distinguished Professor at IIT, Kanpur. He continues to be on the Board of HDFC and the Board of other companies and several other institutions as Chairman, Member of the Board or as a Trustee.

Shri Keshav Saran is a part-time non-official Director inducted on the Board in July 2007. He is also a member of both, the Audit and Shareholders'/Investors' Grievance Committees of the Board. He was the former Chairman & Managing Director of Engineers India Ltd. and has also been Director (Projects) in the National Thermal Power Corporation (NTPC). He is an electrical engineering graduate with a post-graduate diploma in Industrial Management and holds an MBA and LL.B. degrees. He has vast experience and knowledge in PSU (public sector undertakings) management, project management and commercial management. He has around 44 years' experience mainly in Public Sector Undertakings in Petroleum and Power Sector. He has presented number of papers in international and national seminars

and has been associated with various professional organizations. He started his career at IIT Kharagpur and has worked for about 15 years with Bharat Heavy Electricals Ltd. in various capacities.

Shri J.N.L. Srivastava is a part-time non-official Director inducted on the Board in July 2007. He is an IAS and presently the Managing Trustee of IFFCO Foundation. He has held the posts of Secretary in the Agriculture & Co-operation Dept. of Government of India, the Department of Animal Husbandry & Dairying & Fisheries and the Ministry of Non-conventional Energy Sources. He has vast experience in public administration and management of public enterprises and a long association with Agriculture, Industry, Commerce and Trade. He was the former Chairman of Indian Potash Ltd and the Managing Director of the Punjab State Industrial Development Corporation (PSIDC) and has held directorships in various Companies which include NABARD, IFFCO, KRIBHCO, NAFED, Max India Ltd. He has represented India in the Food & Agricultural Organisation (FAO) of the United Nations and the World Trade Organisation (WTO).

Shri U. Sundararajan is a part-time non-official Director of the Company inducted on the Board in July 2007 and is also the Chairman of the Audit Committee of the Board. He was the former Chairman and Managing Director of BPCL. He is a Cost Accountant and has vast experience and knowledge in financial management and general management. He has also served as part time External Director on the Board of several companies which include Gujarat State Petronet Ltd. and Larsen & Toubro Ltd.

Shri S.C. Tripathi is a part-time non-official Director of the Company inducted on the Board in December 2007. He is an IAS and was the former Secretary to Government of India and had rich experience in finance, economics and in petroleum sector. Shri Tripathi, an M.Sc. (Physics-Specialisation in Electronics), LL. B., PG Diploma in Development Studies (Cantab.), AIMA Diploma in Management, started his career as Lecturer in Physics in 1964 and joined the Indian Administrative Service in 1968 (Second Rank in the country). He spent nearly 20 years in Finance and Industry sectors at Chief Executive / Secretary levels at the State and Central Government and in representative capacity at international levels. Shri Tripathi retired as Secretary, Ministry of Petroleum and Natural Gas in the Government of India, in December 2005.



NOTICE OF MEETING

NOTICE is hereby given that the 58th 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 11.30 hrs. on Monday, the 29th September 2008 to transact the following as:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008, 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 A.K. Mago who retires at this meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A.D. Fernando who retires at this meeting and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri U. Sundararajan who retires at this meeting and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri J.N.L. Srivastava who retires at this meeting and being eligible, offers himself for re-appointment.
7. To fix remuneration of auditors.

SPECIAL BUSINESS

BY ORDINARY RESOLUTION

8. To appoint a Director in place of Shri S.C. Tripathi 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 being eligible for appointment, the Company has received a notice in writing, from a shareholder signifying his intention to propose appointment of Shri S.C. Tripathi as a Director of the Company.
9. To appoint a Director in place of Shri J.N. Das 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 SPECIAL RESOLUTION

10. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

RESOLVED that approval of the Shareholders be and is hereby accorded to the :

- 1) deletion of Article 150(1)(d) of Articles of Association and consequent renumbering of the remaining sub-clauses of Article 150 (1),
 - 2) deletion/modification of Article 150(2)(a),(e),(h) of Articles of Association, insertion of new clauses to Article 150(2)(a) and (d) and consequent renumbering of the remaining sub-clauses of the said Article,
 - 3) substitution of Article 151 of Articles of Association by insertion of a new Article 151,
 - 4) insertion of new clause (25) in Article 166 of Articles of Association,
- as proposed hereafter,



Article 150 (1) (d)

Existing	Proposed Amendment
Acquisition and construction of vessels subject to Article 151.	Deletion of Article 150 (1) (d)

Article 150 (2)

Existing	Proposed Amendment
<p>Notwithstanding anything contained in any other articles, prior approval of the President of India should be obtained in respect of :</p> <p>(a) Appointment to posts where the pay (including pension and pensionary equivalent of retirement benefits) exceeds Rs. 5700/- per month or where the minimum of pay scale is Rs. 5700/- or more of persons who have already attained the age of 58 years.</p> <p>(b) appointment of any foreign national to any post in the company.</p> <p>(c) Schemes, purchases and contracts involving capital outlay which is in excess of the powers vested in the Board under Article 151.</p> <p>(d) disposal of property (other than ships which are economically not viable) having an original book value of Rs. 1 crore (Rupees one crore) and above.</p> <p>(e) formation of a subsidiary company or companies of the Company, setting up Joint Venture Companies in India and abroad, acquiring other companies or merging the acquired entities amongst themselves.</p> <p>PROVIDED THAT :</p> <p>Notwithstanding anything contained elsewhere in the Articles, no such prior approval of the President shall be required, subject to provision of the Act, to form wholly or partly owned companies or subsidiaries in India or acquiring other companies or merging the acquired entities amongst themselves or joint venture in India in cases where powers have been delegated to the Board by the Government.</p> <p>(f) any proposal for action relating to the reduction of capital.</p> <p>(g) any proposal for action relating to the amount of capital to be raised and the terms and conditions thereof.</p> <p>(h) Agreements involving foreign collaboration proposed to be entered into by the company other than those provided in sub clause (e) above.</p>	<p>Notwithstanding anything contained in any other article, prior approval of the President of India should be obtained in respect of :</p> <p>(a) appointment of any foreign national to any post in the company.</p> <p>PROVIDED THAT :</p> <p>Notwithstanding anything contained in this article or any other article, no such prior approval of the President of India shall be required for creation and winding up of all posts including and up to those of non-Board level Directors i.e. Functional Directors who may have the same pay scales as that of Board level Directors, but who would not be members of the Board. All appointments up to this level would also be in the powers of the Boards and would include the power to effect internal transfers and resignation of posts. All powers in this respect shall be exercised in accordance with the guidelines prevailing from time to time;</p> <p>(b) Schemes, purchases and contracts involving capital outlay which is in excess of the powers vested in the Board under Article 151;</p> <p>(c) disposal of property (other than ships which are economically not viable) having an original book value of Rs. 1 crore (Rupees one crore) and above.</p> <p>(d) formation of a subsidiary company or companies of the Company, setting up Joint Venture Companies in India and abroad, acquiring other companies or merging the acquired entities amongst themselves which are exceeding the limits or conditions or are otherwise not covered under the provisions of Article 151 of the Articles of Association of the Company;</p> <p>(e) any proposal for action relating to the reduction of capital;</p> <p>(f) any proposal for action relating to the amount of capital to be raised and the terms and conditions thereof;</p>