

**47th
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COMMITTEE ON PUBLIC UNDERTAKINGS

(2003 – 2004)

(THIRTEENTH LOK SABHA)

**FORTY - SEVENTH
STUDY TOUR REPORT**

SHIPPING CORPORATION OF INDIA LIMITED

Laid in the Lok Sabha on 22.7.2003

Laid in the Rajya Sabha on 22.7.2003

LOK SABHA SECRETARIAT

NEW DELHI

July 2003 / Asadha 1925 (S)

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COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS
(2003 – 2004)

CHAIRMAN

Prof. Vijay Kumar Malhotra

MEMBERS

LOK SABHA

2. Shri Mani Shankar Aiyar
3. Shri Ram Tahal Chaudhary
4. Smt. Reena Choudhary
5. Smt. Sangeeta Kumari Singh Deo
6. Shri C. K. Jaffer Sharief
7. Shri K. E. Krishnamurthy
8. Dr. Ramkrishna Kusmaria
9. Shri Vilas Muttemwar
10. Shri Shrinivas Patil
11. Shri Prabhat Samantray
12. Shri Tarit Baran Topdar
13. Prof. Rita Verma
14. Shri A. K. S. Vijayan
15. Shri Dinesh Chandra Yadav

RAJYA SABHA

16. Shri Suresh Kalmadi
17. Shri Lalitbhai Mehta
18. Shri Kalraj Mishra
19. Shri Satish Pradhan
20. Shri K. Kalavenkata Rao
21. Shri Jibon Roy
22. Smt. Ambika Soni

SECRETARIAT

- | | | |
|----|---------------------|----------------------|
| 1. | Shri John Joseph, | Additional Secretary |
| 2. | Shri S. Bal Shekar, | Director |
| 3. | Shri C S Joon, | Deputy Secretary |
| 4. | Shri Raj Kumar | Under Secretary |

INTRODUCTION

In pursuance of the procedure adopted under Rule 281 of the Rules of Procedure and Conduct of Business for laying the Study Tour Reports on the Tables of both the Houses of Parliament, I, Chairman, Committee on Public Undertakings having been authorised by the Committee to lay the Study Tour Report on their behalf, lay this Forty-Seventh Study Tour Report of the Committee on their discussion with the officials of Shipping Corporation of India Ltd.

2. The Committee held discussion with the officials at Chennai on 15.4.2003. A copy of the tour programme is annexed (Annexure-I).

3. The Committee considered and approved the Report at their sitting held on 13th June, 2003.

4. The Committee wish to express their thanks to Shipping Corporation of India Ltd. for providing facilities during the visit of the Committee and for supplying necessary material and information required in connection with the Study Tour.

5. They would also like to place on record their sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi
18 July, 2003
27 Asadha, 1925(S)

PROF. VIJAY KUMAR MALHOTRA
CHAIRMAN
COMMITTEE ON PUBLIC UNDERTAKINGS

STUDY TOUR NOTES
OF THE COMMITTEE ON PUBLIC UNDERTAKINGS

DISCUSSION WITH THE REPRESENTATIVES OF SHIPPING
CORPORATION OF INDIA LIMITED AT CHENNAI ON 15TH APRIL,
2003

At the outset, the Chairman, Committee on Public Undertakings (COPU) made opening remarks and requested the Chairman and Managing Director (CMD), Shipping Corporation of India Ltd. (SCI) to introduce himself and his colleagues to the Committee. The Chairman, COPU also requested him to give a brief account of the working of Company.

2. Following the introduction of officials of the Company, it has been informed to the Committee that the Shipping Corporation of India was formed on October 2, 1961 by the merger of the Eastern Shipping Corporation and the Western Shipping Corporation. Operating primarily as a liner shipping company, its fleet then comprised of 19 vessels of 1.39 lakh GT (1.92 lakh DWT). The Shipping Corporation of India Ltd. took over as the managing agents of Jayanti Shipping Co. (JSC) when the Government of India took over the management of JSC on June 10, 1966. Further on October 17, 1971, the Government took over all the shares (2,88,128) of the ailing JSC and transferred 2, 88,028 shares to SCI, as a result of which JSC became a subsidiary of SCI. For the purpose of securing co-ordination in policy, and efficiency and economy in operation,

JSC was amalgamated with SCI on January 1, 1973. On June 30, 1986, the Mogul Line Ltd., a Government of India enterprise was merged with SCI.

3. The Company is having its Head Office at Mumbai with Regional Offices at New Delhi, Kolkata, Chennai and London. Its network includes Branch Offices at Haldia and Port Blair and Representative Offices at Kochi, Dhaka, Shanghai, New York, Singapore and Tokyo. However, the Representative Offices at Dhaka, New York, Singapore and Tokyo have been temporarily suspended.

4. When enquired as to why so many Representative Offices have been closed down particularly in the light of the liberalisation and globalisation process, the Committee have been informed that many of these Representative Offices were earlier set up primarily to cater to SCI's liner break bulk services. In view of the rapid growth of containerization, these break bulk services had to be closed down. The liner service is like retail service where the liner operator has to service a very large number of customers and the direct presence of the line through its representative is considered more essential in this business. As against this, the bulk carrier and tanker services are more like wholesale business where the operator is serving only a limited number of customers and here an agents' office can adequately serve these customers. Moreover, the tremendous improvement in IT and communication has enabled an organization to communicate all over the world from its own location

through tele-conference, video-conference, etc., quite effectively. This has somewhat diluted the need for having representative / own office abroad. Finally, there is an element of uncertainty in SCI in view of the impending process of disinvestment. Thus, on completion of the tenure of some representatives, the organization has decided not to post anyone in their places for the time being so that the strategic partner is not presented with a fate-accompli.

5. The Shipping Corporation of India Ltd. has been conferred 'Mini-Ratna' status by the Government of India on February 24, 2000. When enquired to what extent the new dispensation benefited the Company in its functioning and how the existing position compares to the one during the period prior to conferment of Mini Ratna status, the Committee have been informed that SCI could incur capital expenditure on new projects such as purchase of vessels, etc. without Government approval upto Rs.300 crores or equal to their networth, whichever is lower.

6. When asked whether the present structure provides adequate autonomy to the Company in carrying out its business and also the areas where improvements are required to be made, the Committee have been informed that inspite of the increased financial autonomy granted to the Company as a result of it being conferred the status of the Mini-Ratna, taking into consideration the peculiar nature of the Shipping Industry requiring substantial investment outlays for asset acquisitions, longer gestation period of investments, uncertainties / risks associated with

international nature of operations etc., additional powers beyond the purview of the Mini-Ratna procedures may be granted to the SCI.

7. As per information furnished to the Committee, the Company's own fleet strength of ships / vessels as on April 1, 2003 was as follows :-

(i)	Tankers	-	46 units of 3.22 m dwt
(ii)	Bulk Carriers	-	23 units of 0.97 m dwt
(iii)	Dry Cargo Vessels	-	6 units of 0.14 m dwt
(iv)	OSVs	-	10 units of 0.01 m dwt
(v)	Passenger-cum-cargo	-	2 units of 0.61 m dwt
	Total		<u>87 units of 4.35 m dwt</u>

In addition, the Company also manages another 42 vessels of 1,19,541 GT (66,198 DWT) on behalf of the other organisations.

8. SCI had initially planned to acquire the following vessels during the financial year 2002-03 :-

- 2 nos. Very Large Crude Carriers
- 2 nos. LR-1 Product Carriers
- 2 nos. Aframax tankers (Second-hand)

SCI had, however, rescheduled its acquisition priority for the year and planned to acquire the following vessels during 2002-03 :-

Vessel particulars	GT / Vessel	DWT / Vessel	Estimated cost / Vsl (US \$ M)
1 no. Aframax Tanker	65,000	110,000	34.7
2 nos. VLCCs	160,000	300,000	65.2

The proposal for acquiring the Aframax tanker has already been approved by the SCI Board and SCI has signed a MOU on 20.01.03 for ordering the Aframax tanker at Cochin Shipyard Ltd. Similarly, the proposal for acquiring the VLCCs was approved by the PIB at its meeting held on 5.03.03. These vessels, however, could not be ordered before the end of financial year as CCEA approval is awaited. SCI hopes to place orders for these in the near future.

During the financial year 2003-04, SCI plans to acquire the following vessels :-

- 2 nos. Capesize Bulk Carriers
- 2 nos. MR crude / product / lightering tankers
- 1 no. Aframax tanker
- 1 no. Aframax tanker (Secondhand)

9. When enquired as to how the funds required for acquisition of ships / vessels are proposed to be met, it has been intimated to the Committee that the Company plans to source the investment required for acquiring the above vessels through a mix of internal resources and external borrowings. In all likelihood about 20 percent of the total investment required would be funded from internal resources and the balance 80 percent would be raised from external sources. The total investment would be spread over the construction period of the vessels (for new building) as would be agreed in the shipbuilding contract. While the vessels mentioned above are planned to be ordered during the current

year, the delivery of the same would be at a later date i.e. after completion of construction of the vessels.

10. When enquired whether the Company has taken any ships / vessels on lease basis, the Committee have been informed that the Company has taken one Bulk Carrier M V Lok Pratap of 16,834 GT (26,450 DWT) on long term lease from IDBI.

11. The information furnished by the Company to the Committee with regard to capacity available, capacity utilised and percentage of utilisation in respect of Liner and Passenger Services Division, Bulk Carrier and Tanker Services (B&T) Division and Technical Off Shore Services (T&OS) Division during years from 1999-2000 to 2001-02 are given in Annexures I, II and III.

12. The following table shows the passengers and cargo carried during 2001-02 on the Mainland / Island sector on owned and managed vessels:-

Sector	No. of Passengers	General Cargo (MTS)
Mainland / A&N Islands	1,71,928	43,463
Mainland / UTL Islands	77,133	14,436
Total	2,49,061	57,899

13. When asked whether the frequency of the ship service between Mainland and Islands is sufficient to meet the demand of these islands, the Committee have been informed that SCI is handling only the Ship Manning & Management activity for the A&N and UTL Administrations under the advise of the respective Administrations. The issues regarding

the adequacy of frequency of ship service for meeting the demands of the islands are addressed by the respective Administrations.

14. When enquired about the share of India in world shipping, the Committee have been informed that the Indian tonnage is barely about 1.2% of the world tonnage. The Indian overseas trade is about 4% of the world sea-borne trade. Thus the share of India in the world shipping market is rather small. The Indian lines only carry little over 30% of the India's overseas sea-borne trade.

15. On the question of the impact of longer loading / unloading time in Indian ports on the profitability of Indian shipping companies, it has been informed to the Committee that the turn round of the vessels at port does have a significant impact on profitability of the voyages. However, the delay at Indian ports affect the Indian and foreign vessels calling at these ports alike. Recently, the Government of India have taken a number of steps like privatization of the port facilities, etc., and it is expected that this will result in higher productivity at Indian ports thereby improving the turn round of the vessels at these ports.

16. The Committee have been informed that there is absence of such a level playing field through having a much higher corporate tax regime applicable to Indian shipping industry has led to decline in the Indian maritime tonnage in the recent years. It has also been informed that 90% of the world maritime tonnage either through tonnage tax regime in the respective countries or through concessional corporate tax regime,

pay barely 0-2% tax whereas Indian shipping industry is required to pay the same level of corporate tax as any other industry.

17. The Government have also provided some concession by way of exemption in the corporate tax under Section 33 AC and during 2002 Budget the scope of exclusion under Section 33AC has been expanded. However, only existing established shipping companies with a good track record and adequate reserves can derive benefit under this provision and this will not encourage new shipping companies and new capital to flow into this vital sector.

18. To a query about the concept of 'Tonnage Tax', the Committee have been informed that Tonnage Tax is an alternative method of calculating tax of a shipping company with reference to the net tonnage of the shipping fleet operated by the Company. The Tonnage tax is not linked to the actual profit and loss of the Company, but is calculated by applying a notional rate of income to the Net Registered Tonnage (NRT) of each vessel thereby arriving at an aggregate notional annual income and thereafter applying the existing corporate tax rate to this notional taxable income. This method of taxation has been introduced by many countries like UK, Germany, Netherlands, Norway, Greece, etc., in order to combat the decline in their merchant fleet. It is also an expedient way to facilitate shipping investments without disturbing broad economic policies in other sectors. The Committee feel that with the introduction of the optional tonnage tax regime, the extent of tax levied on shipping

companies is expected to come down from the current 35% - particularly for new shipping companies, who would not be able to avail of 33 AC benefit for a long period – to about 2%.

19. It has also been informed to the Committee that the Rakesh Mohan Committee set up by the Ministry of Finance has recommended introduction of Tonnage Tax and the same is under the examination of the Ministry of Finance.

20. About the vessels disposed of during the years from 1998-99 to 2002-03 and the amount of sale proceeds therefrom, the information is given in Annexure IV.

21. The Committee have been informed that the Shipping Corporation of India is not having its own shipyard for repairing of ships. However, there are two public sector shipyards in India, namely Cochin Shipyard Ltd. (CSL) and Hindustan Shipyard Ltd., which cater to dry docking requirement of SCI vessels. Apart from utilising these two public sector yards, the Company also utilises the services of other shipyards in India and abroad. Since the public sector shipyards are not equipped to handle larger vessels, the same have to be sent for dry-dock repairs to the foreign shipyards.

22. As per the information furnished to the Committee, the details of profit / loss for the years from 1992-93 to 2001-02 alongwith the percentage of profit / loss to total turnover in respect of those years is as under :-

Year	Profit after tax (Rs. Crs)	PAT / Turnover (%)
1992-93	143.1	10.19
1993-94	167.6	11.32
1994-95	201.4	11.70
1995-96	323.4	15.30
1996-97	233.3	10.28
1997-98	246.2	10.20
1998-99	201.3	7.99
1999-2000	161.6	6.36
2000-01	382.6	12.78
2001-02	241.6	8.68

23. When enquired about the reasons for decline in profit during 2001-02 in comparison to 2000-01 and also during 1999-2000 in comparison to the preceding year 1998-99, the Committee have been informed that shipping is a cyclical business and the profitability is dependent upon the freight market and economic conditions worldwide. The decline in profitability during 2001-02 is mainly on account of all round depression in the freight market. There was a significant downward trend in Liner Division performance due to market conditions also had its effect on the bulk and tanker segment. Besides the above, payment of wage settlement arrears, write-offs and creation of additional provisions, as SCI was posed for divestment, affected the bottom line in the year 2001-02. The reasons for decline in profitability for the year 1999-2000 as compared to 1998-99 were also on similar lines as stated above i.e. depressed freight markets and lower cargo liftings.

24. When asked about the steps taken to step up the profitability of the Company, the Committee have been intimated that though SCI has no

control over market forces, several measures have been initiated internally to sustain and boost its levels of profitability. The notable being are as follows :-

- Delineating energy transportation, containerized cargo movement, manning and technical management as core business segments and deploying the maximum resources in these segments.
- Downsizing of the non-lucrative business segments of the Liner division.
- Deployment of owned vessels in the most lucrative sectors for optimal utilization of the assets.
- Strategic alliances with global and significant players in certain segments of the shipping business to maximize capacity utilisation and reduce expenses through sharing.
- Opening of new services in certain remunerative sectors hitherto unexplored.
- Strict monitoring and control of expenses.

25. The Committee have been informed that at present 5% customs duty alongwith 4.2% special additional duty is levied on the import / purchase of Tugs, Pusher Crafts, Dredgers, Floating Docks / Cranes / Production Platforms, etc. Besides, there is also customs duty levied on import of spares, stores, equipments, etc. for the repair of ships / vessels and for supply of bunkers.

26. As per the Annual Report of the Company, payment under various heads outstanding from Oil Industry was approximately Rs.250 crore as on 31.3.2002. In-spite of the Company's continuous efforts to sort on the

various disputes of intra oil companies, outstanding payments have not been fully realised. When enquired about the amounts recovered by the Company during 2002-03 and the amounts outstanding against each oil company as on 31.3.2003, it has been informed to the Committee that out of a total amount of approximately Rs.250 crore outstanding from Oil Industry as on 31.3.2002, an amount of Rs.203 crore has been recovered during 2002-03 leaving a balance of Rs.47 crore outstanding from the Oil Industry. The amount outstanding from various oil companies is given below :-

	(Rs. in crore)	
Party	As on 31.03.02	As on 31.03.03
OCC	1.09	0.00
IOC	113.48	23.54
BPC	13.32	8.09
CPC	0.00	1.52
HPC	13.56	6.62
KRL	1.55	9.71
ONGC	23.00	18.58
Demurrage – various cos	78.00	41.00
Total	244.00	109.06

The continuous follow-up action at higher levels with the Oil Industry has helped the Company in recovery of a substantial portion of the outstandings as mentioned above.

27. As per the information furnished to the Committee, the Board of Directors of the Company consists of six (6) Functional Directors including Chairman & Managing Director, one (1) Government Director and five (5)

Part-time Non-official Directors (Independent Directors). About the vacancies on the Board of Directors, the Committee have been informed that clause 49 of the Listing Agreement stipulates that at least 50% of the Board of Directors of a Company, which has an executive Chairman, should comprise of Independent Directors. Since SCI has an executive Chairman and the present composition of the SCI Board comprise of 5 independent directors out of the total strength of 12, another 2 Independent Directors are required to be inducted to comply with the requirement.

28. The Committee have been informed that the strength of the Company as on April 1, 2003 is as under :-

SHORE EMPLOYEES

i)	Officers	-	715
ii)	Staff	-	364

	TOTAL		1079
			=====

FLEET PERSONNEL

i)	Officers	-	2295
ii)	Petty Officers	-	822
iii)	HT Crew (P)	-	405
iv)	TMEs	-	171

	TOTAL		3693
			=====

29. When enquired whether any study has been conducted to ascertain the actual requirement of manpower in the Company, the Committee have been informed that no such study has yet been conducted to ascertain the

actual requirement of manpower. However, considering that SCI manpower onshore is more compare to other Shipping Industries, in the recent past two VRS have been initiated and manpower reduced to certain extent. Therefore, no variance reported.

30. When asked about the response of the employees to these VR Schemes, it has been informed to the Committee that the Company offered a VR Scheme to the employees on 1.6.2001. Prior to this Scheme, no VR Scheme was offered to the employees. Employees were entitled to opt for VR under the service conditions without receiving any ex-gratia component, after completion of 25 years of service or on reaching 55 years of age. Under the Scheme offered in June 2001, 91 employees opted for VRS. Of these, the SCI Management rejected 12 applications due to their professional expertise and experience, 79 employees were allowed to proceed on VRS. Of this number, 66 were officers and 13 were staff members. The second VR Scheme was offered to the employees on 1.3.2002. The Scheme had 208 applications for VRS. Of these the SCI management accepted the applications of 54 staff members and 123 officers. The applications of 18 officers were rejected on ground of professional expertise and experience and 13 employees withdrew their applications.

The Company has no plan to introduce any further VRS at the present.

31. When enquired whether sufficient qualified personnel particularly Marine Engineers are available for the Indian shipping industry, it has been intimated to the Committee that the maritime training in the country has been liberalized and in addition to the Government institutions, a number of private training institutions have been set up in the country. Thus, it may be stated that the training facilities in the country are quite adequate. However, the number of highly qualified and experienced Indian shipping officers leave Indian shipping companies and join foreign flag vessels due to disparate income tax treatment for Indian seafarers working on board Indian flag vessels vis-à-vis foreign flag vessels.

32. On the question of Seafarers' Taxation, the Committee have been informed that the Indian seafarers working on board Indian ships are granted non-resident status for the purpose of taxation of salary income earned by them provided they are outside India for a period of 183 days in a year. Their actual stay in India is determined not only by way of stamp of exit and entry through an Indian port made by the immigration department but also on the basis of number of days the Indian ship on which they were working actually remained in Indian territorial waters. The records of these details are maintained by the ship-owners and accordingly those number of days are considered as days resident in India. However, in the case of Indian seafarers working on a foreign flagship and calling on Indian ports, such details are not required to be compiled and taken into consideration by their foreign employer. They get non-resident status,

even if the foreign ship on which they are employed has frequently transited through Indian territorial waters. Thus, Indian seafarers working on foreign ships escape the taxation net and get non-resident status, which is not possible for the Indian seafarers working on Indian flagships, thereby creating disparity between net carry home pay in respect of the Indian seafarers working on Indian ships and on foreign flag ships.

33. The Committee have also been informed that Rakesh Mohan Committee have recommended that Indian seafarers working on Indian ships should receive the same treatment as Indian seafarers working on foreign ships.

34. When enquired whether there are any casual labourers in SCI, it has been informed to the Committee that the Company does not have casual labourers but there are contract contract workers who are employed in the Company through the contractors.

35. When enquired about the mechanism available in the Company to dispose of vigilance cases, the Committee have been informed that in the Shipping Corporation of India, there is a Vigilance Department headed by Chief Vigilance Officer who directly reports to C&MD. In the Vigilance Cell at the SCI Head Office there are two vigilance units each headed by a Manager / AGM level officer, and each assisted by an officer level of AM / JO. Besides, in the regional offices at Kolkata and Chennai a senior DGM / AGM has been designated a Vigilance Officer who looks after the vigilance functions in addition to his other duties. Complaints received

from various sources are investigated by the Vigilance Department and if any evidence of misconduct on the part of any officer of SCI is found, the same is brought to the notice of the Management for taking disciplinary action under the SCI's Conduct, Discipline and Appeal Rules. The Vigilance Department in SCI pays equal attention to the punitive as well as preventive vigilance. Besides looking into the complaints, the Vigilance Department conducts periodical as well as surprise inspections in certain corruption prone areas like supplies of Dunnage, lashing materials and other costly ship stores, non-contract purchase of goods / services through SCI's Agents, Voyage repairs as well as dry-dock repairs and settlement of their bills; the settlement of bills by the Billing Department etc. In the course of investigations into complaints / inspections whenever any systems deficiencies procedural lacuna, defects on the contracts or Agency agreements are noticed, the same are brought to the notice of the management for remedial action. There is a system of continuous review of the vigilance function by the CMD by way of the CVO's weekly meetings with him.

36. When asked about the number of complaints received, disposed of and pending during each of the last 3 years, the information furnished by the Company to the Committee is as under :-

YEAR	NO. OF COMPLAINTS RECEIVED	DISPOSED	PENDING
2000-01	11	10	22
2001-02	10	15	17
2002-03	6	21	2

37. When enquired about the details of the officials found guilty of malpractice corruption during the last three years, the information furnished to the Committee is as follows :-

NAME OF OFFICERS	NATURE OF MISCONDUCT	ACTION TAKEN AGAINST THE OFFICER
1. Capt. D D Manjrekar, Manager	He was caught at Colombo airport by Srilankan Customs in August 1998, when he was leaving for India with USD 33500/- as he was taking out this currency without declaring the same to the Customs. On enquiry by Vigilance he could not give any satisfactory explanation for possession of this amount.	After completion of enquiry proceedings he was removed from the service.
2. Capt. V Asthana, DGM 3. Sh D P Revawala, DGM	Irregular recruitment of uncertified officers through Manning Agents as 'Acting Watch keeping Officers' / 'Jr. Officers without Watch keeping duties'.	While Capt. Asthana major penalty of 'reduction of the pay by two stages for a period of 2 years with cumulative effect' has been imposed, on Sh Revawala minor penalty of 'censure' was imposed.
4. Capt. K B Agarwal, GM 5. Sh S P Mahajan, AGM 6. Sh S S Rangnekar, Dir	Serious irregularities in Chartering of M.V. Vishva Kaumudi to a party in Kolkata resulting in huge loss to the Corporation.	While minor penalty of 'censure' was imposed on Sh Rangnekar, major penalty of reduction of pay by two stages for a period of two years was imposed on Capt. Agarwal and Sh Mahajan

7. Sh S Chatterjee, Mgr. 8. Sh D K Sen, Mgr 9. Sh R K Ghosh, Mgr 10. Sh A B Maitri, Mgr 11. Sh J N Chatterjee, Mgr	Involvement in a case of serious irregularities in supply of fire hoses at Kolkata.	Minor penalty of 'Censure' was imposed on each of these officers.
12. Capt. K N Bhajiwala, DGM 13. Sh S G Mistry, DGM 14. Sh Vivekananda Chari Chief Officer 15. Sh S C Lingam, A.M.	Involvement in a case of huge payments to the tune of about Rs.20 crore having been made to some parties through the SCI's Agents at Tuticorin & Mangalore against fictitious bills raised without making any supplies or billing at exorbitant rates based on bogus quotations.	Capt K N Bhajiwala and Sh Vivekananda Chari have been dismissed from service. Penalty of reduction in rank from DGM to AGM has been imposed on Sh S G Mistry. Inquiry proceedings are in progress against Sh Linga. This matter has also been referred to CBI, which has already registered two cases.

38. About the status of disinvestment of Shipping Corporation of India, the Committee have been informed that the disinvestment process is being carried out by the Government. As such, the disinvestment process is unknown to the Company.

39. When asked the reasons for wide fluctuation in share price of SCI, the Committee have been informed that the share market is influenced more by the market sentiment rather than the intrinsic strength of a company. The public perception about shipping industry is rather poor all over the world. This is due to the comparatively poor returns in the shipping industry vis-à-vis other industries like IT, hospitality, entertainment, etc. Moreover, shipping industry is a cyclic an highly risk prone industry. The recent movement in the share price for SCI has been

basically linked to the disinvestment process. Whenever, the process of disinvestment of SCI has gained momentum, the equity price has shot up and vice – versa.

40. On the question of lack of level playing field vis-à-vis the private sector, the Committee have been informed as under :-

- (i) Unlike in the private sector, in the PSUs the Board is not the ultimate authority and for various decision-making, the matter are to be referred to Government, which at times result in delay in decision-making as well as implementation.
- (ii) SCI being a PSU is a soft target for the various employees' for a particularly the seafarers' fora. The private sector can deal with unions in different manner and thereby the private Indian shipping companies have been able to reduce the manning scale on their vessels, which SCI has not been able to accomplish.
- (iii) Moreover, the guidelines regarding contract labour, casual labour as also reservation policy for recruitment and promotion, etc., are strictly followed by SCI but the private Indian shipping companies are not needed to follow these guidelines. These at times result in additional expenditures as also not being able to deploy the right person for the right job.

41. When asked as to why SCI has not diversified into cruise liners and also for not taking up inland transport in a big way, the Committee have been informed that unlike in the past, when diversification was the buzz word for various industries, in today's intensely competitive scenario, the core competence has become the key for success. As per the business plan developed by SCI, SCI has identified energy transport and deep sea shipping as its core competence. It is felt that for optimal utilisation of capital and human resources, SCI will do well to concentrate in these areas instead of trying to dabble in all the various segments of shipping. Thus, SCI is not concentrating on cruise liners or inland transport. Moreover, cruise liners is more of a hospitality business rather than shipping business. Here the customers expect and deserve a level of service which will be difficult for SCI to offer through its employees under the PSU system. The private Indian shipping companies have also not invested into cruise shipping since this calls for very substantial investment and the current fiscal regime in the country for the shipping industry is not conducive to attract such high level of capital investment. It is because of this that despite 100% FDI being permitted into shipping sector, virtually no foreign investment has flown into this segment. Rather, even Indian shipping companies have started to flag out their fleet. Thus, the immediate need is to provide a facilitative fiscal regime for the Indian shipping industry, which can only arrest the decline in Indian tonnage.

42. On the question of R&D set up in SCI, the Committee have been informed that the Technical & Offshore Service Division of SCI keeps tab of all latest trends in shipbuilding, designs and equipment including all the machineries. However, in shipping industry, most of the services have been standardised and there appears not to be too much of scope for R&D. SCI keeps itself abreast of whatever technologies are being developed internationally in shipping by the shipbuilders and others, and tries to maintain its fleet and services internationally competitive at all times in keeping with the changing demand of its customers.

43. When enquired whether India is having any trade relationship with Pakistan in the shipping sector, the Committee have been informed that India has no bilateral relationship with Pakistan in the shipping sector and no Indian or Pakistani line has service between these two countries.

44. On the question of SCI contributions to sports promotion, the Committee have been informed that the Company has not contributed to sports promotion in any significant manner. However, Annual Sports Day is organized for SCI employees every year.

RECOMMENDATIONS / OBSERVATIONS
OF THE COMMITTEE

Recommendation No. 1

NEED TO INCREASE FINANCIAL LIMIT FOR INVESTMENT

The Committee note that the Shipping Corporation of India Limited (SCI) has been conferred 'Mini Ratna' status by the Government of India on February 24, 2000. Under the new dispensation, the Company could incur capital expenditure upto Rs.300 crore on new projects such as purchase of vessels, etc. without Government approval. Considering the huge capital outlay required for building / acquisition of new ships, the Committee feel that the financial powers granted to the Company under the 'Mini Ratna' dispensation are inadequate. The Committee also feel that the enhancement in the financial ceilings for investments is necessary taking into consideration the fact that in the emerging scenario of the Indian Shipping Industry, the SCI is focusing on the Energy Transportation Sector requiring substantial investments for acquisition of bigger tankers, LNG vessels as well as

Cape Size / Panamax Bulk Carriers. The Committee, therefore, recommend that the Government should consider granting additional financial powers beyond the limit stipulated under the `Mini Ratna' dispensation to the Shipping Corporation of India Ltd.

Recommendation No. 2

NEED TO INTRODUCE TONNAGE TAX

The Committee are given to understand that Tonnage Tax is an alternative method of calculating tax of a shipping company with reference to the net tonnage of the shipping fleet operated by the Company. The Tonnage tax is not linked to the actual profit and loss of the Company, but is calculated by applying a notional rate of income to the Net Registered Tonnage (NRT) of each vessel thereby arriving at an aggregate notional annual income and thereafter applying the existing corporate tax rate to this notional taxable income. This method of taxation has been introduced by many countries like UK, Germany, Netherlands, Norway, Greece, etc., in order to combat the decline in their merchant fleet. It is also an expedient way to facilitate shipping investments without disturbing broad economic policies in other sectors. The Committee understand that with the introduction of the optional tonnage tax regime, the extent of tax levied on shipping companies is expected to come down from the current 35% to about 2% particularly for new shipping companies.

The Committee note that Shipping is an international industry with virtually no economic and trade barrier. Thus, to be viable, Indian shipping needs to be provided with a level playing field in the matter of taxation as it obtains in other countries. The Committee further note that there is absence of level playing field in India, as a much higher corporate tax regime is applicable to Indian shipping industry as compared to the foreign countries and this has led to decline in the Indian maritime tonnage in recent years. The Committee are given to understand that 90% of the world shipping industry pay barely 0-2% tax either through tonnage tax regime or through concessional corporate tax regime in the respective countries while the Indian shipping industry is required to pay much higher levels of corporate tax and they in fact pay the same level of corporate tax as is applicable to any other industry in India.

It has also been brought to the notice of the Committee that the Government have provided some concession by way of some exemption in the corporate tax under Section 33 AC and during 2002 Budget the scope of exclusion under Section 33 AC has been

expanded. However, only the existing established shipping companies with a good track record and adequate reserves can derive benefit under this provision and this will not encourage new shipping companies and new capital to flow into this vital sector.

Though the Government have allowed 100% FDI in the shipping sector, virtually no foreign investment has been forthcoming in this sector due to the disparate Indian tax regime vis-à-vis that obtains in the international arena. The Committee are of the opinion that the introduction of tonnage tax would induce capital inflows. It will achieve generation of internal resources and will also attract new investors who seek reasonable returns on their investments. Tonnage tax is also expected to facilitate increased foreign investment in shipping, as the foreign shipping companies are fully familiar with the globally followed tonnage tax regime. It would also restore competitiveness of the national fleet vis-à-vis its foreign competitors by introducing a level playing field. The Committee also feel that once the existing income tax burden on the Shipping Corporation of India is reduced, many Indian and foreign bidders

would evince interest and quote very high bids for it in the disinvestment process of the Company.

The Committee also note that the Rakesh Mohan Committee set up by the Ministry of Finance has recommended introduction of Tonnage Tax. The Report submitted by the Committee is under examination of the Ministry of Finance. The Committee, therefore, recommend that the Government should expedite its decision on the Tonnage Tax as recommended by Rakesh Mohan Committee and take quick action to implement it.

Recommendation No. 3

SEAFARERS' TAXATION

It has been noticed by the Committee that the Indian seafarers working on board Indian ships are granted non-resident status for the purpose of taxation of salary income earned by them provided they are outside India for a period of 183 days in a year. Their actual stay in India is determined not only by way of stamp of exit and entry through an Indian port made by the immigration department but also on the basis of number of days the Indian ship on which they were working actually remained in Indian territorial waters. The records of these details are maintained by the shipowners and accordingly those number of days are considered as days resident in India. However, in the case of Indian seafarers working on a foreign flagship and calling on Indian ports, such details are not required to be compiled and taken into consideration by their foreign employer. They get non-resident status, even if the foreign ship on which they are employed has frequently transited through Indian territorial waters. Thus, Indian seafarers working on foreign ships escape the taxation net and get non-resident status, which is

not possible for the Indian seafarers working on Indian flagships, thereby creating disparity between net carry home pay in respect of the Indian seafarers working on Indian ships and on foreign flag ships.

The Committee feel that for the purpose of determining non-resident status, the entry and exit through the Indian ports as per immigration stamp on the passport should be the only criteria once the citizen is out of the land mass of the country. His stay abroad a ship while transiting through territorial waters should not be considered for the purpose of reckoning the number of days he was in India. It has also been brought to the notice of the Committee that Rakesh Mohan Committee in its Report submitted to the Government have also recommended that Indian seafarers working on Indian ships should receive the same treatment as Indian seafarers working on foreign ships. The Committee, therefore, recommend that the recommendation of the Rakesh Mohan Committee in this regard should be implemented by making suitable amendments in the relevant Act.

Recommendation No. 4

NEED TO SET UP SEPARATE DEVELOPMENT FINANCING AGENCY

The Committee find that at present there is no separate Development Financing Agency for funding the acquisition of ships on soft terms in the shipping sector. Since huge of funds are borrowed by the Indian shipping companies from the banks, financial institutions, etc., the Committee recommend that a separate Development Financing Agency should be set up for funding acquisition of new ships / second-hand ships from India and abroad on soft terms by the Indian shipping companies. The Committee desire that the whole issue should be viewed in the context of higher cost of borrowing of funds arising of the comparatively low international credit-rating of our country vis-à-vis the other developed maritime countries in the East as well as in the West.

Recommendation No. 5

**NEED TO REMOVE DUTIES FOR PURCHASE OF TUGS
ETC.**

The Committee note that at present 5% customs duty alongwith 4.2% special additional duty is levied on the import / purchase of Tugs, Pusher Crafts, Dredgers, Floating Docks / Cranes / Production Platforms, etc. Besides, there is also customs duty levied on import of spares, stores, equipments, etc. for the repair of ships / vessels and for supply of bunkers. The Committee feel that there is a need for completely removing these duties, as this will help the shipping industry to achieve economic viability. The Committee, therefore, recommend that immediate steps should be taken by the Ministry of Finance to grant these concessions so that the shipping industry is revived in India.

Recommendation No. 6

MEASURES TO PROMOTE INDIAN COASTAL SHIPPING

The Committee wish to point out that coastal shipping offers a cheaper, fuel-efficient and environment-friendly mode of transport when compared to other modes of transport in India. It also assumes greater significance in the light of the emerging businesses related to off-shore oil exploration and production activities. Therefore, the Committee recommend that the Indian shipping industry should be encouraged by implementing strictly the Chartering Guidelines whereby foreign vessels should be allowed only when Indian Flag Vessels are not available. Besides this, the Government should help in the rationalisation of operating costs by reducing the existing Marine Dues on coastal vessels and wharfage on coastal cargoes by 50% and by applying these rates in future based on actual costs. The rates to be levied in future should be linked to any foreign currency directly or indirectly. There should be priority berthing at all ports for coastal shipping. The Committee recommend that concrete measures should be initiated immediately on all these

issues by the Ministry of Shipping within a definite time-frame.

ANNEXURE – V

**TOUR PROGRAMME OF THE COMMITTEE ON PUBLIC UNDERTAKINGS TO
HYDERABAD, VISAKHAPATNAM AND CHENNAI FROM 12TH TO 15TH APRIL,
2003, AS ACTUALLY PERFORMED**

(MEMBERS ASSEMBLED AT HYDERABAD)

DATE AND DAY	TIME	VISIT & DISCUSSION
12.04.2003 (SATURDAY)	1600 hrs	Discussion with the officers of RITES Ltd.
	1800 hrs	Discussion with the officers of Mishra Dhatu Nigam Ltd.
(NIGHT HALT AT HYDERABAD)		
13.04.2003 (SUNDAY)	0615 hrs	Departure for Visakhapatnam by CD-7561 (0730 Hrs.)
	0830 hrs	Arrival at Visakhapatnam
	1030 hrs	Discussion with the officers of Rashtriya Ispat Nigam Ltd. (Audit Para Nos. 21.6.1 of C&AG's Report No. 3 of 2002)
	1200 hrs	Discussion with the officers of Bharat Heavy Plates & Vessels Ltd.
(NIGHT HALT AT VISAKHAPATNAM)		
14.04.2003 (MONDAY)	0900 hrs	Discussion with the officers of Hindustan Shipyard Ltd.
	1015 hrs	Discussion with the officers of Dredging Corporation of India Ltd.
	1330 hrs	Departure for Chennai by CD 7477 (1505 hrs)
	1610 hrs	Arrival at Chennai
	1800 hrs	Discussion with the officers of Bharat Petroleum Corporation Ltd. (Audit Para Nos. 16.1.1 & 16.1.2 of C&AG's Report No.3 of 2002)
(NIGHT HALT AT CHENNAI)		
15.04.2003 (TUESDAY)	0900 hrs	Discussion with the officers of Chennai Petroleum Corporation Ltd. (Audit Para No.16.2.1 of C&AG's Report No.3 of 2002)
	1045 hrs	Discussion with the officers of Shipping Corporation of India Ltd.

DISPERSAL

ANNEXURE – VI

COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS WHICH VISITED HYDERABAD, VISAKHAPATNAM AND CHENNAI FROM 12TH TO 15TH APRIL, 2003

MEMBERS, LOK SABHA

1. Prof Vijay Kumar Malhotra, Chairman
2. Shri Ram Tahal Chaudhary
3. Shri K. E. Krishnamurthy
4. Dr. Prasanna Kumar Patasani
5. Shri Tarit Baran Topdar
6. Shri V. Vetriselvan

MEMBERS RAJYA SABHA

7. Sh. Kalraj Mishra
8. Shri Satish Pradhan
9. Sh. K.Kalavenkata Rao
10. Sh. Lalitbhai Mehta

SECRETARIAT

1. Shri S Bal Shekar, Director
2. Shri Raj Kumar, Under Secretary

ANNEXURE – VII

**LIST OF OFFICIALS OF SHIPPING CORPORATION OF INDIA LTD.
WHO WERE PRESENT DURING THE DISCUSSION WITH
THE COMMITTEE ON PUBLIC UNDERTAKINGS
AT CHENNAI ON 15TH APRIL, 2003**

<u>S.No.</u>	<u>NAME</u>	<u>DESIGNATION</u>
1.	Shri P K Srivastava	Chairman & Managing Director
2.	Shri K K Kothari	Director Finance
3.	Shri S S Rangnekar	Director (L&PS)
4.	Shri K M Joseph	Director (B&T)
5.	Shri S Hajara	Director (P&A)
6.	Capt. T D Hazari	Director (T&OS)
7.	Shri Rakesh Kumar	Chief Vigilance Officer
8.	Smt S Sumathi	EA to C&MD
9.	Shri C Damodaran	Regional Manager
10.	Shri Raju Arumugam	AGM (P&A)

THE SHIPPING CORPORATION OF INDIA LTD.
LINER & PASSENGER SERVICES DIVISION

Annexure - I

A): Details of Capacity Utilisation of Break-Bulk and Container Vessels Fleet of the SCI

(Capacity in Lakhs Cubic Feet)

Particulars	Year	Capacity Available	Capacity Utilised	% Utilised
Break-bulk	1999-2000	814.71	577.43	70.88%
	2000-2001	748.76	399.39	53.34%
	2001-2002	120.71	76.01	62.97%
Container	1999-2000	1,717.95	1,394.00	81.14%
	2000-2001	1,471.92	1,388.21	94.31%
	2001-2002	1,023.51	913.08	89.21%
Total	1999-2000	2,532.66	1,971.43	77.84%
	2000-2001	2,220.68	1,787.60	80.50%
	2001-2002	1,144.22	989.09	86.44%

B): Capacity Utilisation of Passenger -Cum-Cargo Vessels owned / operated by the SCI for Mainland/Island Services.

Particulars	Year	Capacity Available		Capacity Utilised		% Utilised	
		Passenger	Cargo (MT)	Passenger	Cargo (MT)	Passenger	Cargo
Mainland / Andaman	1999-2000	230,150	315,000	148,935	60,656	64.71%	19.26%
	2000-2001	266,798	324,000	166,760	59,075	62.50%	18.23%
	2001-2002	278,480	342,000	171,898	43,519	61.73%	12.72%
Mainland / Lakshadweep	1999-2000	100,864	N/A	70,916	N/A	70.31%	N/A
	2000-2001	99,596	N/A	73,990	N/A	74.29%	N/A
	2001-2002	113,708	N/A	77,133	N/A	67.83%	N/A
Total	1999-2000	331,014	315,000	219,851	60,656	66.42%	19.26%
	2000-2001	366,394	324,000	240,750	59,075	65.71%	18.23%
	2001-2002	392,188	342,000	249,031	43,519	63.50%	12.72%

Annexure - II

CAPACITY UTILISATION FOR B&T

1999-2000

Vessel Type	Cargo Quantity metric tons	DWT	% of utilisation
Bulk Carriers	2,990,704	3,278,500	91.22%
Crude tankers	30,261,922	33,580,040	90.12%
Product tankers	2,780,660	3,111,805	89.36%
VLCC	2,322,162	2,598,276	89.37%
Specialised tankers	981,656	1,117,217	87.87%
Total	39,337,104	43,685,838	90.05%

2000-01

Vessel Type	Cargo Quantity metric tons	DWT	% of utilisation
Bulk Carriers	2,191,709	2,363,966	92.71%
OBOs	238,123	493,800	48.22%
Crude tankers	27,797,697	30,222,144	91.98%
Product tankers	1,052,746	1,218,530	86.39%
Specialised tankers	596,264	604,802	98.59%
Total	31,876,539	34,903,242	91.33%

2001-2002

Vessel Type	Cargo Quantity metric tons	DWT	% of utilisation
Bulk Carriers	2,332,160	2,440,594	95.56%
Crude tankers	21,668,895	25,099,410	86.33%
Product tankers	661,833	759,375	87.15%
Specialised tankers	640,334	674,900	94.88%
Total	25,303,222	28,974,279	87.33%

CAPACITY UTILISATION FOR T&OS DIVISION**1. 1999-2000**

Sr No	Non-utilisation of all OSVs	Remarks
1	74 Hrs.(3.08 days)	Due to repairs and maintenance

Total Capacity : 3650 days (365 days x 10 OSVs)
 Non utilization for the year : 3.08 days (74 hrs.)
 Percentage utilization : 99.92 %

2. 2000-2001

Sr.No.	Vessel Name	Non-utilisation of OSV	Remarks
1	MV SCI-01	19 days	Without employment on completion of contract
2	MV SCI-04	38 days 10.5 hrs.	--- do ---
3	MV SCI-06	43 days 17.5 hrs.	--- do ---
4	MV D.N. Singh	44 days 14.5 hrs.	--- do ---
5	For all OSVs	744.00 hrs.(31 days)	Due to repairs and maintenance
		176.77 days	

Total Capacity : 3650 days (365 days x 10 OSVs) Non
 Utilization for the year : 176.77 days
 Percentage utilization : 95.16 %

3. 2001-2002

Sr.No.	Non-utilisation of all OSVs	Remarks
1	550.12 Hrs.(22.92 days)	Due to repairs and maintenance

Total Capacity : 3650 dyas (365 days x 10 OSVs)
 Non utilization for the year : 22.92 days
 Percentage utilization : 99.37 %

Annexure - IV

VESSELS DISPOSED DURING LAST FIVE YEARS

S.R. NO.	NAME OF SHIP	TYPE	DATE OF SALE/SCRAP	YEAR BUILT	G.R.T	D.W.T	L.D.T	SCRAP / SALE PRICE
	1998-1999							
1	VISHVA NANDINI	LINER	08.06.1998	1978	11,001	13,745	6,655	Rs. 268.89 LAKHS
2	SAROJINI NAIDU	PRODUCT TANKER	26.11.1998	1975	10,759	16,440	5,560	US\$ 812,000/-
	1999-2000							
3	KASTURBA	BULKER	29.05.1999	1975	41,382	76,600	14,083	Rs. 572.72 LAKHS
4	VEER SAVARKAR	LINER	12.06.1999	1981	13,505	20,854	6,752	Rs. 311.00 LAKHS
5	HARKISHEN	BULKER	31.07.1999	1978	23,918	41,333	9,668	Rs. 407.52 LAKHS
6	DIGLIPUR	TIMBER	06.11.1999	1977	4,356	6,579	2,271	Rs. 25.8199 LAKHS
7	KOLANDIA	PRODUCT TANKER	03.12.1999	1976	14,418	24,490	6,762	Rs. 438.77 LAKHS
8	TRIMBAKESHWAR	LINER	18.01.2000	1979	13,505	20,868	6,645	Rs. 278.10 LAKHS
	2000-2001							
9	DADABHAI NAOROJI (FT)	PRODUCT TANKER	09.06.2000	1977	14,418	24,469	6,742	Rs. 464.00 LAKHS
10	KANCHENJUNGA	VLCC	18.08.2000	1975	131,915	277,120	38,653	US\$ 5,481 MILLION
11	JAINARAYAN VYAS	PRODUCT TANKER	19.09.2000	1975	14,481	24,439	6,734	US\$ 1,002 MILLION
12	RAFI AHMED KIDWAI	PRODUCT TANKER	19.09.2000	1975	14,481	24,439	6,762	US\$ 1,006 MILLION
13	VISHVA PARIJAT	LINER	15.09.2000	1980	12,648	16,146	6,620	Rs. 425.00 LAKHS
14	STATE OF GUJARAT (FT)	LINER	06.07.2000	1984	11,144	16,789	5,899	US\$ 1,710 MILLION
15	VISHVA PALLAV	LINER	23.10.2000	1980	12,648	16,169	6,626	Rs. 452.00 LAKHS
16	STATE OF ORRISA	LINER	26.10.2000	1986	11,144	16,806	5,875	US\$ 1,821 MILLION
17	VISHVA PARAG	LINER	14.11.2000	1980	12,648	16,146	6,620	Rs. 471.00 LAKHS
18	CHANDIDAS	LINER	14.11.2000	1980	12,648	16,209	7,138	Rs. 511.00 LAKHS
19	BHARATENDU	LINER	30.12.2000	1981	11,439	15,289	6,342	Rs. 445.00 LAKHS
20	BHAVABHUTI	LINER	05.01.2001	1981	11,439	15,289	6,282	Rs. 452.70 LAKHS
21	STATE OF HARYANA	LINER	16.01.2001	1983	11,493	16,800	5,891	Rs. 441.41 LAKHS
22	VISHVA PARIMAL	LINER	25.02.2001	1980	12,648	16,169	6,625	Rs. 487.78 LAKHS
					295,194	512,279	122,809	

SR. NO.	NAME OF SHIP	TYPE	DATE OF		YEAR BUILT	G.R.T	D.W.T	L.D.T	SCRAP / SALE	
			SALE/SCRAP						PRICE	
	2001-2002									
23	ARUNACHAL PRADESH	LINER	31.07.2001		1976	11,873	18,847	5,605	Rs. 315.00 LAKHS	
24	MIZORAM	LINER	11.10.2001		1976	11,873	18,840	5,613	Rs. 356.76 LAKHS	
25	ANDHRA PRADESH	LINER	11.10.2001		1977	14,166	20,608	6,801	Rs. 440.44 LAKHS	
26	RAMDAS	LINER	11.10.2001		1980	13,691	16,209	7,138	Rs. 452.31 LAKHS	
27	STATE OF MANIPUR	LINER	07.12.2001		1978	14,166	20,608	6,781	Rs. 358.20 LAKHS	
28	AUROBINDO	PRODUCT TANKER	11.12.2001		1976	14,418	24,484	6,768	Rs. 367.11 LAKHS	
29	MAHARSHI DAYANAND	OBO	09.01.2002		1978	66,644	123,450	21,414	Rs. 1125.00 LAKHS	
30	KABIRDAS	LINER	27.03.2002		1980	13,691	16,217	7,138	Rs. 432.31 LAKHS	
	2002-2003					160,522	259,263	67,258		
31	TULSIDAS	LINER	4/04/02		1980	15,720	16,885	7,751	RS.431.00 LAKHS	
32	VISHVA PANKAJ (F/T)	LINER	5/04/02		1980	12,648	16,169	6,625	US\$ 1.0 MILLION	
33	RAVIDAS	LINER	19/07/02		1979	13,691	16,386	6,961	US\$ 0.590 MILLION	
	LOK KRANTI(F/T)	BULK CARRIER	25/11/02		1978	19,775	33,663	7,559	US\$ 1,211,210 INCLUSIVE OF SALES TAX	
35	STATE OF TRIPURA	LINER	27/12/02		1978	14,166	20,587	6,822	RS. 5,21,00,000/-	
36	M.V. LOK KIRTI (F/T)	BULK CARRIER	16/01/03		1978	19,775	33,663	7,559	RS. 6,75,00,000/-	
37	M.V. VISHVA PRAFULLA (F/LINER)	LINER	3/07/03		1981	12,642	16,146	6,620	US\$ 1.411 MILLION	
	TOTAL					108,417	153,499	49,897		
	GRAND TOTAL					696,977	1,145,950	298,360		