



ANNUAL REPORT

2014-15



The Shipping Corporation Of India Ltd.

भारतीय नौवहन निगम लिमिटेड
(भारत सरकार का उद्यम)



SCIL
Navratna Company
ISO 9001 - 2008 Company

The Shipping Corporation Of India Ltd.
(A GOVERNMENT OF INDIA ENTERPRISE)

TRANSPORTING GOODS. TRANSFORMING LIVES.

कार्गो मंजिल तक पहुँचाए. जीवन को राह दिखाए.

New GME Course at MTI Powai

SCI Maritime Training Institute (MTI) has received the approval of DGS to start the ambitious GME (Graduate Mechanical Engineer) course at the Powai campus. The course started in November-2014 with 35 candidates, selected through all India test followed by an interview. The course requirements were surveyed by MMD Mumbai and found all satisfactory. All candidates have completed their eight months campus training successfully in July 2015. This will be followed by onboard training of total 10 months in the SCI fleet. The course was conducted as per the DGS guidelines. Subjects covered were Marine Engineering Knowledge, Naval Architecture, Marine electrical and electronics, safety and pollution prevention, watch keeping etc. Regular class-tests, mid-term tests were conducted in order to monitor their progress. An end-term test has also been conducted to assess their overall academic progress. In general, all cadets have performed extremely well. Honorable CMD of SCI graced the passing out ceremony, held at MTI campus and presented academic excellence prizes to cadets. Encouraged by this success, MTI is in the process of starting two batches of GME, total 80 candidates in 2015-16 and necessary approval of DGS has been obtained. MTI has been conducting pre-sea nautical cadets' course since long and the pre-sea marine engineering course was long overdue which has been started now to produce quality marine engineers that are in high demand globally.



Overall Proficiency in academics.
FIRST PRIZE - GME Cadet Maria S Jerome L



Award for Overall BEST Cadet
GME Cadet Sumit Kumar Singh



GME-01 Cadets after passing out
ceremony at MTI 11/07/2015



GME Cadets before passing out
ceremony at MTI 11/07/2015



GME-01 Cadets with
MTI Principal and Faculty



MTI Powai, Campus Life : GME Cadets playing

The Shipping Corporation Of India Ltd.

The Shipping Corporation of India was established on October 2nd, 1961. For the last fifty three years, Shipping Corporation of India has been providing yeoman service to the country's economy by meeting its ocean transport requirements. Starting out as a marginal Liner Shipping Company with just 19 vessels, the SCI has today emerged as the undisputed leader in India's shipping industry. The SCI continues to be the only Indian mainline carrier providing liner services from India to the major global destinations.

SCI's owned fleet includes Bulk carriers, Crude Oil tankers, Product tankers, Container vessels, Passenger-cum-Cargo vessels, LPG / Ammonia carriers and Offshore Supply vessels. Sailing through for more than five decades, the SCI today has a significant presence on the global maritime map.

As the country's premier shipping line, the SCI owns and operates around 38% of the Indian tonnage, and has operating interests in practically all areas of the shipping business; servicing both national and international trades.

With a highly diversified fleet and a network covering several major sea routes, SCI reaffirms its commitment to remain highly responsive and efficient in terms of its services, thus keeping abreast of latest developments in shipping industry and maintaining itself as largest and most diversified shipping company in India.



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BOARD OF DIRECTORS

Shri A. K. Gupta
Chairman & Managing Director

Dr. (Ms.) T. Kumar
Government Director

Shri Barun Mitra
Government Director

Capt. K. Devadas
Director

Smt. H. K. Joshi
Director

Capt. S. Narula
Director

Capt. B. B. Sinha
Director

Capt. Sunil Thapar
Director

Shri Dipankar Haldar
Executive Director (Legal Affairs)
& Company Secretary

*Name of Directors (other than
Shri A. K. Gupta,
Dr. (Ms.) T. Kumar and
Shri Barun Mitra) appear in
alphabetical order of Surnames*

STATUTORY AUDITORS

Messrs. GMJ & Co., Mumbai
Messrs. MKPS & Associates, Mumbai

SECRETARIAL AUDITOR

**Shri Upendra Shukla, Practicing
Company Secretary**

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENTS

**M/s. Sharepro Services (India) Pvt.
Ltd., Samhita Warehousing Complex,
Gala No-52 to 56, Bldg No.13 A - B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka,
Mumbai-400 072.**

INVESTOR RELATION CENTRE

**912, Raheja Centre, Free Press
Journal Road, Nariman Point,
Mumbai-400 021.**





Chairman's Message

Ladies and Gentlemen,

I have great pleasure to place before our esteemed shareholders, the 65th Annual Report of the Company for the financial year 2014-15. The said report describes in detail the working of your Company for the financial year ended 31st March, 2015. However, I would like to briefly apprise you about the performance of your Company during the aforesaid year.

Global Shipping Scenario:

It has been eight years since the onset of global financial crisis and we are still in search of a sustainable growth path. Though the world economy grew 3.4% last year (as per IMF), but a robust and sustained recovery still remained elusive. Resultantly the global shipping industry is still struggling to come out of its unprecedented long recession.

As you all are aware, our industry is largely driven by the market forces i.e. supply of tonnage & demand of the world trade. This trade is dominated by the developed and the developing economies, primarily China. Euro zone and Japan have recovered from their negative growth and the US economy has also shown distinct signs of improvement. However there is a slowdown in China's growth which has touched a six year low. Despite all the above, we do see a marginal growth in world GDP in the coming years.

Financials:

It gives me immense pleasure and satisfaction to inform you that we have finally steadied the ship and turned around to report a net profit of ₹ 200.93 Cr for the year ended 31st March 2015. This is against a net loss of ₹ 274.66 Cr in the previous year. It is heartening to note that all the three business segments of SCI have reported profits in the last quarter and also on annual basis. The losses due to unprecedented downturn in the dry bulk markets have been partially offset by the rally in the tanker market since early 2015.

While the net income from operations has almost remained flat, the appreciable decrease in various expenses, impact of judicious cancellation of new ship building orders, rally in tanker freights (basically attributed to fall in crude prices) and sale of old vessels have contributed to the positive results. The overall financial health of the company has improved, our borrowings are reduced, lenders are more comfortable and our creditability in the market is maintained.

Operations:

The United States, once the largest importer of Crude Oil from the middle-eastern markets has over the years turned into a net exporter due to the shale revolution in the North American continent. This has drastically changed the dynamics of the crude tanker trade. Led by Saudi Arabia, the OPEC countries have maintained their production levels despite the fall in crude oil prices, triggering a price war with non-OPEC nations. Surprisingly the entire production and the surplus are being absorbed by the market. It is now understood that a part of the output is going towards built up of strategic petroleum reserves of various countries and also towards floating storage. Cost of storage of oil, even though minuscule has played its part in the marginal recovery in tanker trade. Saudi Arabia is in a transition phase in becoming the world's largest refiner. China is now the larger importer of crude oil and even India's appetite for import of crude is ever increasing. As a result of all above, there was an unseasonal sunshine in the tanker market since beginning of 2015 and SCI was able to take advantage of the rally. The successful conclusion of talks between Iran & P5+1 nations and the resultant thawing of relations between Iran & the West, has created positive signals. However, it may take some more time for the Iranian oil to start flowing into the market. The impact of the ban slapped on 100+ VLCCs by Nigeria's state oil company NNPC is significant however its influence on the rates is yet to be ascertained.

The dry bulk trade has indeed tested the nerves of most players in the industry. The Baltic Dry Index (BDI) had touched an all time low of 509 on 18th February, 2015 and continues to hover around 1000 levels. At this rate the owners / operators of dry bulk carriers can't even breakeven their daily standing charges. Already a record number of 71 Capesize bulk carriers have been sold for scrap this year. Still, some companies with deep pockets continue to take deliveries of VLOC / Valemaxes. However, overall efforts are there to cut capacity in this segment but seeing the order book in the pipeline a revival in the dry bulk market is not expected in the near future.

'Economies of scale to survive' says the industry and container trade is no different. There was a time when SCI's 4400 TEU vessels were called large vessels. Now, a couple of 19,000 TEU vessels are trading in the market. The container business across the world is dominated by a few players due to which they are in a position to dictate terms for doing business. SCI is dependent on her agents and consortium partners for the container trade. However SCI has been able to prevail upon our consortium partners for restructuring and rationalization of port calls. SCI has imposed tighter controls over agents, reduced container inventories and cut down on various cargo handling expenses. These efforts, though small, have significantly contributed to the overall results. The merger of two big Chinese players and devaluation of the Yuan is likely to play a major role in the days to come.

SCI's Offshore has been the consistent horse, giving steady and firm revenues over the years. This year was no different. SCI aims to expand in this segment; however we need to tread cautiously. The offshore market is a little depressed due to fall in crude oil prices and the resultant slowdown in E&P activities.



Ship Acquisition Programme:

SCI prides in having a diversified fleet of 69 vessels of 5.89 mn DWT with an average age below 9 years. Your Company has taken delivery of a new crude tanker, Desh Vibhor, on 30th March, 2015 and with this SCI now owns five Very Large Crude Carriers. Thus your Company has been able to maintain her tonnage over the year and is aspiring to cross the 6 million DWT milestone in the near future. We are soon planning to order a few Anchor Handling Tugs to strengthen our Offshore fleet.

Other Corporate Developments:

To remain in business, organizations have to constantly think of newer ideas. We are in the process of implementing IMS (integrated management system) in the Company across the fleet and establishment. We have also planned to further enhance structured training program to our shipboard personnel and marine professionals ashore. The shipboard training to ship staff will go a long way in ensuring improved safety culture onboard.

Way Forward:

The faster growing emerging economies now account for more than half of the world economy. The World Bank predicts India to be the fastest-growing major economy and for the first time in Q4 of FY 2014-15, a growth rate of 7.5% was achieved. If this is sustained, India is projected to grow at 8.1% by 2016-17, thus emerging as a major driver for world economy.

As for the present, the business environment is still difficult and challenging due to prolonged recession. Not much has changed in terms of the market fundamentals and headwinds continue. At this stage, it is very difficult to predict the future. SCI's return to profits is encouraging and motivating. I agree that a lot has been achieved but there is so much more to be done. In this endeavour your Company has recently engaged a Consultant to drive our future strategy.

Acknowledgements:

I would like to express my sincere gratitude to Shri Nitin J. Gadkari, Union Minister of Shipping, Government of India, for providing support to your Company. I would also like to thank Shri Pon Radhakrishnan, Union Minister of State for Shipping for his encouragement. I wish to express my gratitude to Shri Rajive Kumar, Secretary (Shipping) for the guidance provided by him. I sincerely acknowledge the support of all other officials of the Ministry of Shipping and various departments of Government of India.

I am thankful to all my colleagues on the Board whose support and guidance has assisted us in carrying out the affairs of your Company amicably and smoothly. I also wish to express my deep sense of gratitude to all the stakeholders, shareholders, all employees (shore & floating) for their continued support and dedication.

Conclusion:

Your Company has tread a meaningful path for over 53 years, serving the nation with utmost dedication and commitment. Due to losses in three consecutive years (2011-12, 2012-13 and 2013-14) the Company was being categorized as "incipient sick PSU". Even our "Navratna" status was in jeopardy. However, we have weathered out the difficult period and emerged winners. I seek continued support and patronage of all stakeholders to further build up this great Institution. SCI has to aspire for greater heights and it is my firm conviction that collectively we can do it. This is just a beginning!



Board of Directors

Brief Profile of the Directors of the Company



Shri Arun Kumar Gupta, Chairman & Managing Director

Shri Arun Kumar Gupta took over as the Chairman & Managing Director of The Shipping Corporation of India Ltd. (SCI) on 28th January, 2014. Prior becoming C&MD, he was functioning as Director (Technical & Offshore Services) since October 2010. During his tenure as C&MD, he was entrusted with the additional responsibilities of Director (Technical & Offshore Services) and Director (Finance) from 28th January, 2014 to 23rd September 2014 and from 01st June, 2014 to 05th February, 2015 respectively. With effect from 11th June, 2015, Shri Gupta has been given the additional charge as Managing Director of M/s. India Ports

Global Private Ltd. by Ministry of Shipping.

Shri Gupta has almost 39 years of shipping career in leading and managing challenging projects and assignments in various Divisions of The Shipping Corporation of India Ltd. Shri Gupta is a Marine Engineer from Marine Engineering College (DMET) and possesses First Class Engineer (MOTOR) Certificate of Competency from Ministry of Transport, Government of India.

Shri Gupta had earlier served Irano-Hind Shipping Co., Tehran as Director (Administration). He is presently a Trustee in Cochin Port Trust and has earlier been on the Board of Trustees of Kandla Port & V.O.C. Port Trust, Tuticorin. He is a member of the Institute of Engineers (India), member of Narottam Morarjee Institute of Shipping and Fellow Member of Institute of Marine Engineers, (India). He was also the Vice President of Institute of Marine Engineers (India). He has been on the Governing Council of both, Institute of Marine Engineers as well as Narottam Morarjee Institute of Shipping. In context he has chaired sessions and also presented papers in several professional forums.



Dr. (Ms.) T. Kumar, Government Director

Dr. (Ms.) T. Kumar, Special Secretary and Financial Advisor, Ministry of Shipping and ex-officio part-time Director of the Company was appointed on the Board of Directors in November, 2012. Dr. (Ms.) T. Kumar, an I.A.S. Officer of the West Bengal Cadre, holds a Ph.D in Ancient Indian History from the Delhi University. Before joining the I.A.S., she served Delhi University as a Lecturer for a brief stint. She has worked in the State Government of West Bengal in various senior positions in the Districts and the State Capital, including that of Labour Commissioner and Advisor, Industry. Dr. Kumar has also been on deputation

with Government of India in Constitutional Organisations and Ministries such as the Union Public Service Commission, Ministry of Human Resource Development, Ministry for Development of the North East Region and Ministry of Culture. She was the Principal Secretary to the Speaker, Lok Sabha (Parliament of India) in the 14th Lok Sabha, between 2004-2009. Before her present posting with Government of India in November, 2012, Dr. Kumar was Additional Chief Secretary with the Government of West Bengal.



Shri Barun Mitra, Government Director

Shri Barun Mitra, Joint Secretary (Shipping), Ministry of Shipping and ex-officio part-time Director of the company was appointed on the Board of Directors in January 2015. Shri Barun Mitra, an IAS Officer from Manipur-Tripura cadre of 1987 batch is a post graduate in History from Delhi University. Shri Mitra also holds a law degree from Delhi University besides holding a Post graduate Diploma in Patents Law, Trademark and Copyrights from NALSAR, Hyderabad. Before joining IAS, Shri Mitra was in the IRS. He has served in various senior positions in the State Government of Manipur including Principal Secretary in the Departments

of Finance, Planning and Rural Development, Government of Manipur and also served as Principal Secretary to Chief Minister from 2012-14. Shri Mitra has also served earlier in the Government of India on Central deputation as Deputy Secretary in the Ministry of Human Resource Development. He also served in the President's Secretariat from 1998 to 2012 including as Joint Secretary to the President from 2007 to 2012.





Capt. K. Devadas, Director

Capt. K. Devadas started his professional journey as a Cadet (Floating Cadre) with SCI in 1976 and has been serving the Shipping industry for over 38 years. After serving on diverse types of ships in various ranks and sailing for nearly 17 years, he joined shore establishment in 1993 and worked in various departments in different capacities. He has vast experience and knowledge in handling all segments of shipping. Ashore in SCI, he worked in the Bulk & Tanker and Offshore divisions, deftly & smoothly handling intricate situations and bringing in the much required control to whichever department he served. During his tenure as SVP (Offshore) he was the overall in-charge of the Technical & Commercial management of the entire fleet of offshore vessels of SCI and ONGC. Capt. K. Devadas is a Master Mariner, holding Master (FG) Certificate of Competency from GoI and also holds MBA degree in Shipping & Logistic Management. He is a member of Institute of Chartered Shipbrokers, London and a fellow of the Company of Master Mariners of India. He has been a Speaker and Panelist and has tabled several presentations in various Indian and Global Shipping Conferences and Seminars.



Smt. H. K. Joshi, Director

Smt. H. K. Joshi joined SCI as Director (Finance) on 5th February, 2015. She is a Fellow Member of the Institute of Cost Management Accountants of India with a B.Com, M.Com from Delhi School of Economics, Delhi University. She was a rank holder in her post graduation and is also a life member of the Institute of Public Administration, Delhi.

Smt. Joshi started her career as a Lecturer in Delhi University and joined the corporate world in 1984. Prior to assuming charge of the office of Director (Finance) in SCI, she was General Manager (F&A) in Oil and Natural Gas Corporation Ltd. (ONGC), Mumbai in the Offshore Engineering Services wherein large Mega Offshore Construction Projects are handled. She has a shade over three decades of rich and diversified experience with ONGC which includes almost two decades with ONGC Videsh Limited (OVL – overseas arm of ONGC) which looks after the international business acquisitions of ONGC wherein she was actively associated with the path breaking international transactions which led the company (OVL) to turnaround.



Capt. Sarveen Narula, Director

Capt. S. Narula was inducted on Board in July 2014. He has taken the charge of Liner and Passenger Services of The Shipping Corporation of India Limited (SCI) from 01st May, 2014. Capt. Sarveen Narula has more than 35 years of Maritime Experience both afloat and ashore. He has had more than 7 years command experience on several type of ships including Tankers, Bulk Carriers, Cargo ships and Container ships. He has extensive shore experience in various aspects of Liner and Passenger services which includes port and dock operations, Line Operations and Management, consortium formations, Hazardous cargo and break bulk shipments, Safety and Quality Management, Coastal Shipping, Cargo claims and claim Minimization. He has also chaired or participated in several workshops/ conferences on coastal shipping, port development, freighting and commercial aspects of liner trade. Prior appointment as Director, Capt. S. Narula was working as Senior Vice President in charge of Container Services, Marketing and Break Bulk services.





Capt. B. B. Sinha, Director

Capt. B. B. Sinha is the Director of Personnel & Administration since 01st January, 2013. Capt. Sinha has served around 37 years at responsible executive level in Shipping Industry consisting of 16 years of sea service and 21 years of shore service at SCI in shipping management, bulk carriers, tankers, chemicals, LPG & LNG operations. He has also served as Member of THC Committee (India, Pakistan, Bangladesh) Ceylon Conference, as member of BIS – Technical Committee on Cordage (Ministry of Textiles) and as member of 11th Plan Sub-Committee on Multi- modal Transport and has represented SCI & Indian national Shipowners on TAMP (Tariff Authority for major ports).



Capt. Sunil Thapar, Director

Capt. Sunil Thapar is the Director of Bulk Carrier and Tanker Division since January, 2011. He holds a Masters' degree in Shipping Management from the World Maritime University, Sweden. He also holds Master (FG) Certificate of Competency issued by GOI. He has sailed on many ships including Bulk Carriers, Passenger vessels and Break-bulk ships in various capacities. He has served ashore in various capacities in the Offshore, Liner & Passenger and Bulk Carrier & Tanker Divisions. In April 2005, he was posted to Shanghai as the Company's Chief Representative in China to look after the container services and other interests in the region including China and other Far East regions.



Executive Directors and Senior Vice Presidents

SL. No.	NAME	TITLE	DESIGNATION	LOCATION	DIVISION	SUB DIVISION
Executive Directors as on 01.08.2015						
1	ANAND P. D.	Mr.	ED	MUM	B&T	Tanker Comm
2	DIPANKAR HALDAR	Mr.	ED	MUM	BRD SECTT	Co-Secy & LA
Senior Vice Presidents as on 01.08.2015						
3	JEJURIKAR U.	Ms.	Sr. VP	MUM	T&OS	Business Development
4	SARAIYA N. R.	Mr.	Sr. VP	MUM	F&A	Internal Audit & Taxation
5	MANDAL S.	Mr.	Sr. VP	MUM	P&A	Shore Personnel
6	SADAWARTI S. G.	Mr.	Sr. VP	MUM	IT	ERP
7	MAJI S. K.	Mr.	Sr. VP	MUM	L&PS	Freight, Claims & Port Op.
8	JOARDAR D.	Mr.	Sr. VP	MUM	P&S	Purchase & Services
9	TANDON R.K.	Capt.	Sr. VP	MUM	L&PS	Container Services & Marketing
10	MITRA P. K.	Mr.	Sr. VP	MUM	B&T	Chartering
11	SASIKUMAR S.	Capt.	Sr. VP	MUM	T&OS	Offshore & Tech. Services
12	DHINGRA S. S.	Dr.	Sr. VP	MUM	L&PS	Far East - Commercial
13	MESHARAM B.V.	Mr.	Sr. VP	MUM	IT	Information Technology
14	GHATAK MANABENDRA	Mr.	Sr. VP	KOL	KOL	Regional Vice President
15	BORKAR M.R.	Capt.	Sr. VP	MUM	B&T	Tanker Technical
16	KHER S. V.	Mr.	Sr. VP	MUM	B&T	Bulk Commercial
17	BARAI A.K.	Mr.	Sr. VP	MUM	B&T	Repair Bill & Dry Dock
18	MATHEWS PHILIP	Capt.	Sr. VP	MUM	ISM & ISPS	Safety, Quality & Security
19	PATEL A. V.	Mr.	Sr. VP	MUM	F&A	Finance & Accounts
20	UBALE A. L.	Mr.	Sr. VP	MUM	B&T	Tanker Commercial-Crude
21	SRIVASTAVA C.M.	Capt.	Sr. VP	MUM	P&A	Fleet Personnel
22	YADAV S.K.	Capt.	Sr. VP	MUM	T&OS	Offshore
23	SOOD RAJESH	Mr.	Sr. VP	MUM	B&T	Tanker Technical
24	SHARMA S.A.	Mrs.	Sr. VP	MUM	B&T	Tanker Commercial
25	SUNDERAJAN SUMATHI	Mrs.	Sr. VP	MUM	F&A	Development Finance, Budget, Liner Accounts

Notice of Meeting

NOTICE is hereby given that the 65th 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, Nariman Point, Mumbai – 400 021 at 15.30 hrs. on Tuesday, the 22nd day of September 2015 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2015, Profit & Loss Account for the year ended on that date and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Capt. B. B. Sinha (DIN: 06477074) who retires at this meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Capt. S. Narula (DIN:06903085) who retires at this meeting and being eligible, offers himself for re-appointment.
4. To fix remuneration of auditors.

SPECIAL BUSINESS BY ORDINARY RESOLUTION

5. To appoint a Director in place of Capt. K. Devadas (DIN: 06887951) who under Article 125 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 holds office only up to the date of this Annual General Meeting and being eligible for appointment, the Company has received a notice in writing from his goodself signifying his intention to propose appointment of himself as Director of the Company.

“RESOLVED THAT Capt. K. Devadas (DIN: 06887951), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from himself proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

6. To appoint a Director in place of Smt. H. K. Joshi (DIN: 07085755) who under Article 125 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 holds office only up to the date of this Annual General Meeting and being eligible for appointment, the Company has received a notice in writing from her goodself signifying her intention to propose appointment of herself as Director of the Company.

“RESOLVED THAT Smt. H. K. Joshi (DIN: 07085755), in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from herself proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

Registered Office:

Shipping House, 245,
Madame Cama Road,
Mumbai – 400 021.
Date : 12th August, 2015

By Order of the Board of Directors
for The Shipping Corporation of India Ltd.
Dipankar Haldar
Executive Director (Legal Affairs) &
Company Secretary

Notice of Meeting

Notes:

- a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
- b) 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. THE PROXY FORM DULY COMPLETED AND SIGNED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- c) Members/ Proxies/ authorized representatives should bring the duly filled attendance slip enclosed herewith along with the copy of Annual Report to attend the meeting.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from 16.09.2015 to 22.09.2015 (both days inclusive).
- e) Members are requested to notify any change in their address to the Share Transfer Agents of the Company at the following address:

M/s. Sharepro Services (India) Pvt. Ltd.

Samhita Warehousing Complex, Gala No. 52 to 56, Bldg. No. 13 A-B
Near Sakinaka Telephone Exchange, Andheri-Kurla Road, Sakinaka, Mumbai – 400 072.

- f) Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, the amount of dividend which remains unpaid / unclaimed for a period of 7 years is required to be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and after such transfer, the member(s) would not be able to claim any dividend so transferred to the Fund. Therefore, member(s) who have not yet encashed his/her/their dividend warrant(s) is / are requested in his / her / their own interest to write to the Company Secretary immediately for claiming outstanding Final Dividend declared by the Company for the year 2007-2008 and onward. The investor may also visit www.shipindia.com. The dividend paid for the year 2007 -2008 (Interim) and remaining unclaimed / unpaid has already been transferred to the IEPF.
- g) Members, who have not registered their e-mail ID with Depository Participants / Registrar & Share Transfer Agents, are requested to do so, in order to receive notices, reports and other documents in soft form.
- h) The Registers of the Directors and Key Managerial Personnel and their shareholding under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- i) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members the facility of electronic voting to cast their votes for the resolutions to be passed at the meeting through services provided by Central Depository Services (India) Limited (CDSL). The members may cast their votes on electronic voting system from a place other than the venue of the meeting (remote e-voting).
- j) The facility for voting through poll shall be made available at the meeting to the Members who have not cast their vote through remote e-voting and shall be eligible to vote at the Annual General Meeting.
- k) The Board of Directors of the Company has appointed Mr. Upendra Shukla, Practicing Company Secretary to act as a Scrutinizer, to scrutinize the remote e-voting process and the poll to be conducted at the meeting in a fair and transparent manner.
- l) The Scrutinizer, after scrutinizing the votes cast at the meeting (through poll) and through remote e-voting, will, not later than three days of conclusion of the meeting, make a consolidated Scrutinizer's report and submit it to the Chairman. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.shipindia.com. The results shall be simultaneously communicated to the Stock Exchanges.

The instructions for members for voting electronically are as under:-

(A) In case of members receiving e-mail:

- (i) The remote e-voting period begins on 19.09.2015 at 10 AM and ends on 21.09.2015 at 5 PM. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.09.2015 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:



Notice of Meeting

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for The Shipping Corporation of India Ltd. on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all the material facts relating to special business mentioned at Item No. 5 and Item No. 6 of the accompanying Notice dated 12th August, 2015 convening the 65th Annual General Meeting of the Company.

Item No. 5 of the Notice

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company, Capt. K. Devadas as an Additional Director of the Company with effect from 26th September, 2014.

In terms of the provisions of Section 161(1) of the Act, Capt. K. Devadas would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from his goodself along with the deposit of requisite amount under section 160 of the Act proposing his candidature for the office of Director of the Company.

A brief profile of Capt. K. Devadas is given under the section 'Board of Directors' of the Annual Report.

Save and except of the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 6 of the Notice

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and Article 125 of the Articles of Association of the Company, Smt. H. K. Joshi as an Additional Director of the Company with effect from 5th February, 2015.

In terms of the provisions of Section 161(1) of the Act, Smt. H. K. Joshi would hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from her goodself along with the deposit of requisite amount under Section 160 of the Act proposing her candidature as Director of the Company.

A brief profile of Smt. H. K. Joshi is given under the section 'Board of Directors' of the Annual Report.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Registered Office:

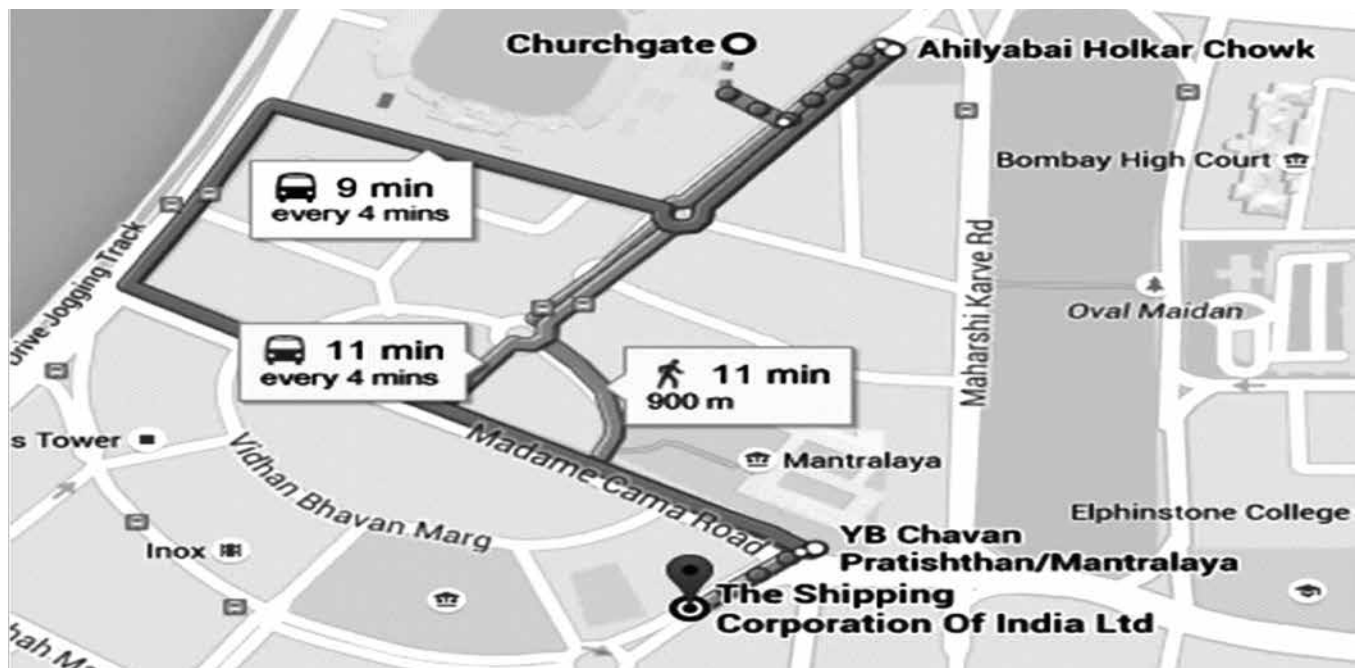
Shipping House, 245, Madame Cama Road,
Mumbai – 400 021.

Date : 12th August, 2015

Dipankar Haldar

Executive Director (Legal Affairs) & Company Secretary

Route MAP of AGM



Annexure to the Notice

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Directors	Capt. Sarveen Narula	Capt. B. B. Sinha
Date of Birth	14.07.1957	01.01.1958
Date of Appointment	07.07.2014	01.01.2013
Qualifications	<ul style="list-style-type: none"> • Master Mariner 	<ul style="list-style-type: none"> • Diploma in Shipping Management • Master (FG) • Life Member Company of Master Mariners
Expertise in Specific functional areas	More than 35 years of Maritime Experience both afloat and ashore. More than 7 years command experience on several types of ships including Tankers, Bulk Carriers, Cargo ships and Container ships.	Vast experience and knowledge in Shipping management, Bulk Carrier, Tankers, Chemicals, LPG & LNG operations.
Terms and Conditions of Appointment/ Re-appointment and Remuneration sought to be paid/ last drawn	As per prevailing DPE Guidelines	
Shareholding in the Company	NIL	
Number of Board Meetings attended	Please refer Corporate Governance Report	

Name of Directors	Capt. Kelath Devadas	Smt. H. K. Joshi
Date of Birth	10.02.1957	15.05.1962
Date of Appointment	26.09.2014	05.02.2015
Qualifications	<ul style="list-style-type: none"> • Master (FG) • MBA (Shipping & Logistic Management) • Member of Institute of Chartered Shipbrokers, London • Fellow of Company of Master Mariners of India 	<ul style="list-style-type: none"> • B.Com • M.Com • Fellow member of Institute of Cost Management Accountants of India
Expertise in Specific functional areas	More than 38 years of experience in the shipping industry, which includes 17 years of sailing. Served ashore in various departments in different capacities, which includes Bulk Carriers & Oil Tankers and nearly a decade of experience in the Offshore logistics sector handling various leading global E&P operators.	Over 31 years of rich exposure in handling all facets of Finance & Accounts in the Oil sector and in Joint Venture assignments
Terms and Conditions of Appointment/ Re-appointment and Remuneration sought to be paid/ last drawn	As per prevailing DPE Guidelines	
Shareholding in the Company	NIL	
Number of Board Meetings attended	Please refer Corporate Governance Report	

Chairmanship/ Directorship held in other Public Companies and Membership held in committees of such boards in terms of clause 49 of the Listing Agreement

Name of Director	Chairmanship/ Directorship held in other Public Companies	Chairmanship/ Membership held in Committees of such Boards
Capt. Sarveen Narula	Sethusamundram Corporation Ltd.	NIL
Capt. B. B. Sinha	NIL	NIL
Capt. K. Devadas	NIL	NIL
Smt. H. K. Joshi	NIL	NIL

Salient Statistics 2014-15

Authorised Capital	₹ 1000.00 Crores
Subscribed and Paid- up Capital	₹ 465.80 Crores
Depreciation Provision	₹ 770.15 Crores
Gross Earnings	₹ 4587.61 Crores
Gross Investment on Fleet **	₹ 17595.00 Crores
No. of Passengers carried (including managed vessels)	149219
No. of Employees (including crew) (As on 1 st July, 2015)	2883
Vessels Owned (As on 1 st July, 2015)	
Number	69
Tonnage	5.89 million DWT 3.29 million GT
Vessels on Order (As on 1 st July, 2015)	NIL

** Includes Fleet under Construction ₹ 490.93 crores (Note 12)



OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Operating Earnings	3531.0	3703.4	3726.9	4166.6	3463.1	3543.4	3820.8	4152.5	4155.2	4153.8
Interest Income	172.1	219.7	227.7	272.7	218.2	191.4	183.4	107.3	103.3	145.9
Other Income	59.0	287.2	129.8	125.2	215.0	285.0	495.9	236.4	280.5	288.0
Total Earnings	3762.1	4210.3	4084.4	4564.5	3896.3	4019.8	4500.1	4496.2	4539.0	4587.6
Operating Expenses	2119.3	2567.7	2594.4	2815.7	2771.0	2254.5	3328.4	3273.7	3112.3	2794.2
Other Expenses	145.3	149.4	221.3	266.5	216.7	576.7	515.7	668.4	585.6	567.8
Interest Expenses	79.1	80.1	61.6	64.7	52.5	66.9	387.3	161.8	206.1	179.3
Depreciation	303.5	303.1	303.2	323.9	380.1	465.1	608.7	760.5	856.4	770.2
Exceptional items	-	-	-	39.1	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	(299.7)	-	-
Tax Liability	72.8	95.5	90.0	113.9	99.1	89.3	88.2	45.8	53.3	75.2
Deffered Tax Provision written back	-	-	-	-	-	-	-	-	-	-
Total Expenses	2720.0	3195.8	3270.5	3623.8	3519.4	3452.5	4928.3	4610.5	4813.7	4386.7
Profit after Tax	1042.1	1014.5	813.9	940.7	376.9	567.3	(428.2)	(114.3)	(274.7)	200.9

FINANCIAL HIGHLIGHTS:

(Figures in Crores of ₹)

	31-03-06	31-03-07	31-03-08	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15
WHAT THE COMPANY OWNED										
Fixed Assets										
Gross Block	6818.9	6705.4	6737.1	8161.9	8893.2	11841.3	13334.4	16556.8	17486.3	17,297.9
Less: Depreciation (Cum)	3559.4	3744.2	4047.2	4333.9	4386.4	4472.1	4421.6	5017.0	5551.6	5,853.4
Net Block	3259.5	2961.2	2689.9	3828.0	4506.8	7369.2	8912.8	11540.3	11934.7	11,444.5
Assets under Construction	237.3	762.5	2007.2	2099.9	1854.7	1790.4	1833.3	1572.5	710.9	490.9
Working Capital	2224.1	2596.7	2347.7	2640.9	2505.7	2431.0	2036.6	1550.1	1837.6	1,341.3
Investments	8.9	24.0	41.5	111.5	166.7	292.7	274.6	117.7	113.5	90.1
	5729.8	6344.4	7086.3	8,680.3	9033.9	11883.3	13057.3	14780.6	14,596.7	13,366.8

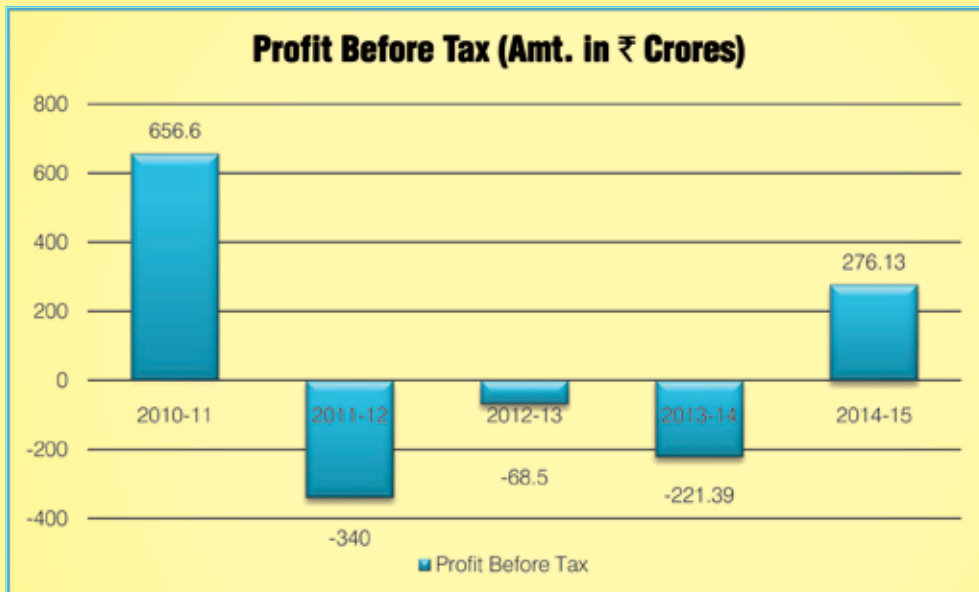
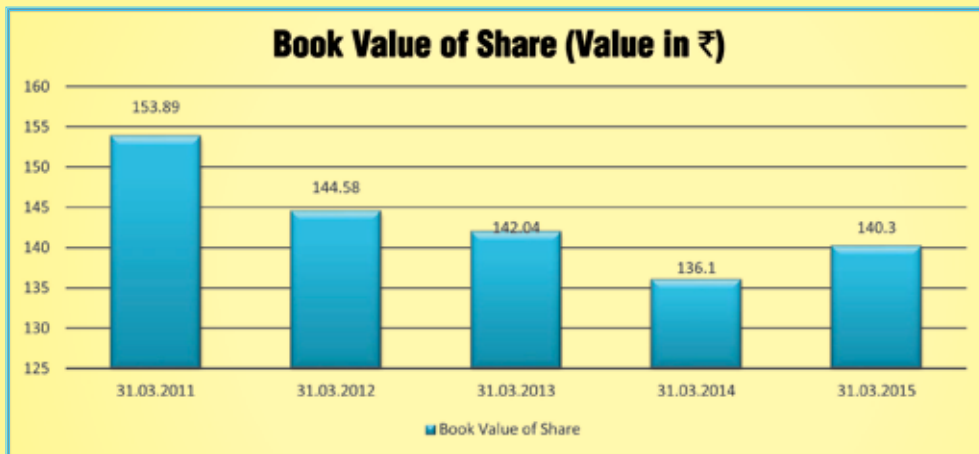
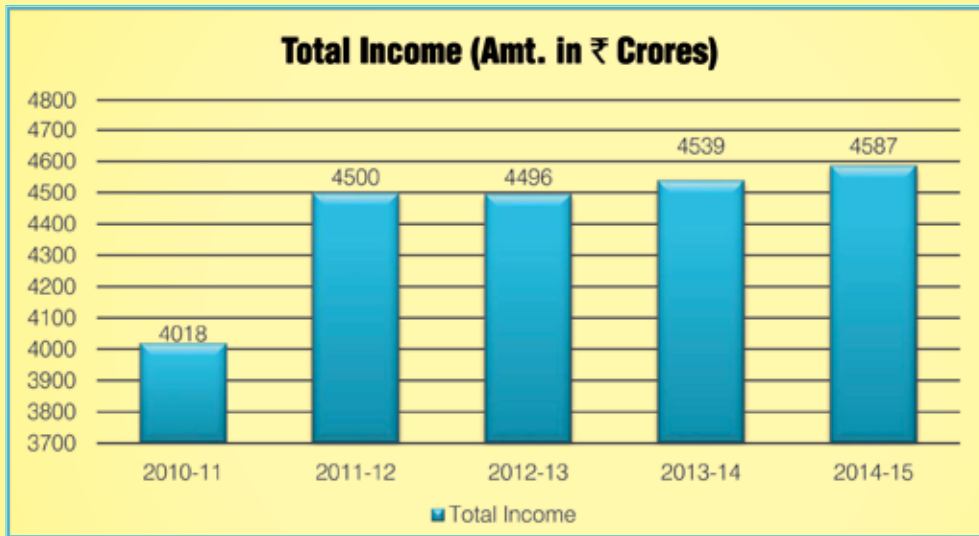
WHAT THE COMPANY OWNED

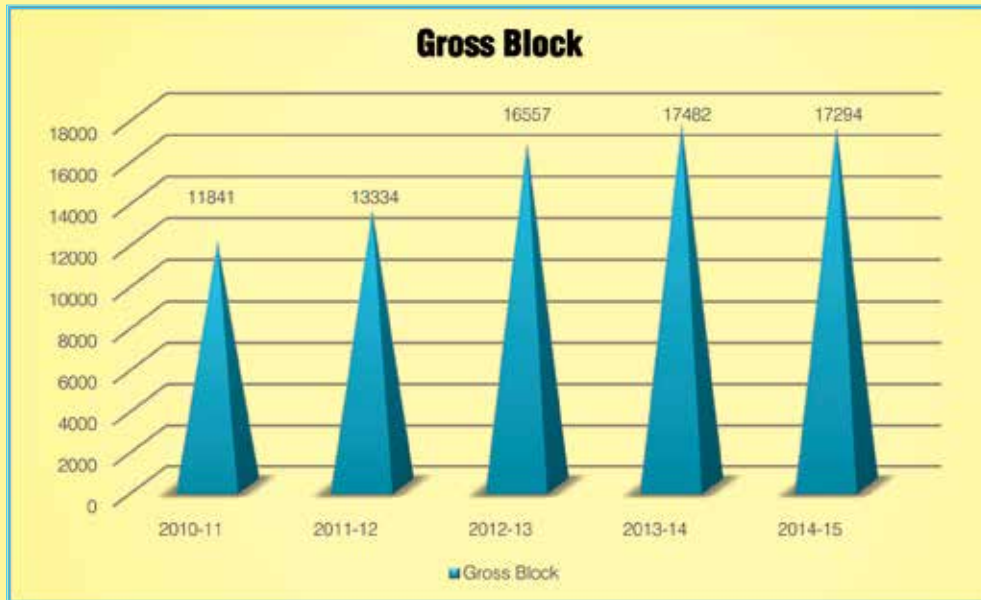
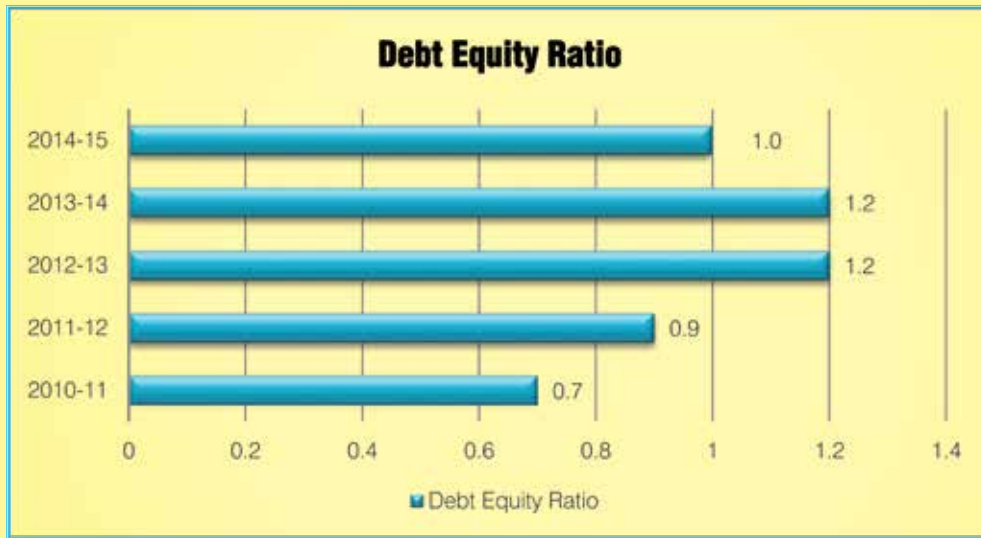
Long Term Funds:										
Bank Loans	1374.4	1244.7	1454.2	2471.7	2696.9	4715.2	6323.0	7707.4	8000.5	6,833.2
Unsecured Loans	-	-	-	-	-	-	-	457.0	256.4	-
	1374.4	1244.7	1454.2	2471.7	2696.9	4715.2	6323.0	8164.4	8256.9	6,833.2
Deferred Tax Liability	-	-	-	-	-	-	-	-	-	-

NET WORTH OF THE COMPANY

Share Capital	282.3	282.3	282.3	423.5	423.5	465.8	465.8	465.8	465.8	465.8
Reserves & Surplus	4077.8	4817.4	5349.8	5785.0	5913.5	6702.3	6268.5	6150.4	5874.0	6,067.8
Deferred Revenue Expenditure	(4.7)	-	-	-	-	-	-	-	-	-
	4355.4	5099.7	5632.1	6208.5	6337.0	7168.1	6734.3	6616.2	6339.8	6,533.6
Dividend paid	239.9	239.9	239.9	275.2	211.7	256.2	-	-	-	-
Dividend %	85.0	85.0	85.0	65.0	50.0	55.0	-	-	-	-

Graphs





Directors Report

To the Members,

Your Directors have pleasure in presenting the 65th Annual Report on the working of your Company for the financial year ended 31st March, 2015.

Accounting Year

The year under report covers a period of 12 months ended on 31st March, 2015.

FINANCIAL PERFORMANCE

The comparative position of the working results for the year under report vis-a-vis earlier year is as under:

			(₹ in Crores)	
			2014 -15	2013 -14
Gross Earnings			4588	4539
Gross Profit (before interest, depreciation, items relating to earlier years, exceptional items & tax)			1239	894
Less : Interest	179			206
Depreciation	770		949	856
Profit before items relating to earlier years, exceptional items & tax			290	(168)
Prior year's adjustments			(14)	(53)
Profit before Extraordinary items & tax			276	(221)
Extraordinary items			-	-
Provision for Taxation			(75)	(53)
Net Profit/Loss (-)			201	(274)

Appropriations:

The working results for your company for the year 2014-15 after considering prior period adjustments show a profit of ₹ 200.93 crores.

An amount of ₹ 0.5 crores has been transferred to Tonnage Tax Reserve u/s 115VT of the Income Tax Act, 1961. Further an amount of ₹ 5.68 crores has been debited on account of depreciation adjustment (Refer Note 38)

Your Directors propose to make appropriations of ₹ 1.01 Crores for FY 2014-15 under Staff Welfare Fund.

After adjusting an opening debit balance of ₹ 228.46 crores (being balance profit and loss account brought forward from previous year), there is a debit balance in Profit & Loss A/c of ₹ 34.72 crores.

Brief Analysis of Financial Performance:

SCI has reported a profit of ₹ 200.93 crores for the financial year 2014-15 after incurring losses for three consecutive financial years. All the segments (Liner, Bulk & Technical and Offshore) have reported profit before Tax & Interest. The tanker market has shown some improvement which has partly offset the losses of the bulk carrier. The judicious cancellation of contracts and control of costs especially the Cargo Handling Expenses and Repairs & Maintenance expenses coupled with lower bunker prices have positively impacted the results.

Fleet Position during the Year:

During the year under report, five vessels aggregating to 278,565 DWT were phased out from the SCI fleet whereas one (1) new building Very Large Crude Oil Carrier (VLCC) of 316,634 DWT was delivered to SCI. Thus, in terms of tonnage, the overall fleet which was 5.85 million DWT at the beginning of the year, increased to 5.89 million DWT at the end of the year, even though the number of ships have reduced from 73 to 69 by the end of the year, as shown in the following table.

FLEET PROFILE DURING THE YEAR

Particulars		As on 1.4.2014		Additions		Deletions		As on 31.3.2015	
		No.	DWT	No.	DWT	No.	DWT	No.	DWT
1.	(a) Crude Oil Tanker	22	3,533,353	1	316,634	2	241,986	21	3,608,001
	(b) Product Tankers	14	908,059	-	-	-	-	14	908,059
	(c) Chemical Tankers	1	33,058	-	-	1	33,058	-	-
	(d) Gas Carriers	2	35,202	-	-	-	-	2	35,202
2.	Bulk Carriers	17	1,113,889	-	-	-	-	17	1,113,889
3.	Liner Ships	5	202,413	-	-	-	-	5	202,413
4.	Offshore Supply Vessels	11	23,670	-	-	2	3,521	9	20,150
5.	Passenger-Cum-Cargo Vessels	1	5,140	-	-	-	-	1	5,140
	TOTAL	73	5,854,784	1	316,634	5	278,565	69	5,892,854

During the period under report, the following vessel was inducted in SCI fleet:

Vessel Name	Type	Yard Built	DWT
m.t. Desh Vibhor	Very Large Crude Oil Carrier (VLCC)	Jiangsu Rongsheng Heavy Industries Co. Ltd., China	316,634

VESSELS DISPOSED OF DURING THE YEAR

Vessel Name	Type	Yard Built	DWT
m.t. Palanimalai	Chemical carrier	1992	33,058
m.t. Gandhar	Crude Oil Tanker	1994	147,474
m.t. Jawaharlal Nehru	Crude Oil Tanker	1992	94,512
m.v. SCI-03	OSV	1984	1,763
m.v. C.P. Srivastava	OSV	1984	1,758

VESSELS ON ORDER AT THE END OF THE YEAR

At the end of the year 2014-15, the Company had no vessels on order. Your company is in the process of further expanding Offshore fleet through acquisitions.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments are given in the notes to financial statements.

Extract of Annual Return

In accordance with Section 134(3)(a) and Section 92(3) of the companies Act, 2013 read with relevant rules, an extract of annual return in form MGT-9 as on 31st March, 2015 is appended to the Directors' Report.

Subsidiaries and Associates

Your company has no subsidiary Company and has six Associate Companies and Joint Ventures. Pursuant to Section 129(3) of the Companies Act, 2013, a statement containing salient features of our associates companies in form AOC-1 is appended to the Director's Report.

In accordance to Section 136 of the Companies Act, 2013 the audited financial statements, of the company are available on our website www.shipindia.com.

Particulars of contracts/arrangements with related parties

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2, is appended to the Director's Report. The details are also available in Note 31 under 'Notes on Financial Statement'.

Particulars of Employees

In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June, 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.

Risk Management

In accordance with the Section 134(3)(n) of the Companies Act, 2013 the Risk Management is forming a part of the Corporate Governance Report.

Conservation of Energy, Technology Absorption

The information pertaining to conservation of energy, technology absorption is forming a part of the Management Discussion and Analysis Report.

Foreign Exchange Earnings and outgo

The foreign exchange earnings and outgo during the year under report were as under

(₹ in Crores)

	2014 -15	2013 -14
Foreign exchange earned and saved including deemed earned and saved	4103.73	4301.70
Foreign exchange used including deemed used	4183.32	4570.06

Expenses on Entertainment, Foreign tours etc. – FY 2014-15

During the year under report your Company spent ₹ 24 lakhs on entertainment, ₹ 161 lakhs on publicity & advertisements and ₹ 293 lakhs on foreign tours of Company's executives.

Directors Report

Policy To Prevent Sexual Harassment In Workplace.

SCI endeavours to promote gender equality and has been taking proactive measures to prevent any Sexual Harassment in workplace. A committee has been constituted comprising senior women executives of SCI and a lady representative from the NGO Pratham to prevent any Sexual Harassment in the workplace.

Your directors are happy to state that no cases of sexual harassment have been reported during the year ended 31st March, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

The overall scenario under which the Shipping industry operated and which impacted the various segments is discussed below.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

ij] WORLD SCENARIO

The world GDP grew by an average of 3.3% in 2014, with growth estimates for 2015 and 2016 at 3.5% and 3.8% respectively. The year 2014 witnessed uneven global recovery on the back of falling oil and commodity prices, and strengthening of the US Dollar in particular while geopolitical tensions weighed heavily on the downside risk limiting upside prospects. The US in particular gained from lower commodity prices and currency gains while Europe and Japan continued to struggle with deflationary pressures. China fared well in the process of managing the slowdown, while unable to settle on an equilibrium growth rate commensurate with central planning and private investment. The prospects for the year 2015, rests largely on the developing Asian economies, mainly China and India. The growth pattern in Europe is expected to be volatile.

Global GDP

According to IMF, Global GDP growth has been 3.3% in 2014 and expected to be around 3.5% in 2015. The decline in commodity prices especially crude oil is expected to boost world GDP by shifting 'real income' from producing to consuming nations such as the US, China and India. The US economy is riding on the advantages of a strong currency and lower commodity prices, where growth is expected to exceed 3% in 2015-16.

Amongst the emerging economies the growth is projected to be broadly stable at 4.5% - 4.7%, although China continues to face hurdles in stimulating domestic demand with lagging export opportunities and is expected to grow at 6.8%. On the other hand India is expected to surpass China with a growth rate of 7.5% driven mainly by a stable and pro reform Government and radical policy changes.

IMF's World Economic Outlook states that global output will expand by 3.5% in 2015 and increase further to 3.8% in 2016, as against 3.4% in 2014. The economy of developed nations is expected to improve by 2.4% in 2015 and 2016. The report forecasts global trade to grow from 3.4% in 2014 to 3.7% and 4.7% in 2015 and 2016 respectively, on the back of increasing demand from developing economies for commodities and demand stability from developed economies, although growth is expected to be moderate and uneven in distribution amongst individual countries.

The global GDP growth directly affects the international trade (export and imports) and in turn affects the shipping industry as about 80% of the international trade by volume is carried out by shipping.

Seaborne Trade, Fleet & Market

Globally, the oil trade (i.e 'Crude Oil' and 'Products' segments) growth rose marginally by 0.7% compared to 1.4% growth in 2013. In the 'oil' trade segment, the global 'Crude oil' imports was almost stagnant at 2.10 billion tons, whereas global 'Products' imports were 0.92 billion tons, increasing by 4.4%. The tanker fleet expanded by 1.4% in 2014 as compared to 2.5% during the previous year. Overall for most crude tanker owners, 2014 was an optimistic year with earnings across segments at levels above operating costs for most of the year.

The dry bulk trade increased by more than 8% in volume over the course of the year but oversupply of tonnage continued to plague the markets and earnings. Although time charter rates improved on the backdrop of falling commodity prices leading to long hauls, the spot and trip charter rates remained low and volatile due to local over supply of tonnage. The deceleration in fleet growth continued to about 5.3% from 5.6% in 2013 but the fleet growth is expected to clock an average 5% annually for the next couple of years limiting the prospects for a reversal in the supply demand gap. Most of the gains in demand during 2014 came from the iron ore, and coal trades. China followed by developing nations such as India was the key driver of the increase in demand.

The container trade in 2014 was around 159 million TEUs registering an improvement in growth at 4.9% over 2013 as compared to 4.2% in year 2013 and 2.5% in 2012. The improvement was mainly attributed to resurgence of European import growth and a strong expansion in US imports propelled by a fast expanding economy and retail demand. The Chinese containers exports to Europe and US posted strongest gains since 2010 though the overall export growth stagnated near 6% mark. Fleet growth remained steady in 2014 despite rising new building volumes, due to moderation of delivery slippages and disposals having remained high, keeping fleet expansion under control.

ii] INDIAN SCENARIO

As per Central Statistical Organization (CSO), Indian economy grew by a robust 7.3% in 2014-15, compared to 6.9% growth in 2013-14 on the backdrop of improvement in both services and manufacturing sector marked by confidence in the markets owing to the newly elected stable Government. India is expected to overtake China in GDP growth this year. The farm sector grew at annual 0.2% compared with a 3.7% expansion in the earlier period. The power and utility sectors also posted a growth rising an annual 7.9% in 2014-15 compared with a 4.8% growth in 2013-14. The manufacturing sector reversed the declining trend and



clocked 7.1% growth as against 5.3% during the previous year. The mining sector fell to 2.4% year-on-year in 2014-15 compared with 5.4% in the year earlier period.

According to sources from Ministry of Commerce, India's exports in value terms fell by 1.23% to US\$ 310.53 billion in 2014-15, while imports fell by 0.59% to US\$ 447.54 billion. As per Indian Port Association (IPA), the quantum of Cargo Traffic at India's 12 major ports rose by 4.65% in 2014-15 i.e. from around 555 million tons in 2013-14 to 581 million tons in 2014-15. The largest commodity group in the total traffic was POL with around 32% share, followed by Container traffic and 'Other cargo' (21% each), Coal (20%), Iron ore and Fertilizers - Finished & Raw (3% each). On the other hand, the existing non-major ports, especially private ports, continue to grow due to factors such as a diversified cargo portfolio, superior operating efficiency and infrastructure, and the presence of captive cargo streams.

iii] STRENGTHS

Years of experience in Shipping together with diversified fleet across all major segments give SCIL a unique ability to exploit demand growth in any given segment with a quick-mover advantage on the peak of learning curve.

New acquisitions have brought down average age from 18 years in 2007 to about 9 years presently.

Longstanding COA relationships with major Indian Oil Refineries offer cargo security.

iv] OUTLOOK

As the prospects for global economy point to improved growth at about 3.5%-3.8% in 2015-16, oil trade demand (both crude and product) will gain support from low oil prices and changing trade patterns are expected to absorb the modest growth in fleet lending support to positive earnings. This would allow the tanker market to remain buoyant over the coming year with rates and prices for both crude and product tankers moving up, on average compared to 2014. Most indicators are likely to stabilize in 2015 and from 2016-18, crude tanker indicators would hold steady over this period, while product tanker rates and prices may come under some pressure due to excessive fleet growth. In the dry bulk segment freight rates are expected to undergo severe volatility over the course of next five years. More specifically, freight rates for Cape, Panamax, and small bulkers are projected to increase in 2015 before coming down in 2016-18 due to surge in the fleet growth.

In the container segment, freight rates in the east-west, north-south and intra-area markets averaged 1% lower in 2014 than 2013 levels, and despite losing some ground towards the year-end, freight rates remained at or slightly below earlier levels. This was a positive development considering that the fuel prices averaged much lower than prices prevailing a year before, allowing for a significant cushion. Improving market sentiments based on the forecast of an improving economy in Europe and robust trade growth to US would help in strengthening the resolve of liner companies to push for rate restoration in 2015. Cementing of the operating positions and services of the four major alliances in the east-west trades early 2015 is expected to lead to market discipline returning in the premier markets with fewer incidents of rate undercutting and a more orderly approach towards rate restoration. Charter market fundamentals are also expected to improve steadily in 2015 with a further upgrade predicted in 2016.

v] OPPORTUNITIES

The global GDP is expected to grow at 3.5% in 2015. This, however, is dependent on the two largest economies, US and China followed by emerging economies such as India. Overall US is expected to grow by 3.1% in 2015, up from just 2.2% for 2014 as a whole. The outlook for Chinese economy in 2015 is mixed, with some slowdown relative to the previous year. The Chinese GDP growth is expected to remain at 6.8% in 2015, down from 7.5% growth in 2014 mainly on the backdrop of declining industry output and falling demand. The country is losing the edge in exports due to the strong Yuan. The developing Asia region is also expected to perform better in 2015 as compared to 2014 with India poised to surpass China for the first time. The low oil prices are expected to improve the economic situations of most of the developing Asian nations supporting the basis for a prosperous economic outlook. The Asia region is expected to grow by 6.6% in 2015, up from 6.5% growth in 2014 with India poised to grow at 7.5%. The European economy is expected to show modest growth of 1.5% in 2015 with growth coming in primarily from those European countries, outside the Euro zone. The Japanese economy is expected to grow at a modest rate of about 1% in 2015.

vi] RISKS & CONCERNS

Geopolitical tensions, the US monetary policy tightening, declining industry output and falling demand in China remain the major macro risks. Also the low crude oil prices have hit the economies of oil exporting countries both Middle East and Russia who in turn may be forced to cut subsidies and consequently hurt demand. The falling Russian economy is seen as an example of an economy hit directly by falling oil prices in general. The decision of the Chinese Government to increase the percentage of non-fossil fuels in its total energy mix could curtail future oil demand from the country. The crude tankers rates are also expected to remain flat during 2015-18.

Similarly in the dry bulk segment, the rising interest rates in emerging economies could lead to slowing import demand. Additionally, relatively flat steel production in the developing Asia region due to weaker Indian economy remains a matter of concern.

The global containerized trade growth, in the likely event of the economy not recovering, would be limited to 3.9% in 2015 managing only a 5% expansion in 2016. Lower economic growth and global demand may while pushing oil and bunker prices lower help induce further speed gains in the charter fleet and the resulting productivity gains would lead to reduction of further 1% charter fleet utilization in 2015 and 1.5% in 2016.



Directors Report

B. SEGMENT-WISE FLEET & MARKET STUDY

1. BULK CARRIER & TANKER

a) Crude Oil & Product Tankers

The global consumption of Crude Oil registered a marginal increase of 0.7% to 93.60 million barrel per day over the previous year. It is forecasted that the demand growth is expected to come from developing countries of Asia and Latin America while the slowdown in China is likely to offset this growth. US domestic output has increased by 1.6% over the year which has stabilized imports at 4.3 million barrel per day a decline of 4% over the previous year. US imports of West African and Latin American crude oil have declined and this oil is now moving to Asia, helping to boost ton-mile demand. However, after recent plunge in crude oil prices it is reported that many oil rigs and shale fields have stopped production due to low investment returns. If the production of shale oil declines further it could result in US imports leading to increase in demand for tanker tonnage. There were deliveries of 9.11 million dwt and 1.695 million dwt of new built crude oil tanker and product tankers respectively in 2014. For Crude oil tankers, the deliveries expected are 9.11 million dwt and 17.74 million dwt in 2015 and 2016 respectively. For Product tankers, the respective figures are 5.11 million dwt and 5.4 million dwt each. New building prices for tankers continued to build on the gains seen in late 2014, rising by about 5% in 2014 and stabilized during the early part of 2015. In ton-mile terms, it is estimated that crude trade increased by 1.4% compared to the previous year.

The trade is likely to remain robust on import gains in Asia Pacific and an expected re-start of US imports. The average spot rate of TD3 route of AG/East for VLCC was US\$ 25,025/day in 2014. The future market in this segment seems to be in the range of US\$ 30,000-40,000/day. One Year TC rate for VLCC was about US\$ 28,115/day in 2014, with some fixtures done at higher levels during the latter part of the year. The Suezmax rate on Black Sea/Med route was in the range of US\$ 26,250/day in 2014 which is expected to improve at about 10% per year over the next 2 years. For Aframax, the spot rate on AG/Singapore route was US\$ 16,348/day which has touched higher levels during the end of the year and is expected to turn volatile owing to fuel oil arbitrage trades. For Product tankers, LR1 Spot rates on AG/East was US\$ 14,147/day in 2014 and expected to remain at similar level in 2015. One year TC rate for LR1 was US\$ 15,880/day. In MR tankers on Caribs/US route the spot rate was US\$ 19,568/day in 2014. One Year TC rate for MR was US\$ 14,630/day in 2014 and expected to be around US\$ 16,500/day for the next year.

Your company had four VLCCs and the fifth VLCC was delivered to us on 28.03.2015 from China. They were mainly employed on Voyage Charter during FY 2014-15 and had been performing spot voyages, except MT Desh Vaibhav which was on time charter with Hanjin for about 4 months of the financial year. Your Suezmax tankers were mainly deployed with the Indian oil industry and performed COA voyages, except occasionally performing spot voyages for Indian and foreign charterers. MT Desh Shakti and MT Desh Shanti were on time charter with M/s. India Steamship for 9 months and 3 months respectively during the period. The COA earnings are based on AFRA which has been low. The time charter rates compares well with market benchmarks.

LR-I tanker MT Jawaharlal Nehru being single hull and non-coiled tanker suitable only for coastal crude oil movement and has been disposed of during financial year.

Your product tankers in the Swarajya Series & Tagore Series were all well employed with Indian charterers and their earnings compare well with the market averages.

The three MR product tankers in the Swarna series were gainfully employed with Indian charterers and their earnings compare well with the market. MT Swarna Kalash was deployed with foreign charterers for short periods during the financial year.

The two LR-II tankers MT Swarna Jayanti and MT Swarna Kamal gave stable returns on time charter with foreign charterers.

Earnings of your coiled / double hull Aframax tankers have exceeded the average of benchmark yields under TD8 (Arabian Gulf to Singapore) and TD14 (Indo-Australia) routes mainly on the back of COA voyages under TD8 pricing formula and triangulation voyages due to intermittent fuel oil arbitrage trades which minimized ballast voyages. The Aframax mainly performed India centric / Far East / Red Sea voyages.

Out of your six LR-I tankers, five tankers performed coastal movements for transportation of crude oil. One LR-I tanker is deployed under clean trade. The average earnings have been higher on y-o-y basis, and also were higher compared to the market average.

Opportunities

Global Oil demand is expected to rise steadily owing to overall improvement in macro economic factors and lower oil prices. Also the global oil trade pattern has changed contours with increased refinery capacity in Asia, decline in European capacity and a surge in oil production in North America.

The excess oil from Latin America, Mexico and West Africa is now being sourced by Asian refineries where demand has increased briskly, backed by low oil prices. Oil prices are expected to remain at the current low levels as the current prices may further be influenced negatively as and when Iranian crude oil enters the market.

The above structural supply factors are expected to lead to increased tonne-miles as refiners find it economical to float and ship low cost oil over longer miles. This is expected to increase demand for crude oil tankers majorly in the West Asia Gulf/Latin America/West Africa to Asia trades where your tankers mainly operate and are well positioned to exploit the trade opportunities.

On the product segment the exports of clean distillates from Asia to Europe, Africa and Japan on the back of low price crude oil is expected to ensure firm clean tanker markets and your clean tankers will stand to get gainful trades.



Risks and Concerns

Although the Asian demand has spurred tonnage utilization, a sustained improvement can only come about by revival in US imports, on the back of declining European refining capacity. However even at below US\$ 60, the US shale oil production has not halted and US imports continue to stagnate at about 4.2 mbpd down from 6.1 mbpd in 2012. Also the price of crude oil is linked to the international monetary exchange rates and investment flows whose impact is hard to predict and track.

The weak Chinese economy is another major issue with respect to tanker demand. In addition, the 13th five-year plan is expected to increase the percentage of non-fossil fuel from 15%, over the period 2016-20 which could lead to excess Chinese tonnage particularly in the VLCC segment.

The pace of tanker fleet growth is expected to surge from 2016 onwards which could lead to pressure on rates and long term rebalancing of the supply-demand gap in favour of charterers and hurting freight markets.

b) Dry Bulk

The benchmark, the Baltic Dry Index (BDI) fell to an average of 916 in 2014-15 from 1356 in 2013-14 registering a 68% decrease, reaching its lowest level ever by touching 509 points on 18.02.2015 and is now hovering around 1100.

The global imports of dry bulk stood at 4459 million tons and grew by 3.6% over previous year. When compared to 2014, dry bulk trade fell in 2015, with ton-mile demand down by an estimated 3.6%. The dry bulk global trade is expected to grow on an average of 3% for next 3 years.

The dry bulk segment continues to suffer from over supply of tonnage and a longer wait for recovery is expected with dry bulk fleet growth projected at 2% in 2015 and 3% over the next 5 years. High demolitions and low deliveries supported by a growth in demand is the need for this segment to balance the supply and demand which is not expected till 2017. The dry bulk segment continues to be bogged down by low profitability due to low earnings causing depressed asset prices caught in a downward spiral.

Subdued cargo demand has added to the existing woes of the dry bulk market. Some of the dry bulk vessels being converted into tankers show desperate attempts by owners to bid adieu to low earnings and to switch to worthier options.

India's iron ore exports slipped to just 5.5 mmt in 2014-15 compared to 16 mmt exported in 2013-14. With regard to Thermal Coal, India is set to see a considerable increase in its imports, rising from 180 million tons in 2014 up to a forecast of around 200 million tons for 2015.

India's urea imports rose by 23% to 87.49 lakh tons last fiscal on higher demand. The country, which is among the world's top three consumers of urea, produces about 22 million tons urea as against the annual domestic demand of 30 MT. India imported 8.75 million mt of urea in fiscal 2014-2015, of this, 5.4 million mt came from China and 1.4 million mt from Oman.

Urea movement into India, which is a key cargo for dry bulk vessels and is part of minor dry bulk commodities, has for the last few years been a "supporting trade" for bulkers ranging from Handysize to Panamax.

The slowdown in Chinese iron ore import demand which began in the second half of 2014, has resulted into fall in Chinese dry bulk imports with ton-mile demand falling by an estimated 8% compared to Q4 of 2014. Chinese coal imports including steam coal, met coal, anthracite, and lignite which plummeted in 2015, totaled just 32 million tons in the first two months of 2015, compared to 59 million tons in the similar period in previous year.

Global steel production declined marginally in the Q1 of 2015 with reduced demand from Europe and Asia, whereas Chinese steel production slumped to rock-bottom with steel prices in the global market compelling companies to curtail production.

So far, this year, 226 dry bulk ships are sold for demolition as against 293 dry bulkers for the whole of the last year. So far already 71 Cape size bulkers have been sold for scrapping in 2015 as compared to 24 in the whole of 2014. Additionally, number of ships, are out of play and possibly heading for hot or cold lay-ups.

The vessel supply is expected to be moderate as high demolitions and low deliveries characterize the dry bulk market. Growth in the dry bulk fleet was low even in the Q1 of 2015, as it increased by a mere 1% from the year-end fleet and stood at 761 million dwt. It is estimated that demolitions will increase by approximately 54% in 2015 from last year because of the weak freight market.

Your Company owns two older Handymax bulk carriers (average age 16 years) of around 45,000 dwt, eight modern Supramax bulk carriers of around 57,000 dwt and seven modern Panamax / Kamsarmax dry carriers of around 80-82,000 dwt as on 31st March, 2015. The bulk carriers fleet is very young with an average age of 5 years in average age. The dry bulk charter market witnessed depressed earnings levels thus undermining the earning ability of our fleet. In order to maintain a healthy cash flow your company preferred fixing the bulk carriers on trip time charter and short term time charters.

Opportunities

Poor freight markets and resultant depressed ordering and conversion of dry bulk carriers to tankers is expected to significantly slowdown deliveries and fleet growth over the 2016-2019. The fleet growth is expected to be at an average of just 3.5% per year over this period as against the average expected trade growth of 4.2% in terms of volume and 4.7% in ton mile terms over the period of 2016-2019.

India is going to be an interesting destination for the dry bulk market. The requirement of coking coal via imports to meet the countries increase in steel demand derived from focus on investment and infrastructure and projected import of thermal coal by 250 MMT would boost shipping activity.

India is expected to see a capacity addition in power sector of 80,000 MW in the 12th Five-Year Plan (2012-17). It requires around 4.5 million tons (M.T.) of coal to generate 1 MW of thermal power. This means there will be high investments in power sector and the coal requirement to run these power plants will contribute to increased demand for shipping.



Directors Report

By the end of 12th five year plan the country's coal requirement will reach 1,000 million tons of which approximately 200 million tons of coal will be required to be imported. Indian companies are making huge investments to secure raw materials like coal for their power plants with acquisitions in East Asia, Africa and even the USA. With these imports in pipeline, the shipping sector will stand to benefit from increased import cargoes.

Risks & Concerns

Domestic factors such as ban on iron ore mining in Goa / Karnataka, lengthy legal process involved in clearing the procedures to re-start the mines, high export duty on iron ore, in India will continue to negatively affect the growth of dry bulk demand on India centric trades.

Grain and fertilizer trades are seasonal and short term in nature with uncertain parcel sizes which require timely positioning of tonnage to exploit the trade.

The global grain trade is likely to be a drag on the dry bulk market through 2015. After growing at a striking 9% pace in 2014, it is expected to dip by 3%, based on the latest forecast from the International Grains Council.

European and Japanese imports are likely to continue to grow at a relatively slow pace, averaging 2% per year and 1% per year, respectively. The Panamax market is likely to remain relatively depressed through 2015.

SCI with critical mass in panamaxes is catering to transportation of three major commodities such as Iron ore, coal and grain, view slowdown in these major trades globally the earnings of panamaxes may continue to suffer.

The macro economic factors such as interest rate volatility, subsidies on petroleum products, volatile rupee value vis-à-vis the dollar and inflation continue to plague the national demand. Shipping being a derived demand will be negatively affected by these factors.

c) LNG Transportation

The scope for growth of LNG transportation is very high considering that LNG annually accounts for 8% of the total energy mix and is projected to grow up to 20% by 2030. India was the 5th largest importer of LNG in 2013 accounting for 5.5% of the total global trade. Domestic natural gas supply is expected to grow at 5.6% over FY 13-15 while gas demand is expected to grow at 18% thereby causing a demand-supply mismatch.

India has already embarked upon building strategic storage reserves for LNG in select on shore locations. The LNG terminal at Kochi became the 4th operational terminal in India, while new terminals are planned at Mangalore, Kochi, Mundra, Pipapav, Ennore and Haldia and capacity additions at Hazira and Dahej.

Pursuant to the MOU signed with GAIL, SCI is working closely with GAIL for the tender to in-charter 9 LNG tankers on a long-term basis. It is expected that three LNG tankers would be built in Indian Shipyards in line with the "Make in India" campaign while the other six tankers would be built in foreign shipyards. SCI will take up a stake in all the LNG tankers for the project.

Your Company has built-up a pool of trained and experienced officers to operate LNG tankers. This expertise along with the experience of independent technical operation of LNG tankers has provided the leverage to your company to expand its LNG Ship Management expertise and provide such service to international LNG Ship owners.

RGPPL Terminal Management

SCI team successfully completed berthing and un-berthing operations of 25 LNG tankers and one SPM operation at RGPPL Dabhol during the period of three years under the Port and Marine Services Contract. Thus under this contract a total of about 3.22 million metric tons of LNG was imported at the Dabhol LNG receiving terminal. The process for further renewal of contract is underway with RGPPL.

d) LPG Carriers

Your LPG carriers were pre-dominantly deployed under time charter to IOCL at prevailing market rates. The process for replacement of these tankers which are over 25 years has been initiated.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the tanker segment has been largely influenced by earnings on the VLCC, Suezmax and Aframax segments where SCI has had a mix of cross trade charters, Contract of Affreightments and Time charter businesses to effectively hedge employment and earnings risks. One the smaller segment product carriers and LR I dirty carriers; the employment was mainly to meet the domestic product and indigenous crude movements on long term contracts and time charter business. The mix of employment types and geographical concentration in niche coastal business segments has ensured returns in line with market trends.

The dry bulk segment was subject to severe tonnage over capacity worldwide and loss of key cargoes such as Iron ore from India resulting in non profitable ballast voyage legs thereby reducing earnings. Very few profitable trades emerged during the year under consideration and the situation is expected to remain depressed with earnings remaining under pressure.

2. LINER & PASSENGER SERVICES

LINER SERVICES

a) World Scenario

The liner industry presented a mixed bag of operating results for the calendar year 2014 with the operating earnings weakening towards the year end due to softening of freight rates and volumes in the last quarter of the year 2014. The sharp decline in bunker prices and a strong dollar helped support the liner shipping lines. For the year as a whole, however, improvement in operating performance took place averaging 1% below year-earlier levels which was the first positive annual performance since 2010. This was attributed mainly to increasing cost savings as a result of lower unit costs as the industry continued to optimize its trading networks and upsize its fleet to larger, fuel-efficient vessels.



The vessel utilization in both Asia-Europe West Bound (WB) and in the Transpacific East Bound (EB) arterial lanes, moved higher as compared to the previous year as robust trade growth exceeded capacity gains. Cascading of smaller vessels to other routes alleviated the burden of new building additions and slow-steaming helped to accommodate the extra capacity. Rates in the North-South lanes however slid as capacity gains overtook demand growth though the intra-Asia rates remained at par with 2013 averages. Fleet growth remained steady in 2014 and despite rising new building volumes, container-capable fleet growth remained at 5.3% similar to 5.2% pace in 2013 with disposal at 2013-high levels which kept fleet expansion under control.

b) Indian Scenario

The volume of export and import containers handled at major ports in India rose by 6.71 percent in 2014-15 from the year ago levels and total cargo tonnage inched up 4.65 percent, according to the tentative estimates of Indian Ports Association. Cumulative yearly traffic totaled nearly 8 million TEUs in April 2014 through March 2015 period, up from 7.46 million TEUs in the previous year. Jawaharlal Nehru port, India's busiest container gateway located near Mumbai, handled 4.47 million TEUs and 63.80 million tons of cargo in the year 2014-15 as compared to 4.16 million TEUs and 62.33 million tons in 2013 registering a 7.5 percent increase in TEUs handled even as congestion continued to trouble the port.

OPPORTUNITIES & THREATS

The liner market is poised to see significant improvement in operating profitability in future despite the continuous influx of mega-ship new buildings going by the market sentiments of a reviving global economy and upbeat economic forecasts. New operating alliances are expected to contribute by allowing global carriers to further exploit network efficiencies and vessel deployment optimization bringing about higher savings. Low bunker prices are also expected to help the liner operators to save on fuel and improve their books. Improving economic conditions in the US and Europe is expected to boost market fundamentals and support carriers in their effort to restore freight rates. Several factors also point to the increased likelihood of a recovery in charter market in 2015 as the charter vessel idle tonnage had fallen sharply from 5% in 2014 to 2.8% at the start of 2015, the lowest level in three years. An improvement in liner operating profitability is also expected to act as a catalyst for higher charter vessel demand and higher charter rates. Despite improving market fundamentals, the industry has to overcome challenges in the year ahead due to increase in deliveries of mega size ships before the capacity growth moderates in 2016. The impact of the sharp decline in the oil prices by almost 50% from last year on the global economy would have also to be factored in, as its effect on different countries would vary depending to a large extent on whether they are net importers or exporters of oil, though the net effect on the global economy is expected to be positive.

The break bulk sector continues to have good potential in respect of ocean freight arrangements of General cargoes, Over-Dimensional Cargoes (ODC), Project cargoes, Heavy Lift cargoes etc. on account of the Government departments / PSUs and other commercial organizations.

PERFORMANCE OF LINER SEGMENT

Your Company owns liner fleet having 5 fully cellular container vessels (202,413 dwt) having total container carrying capacity of 14,407 TEU. Average age of these five vessels is approx. 16 years [Three vessels aged 21-22 years and two, 7 years]

As on 31.03.2015, three in-chartered container vessels having total dwt. of 1,37,940 and 11,172 TEUs were operated by your Company. In addition to the above owned and in-chartered vessels, your Company also has cargo loading rights on 21 vessels of its partners in various consortia arrangements that your Company has with leading shipping lines such as Mediterranean Shipping Company (MSC), PIL of Singapore, K-Line and Wan Hai of Taiwan. Your Company continued to deploy its owned / operated Container vessels in the following sectors.

Container Services

Indian Subcontinent Europe Service (ISES)

The UK-C Cellular Container Service had been commenced in 1994 with SCI as a single operator operating three vessels with 1800 TEU capacity which was later upgraded to a fixed day weekly service with three partners operating seven vessels of same capacity. The service, from May 2009, is being operated in consortia comprising of two partners with eight vessels of which two vessels have been contributed by SCI. The service is operated on a round voyage of 56 days.

IPak Service

In a slot swap arrangement between SCI and MSC, SCI has been allotted 200 TEUs slots by MSC which operates IPak Service in exchange for similar slot allotted to MSC on the ISE service.

India / Far East Cellular Service (INDFEX 1)

This service commenced in June, 2001 with 5 vessels (1 vessel each by three partners viz. K line, PIL and SCI; and two vessels by the fourth partner Wan Hai, WHG) and was upgraded in September 2012 by replacing a 3500 TEU vessel by a 4400 TEU vessel. The service is presently operated as a weekly direct service from India's West Coast to Central China, Hong Kong, Singapore and Malaysia on a round voyage schedule of 42 days. The service also links North Chinese ports through feeder services via Shanghai.

SCI Middle East India Liner Express (SMILE) Service

SCI flagged off its stand alone direct independent service called the SMILE SERVICE from JNPT on Sunday the 16th March, 2008. The service is being operated with the three PM series vessels m.v. Indira Gandhi, m.v. Rajiv Gandhi & m.v. Lal Bahadur Shastri having 1869 TEU capacity each. This is a dedicated SCI Service catering to the trade requirement from Indian sub continent to Gulf region and links with SCI's long haul services to Far East, UK & UK Continent. Besides the Gulf ports, the SMILE service also acts as a feeder service between Cochin/Tuticorin/Colombo/Mundra. In addition, the service caters to the coastal cargo along the Western Coast of India from Mundra, Hazira, Pipavav to Cochin & Tuticorin.



Directors Report

India Myanmar Service (IMS Service)

The Shipping Corporation of India Ltd launched IMS service (India-Myanmar Service) which links South and East India to Myanmar on 3rd October, 2014 with m.v. "SCI Kamal", a 1200 TEU capacity vessel. The new service is scheduled to call at Chennai every fortnight. The service was commenced at the direction of the Government of India to promote its Look East Policy and the Ministry of External Affairs granted a subsidy of ₹14.22 crore for an initial period of 6 months which is expected to cover about 11 months. The trade is gradually picking up and it is expected that the service would reap benefits over a period of time once the service stabilizes.

Feeder Operations

SCI makes feeder arrangements with 'Common Carriers' between various destinations on the Indian subcontinent.

Slot Swap Arrangements

SCI enters into slot swap arrangements with service providers depending upon trade requirements.

Break-Bulk Services

SCI arranges carriage of break bulk cargoes on space charter basis from various regions across the globe including USA and Far East for imports on account of the Government departments/ PSUs and other commercial organisations which includes Shipments of Over-Dimensional Cargoes (ODC)/ Project cargoes/ Heavy Lift cargoes/ IMO Class I Cargoes etc. and also containers.

Coastal Operations

Domestic Passenger-Cum-Cargo Service

In addition to International operations, SCI with its one owned Passenger-cum-Cargo vessel and ten managed vessels operates domestic passenger and cargo transportation services between the Mainland and the Andaman & Nicobar (A&N) group of islands and inter-island, on behalf of the Government of India.

Other Coastal Services

SCI also manages Oceanographic & Coastal Research vessels on behalf of Government agencies/departments viz. three vessels owned by Geological Survey of India under Ministry of Mines and one vessel of National Centre for Antarctic & Ocean Research, one vessel of Centre of Marine Living Resources and Ecology and three vessels of National Institute of Ocean Technology under Ministry of Earth Sciences.

Manned and Managed Vessels

The following table shows the profile of the Passenger-cum-Cargo vessels and other vessels managed by your Company on behalf of the various Governmental Organizations/Departments:

Type of Ships	As on 31.03.2014			Additions Nos.	Disposal/ Redelivered	As on 31.03.2015		
	Nos.	Pax. Cap.	Cargo Cap. (m.t)			Nos.	Pax. Cap.	Cargo Cap. (m.t)
Pax-Cum-Cargo Ships	10	7066	6200	0	0	10	7066	6200
Other vessels	11	-	-	0	1	10	-	-
TOTAL	21	7066	6200	0	0	20	7066	6200

The pattern of deployment of these vessels is as follows:

- Four (4) vessels for carrying Passengers and cargo between the Mainland and Andaman and Nicobar Islands;
- Five (5) vessels for Inter-Islands run (A&N Islands).
- One (1) vessel for fore shore Sector run (A&N Islands).

Marketing

SCI's marketing team continues to make regular customer calls through its own offices and also through agents appointed at various ports in India and abroad in order to market its container and break-bulk services. Meetings with the agents are held periodically, and SCI representatives also participate in various trades meet at important locations in India. SCI had organized a Trade Meet for the shippers and freight forwarders in Ahmedabad for promoting the coastal trade and SCI services. Trade Meets was also organized in Myanmar and Kolkata before commencement of the India-Myanmar in October 2014 to create awareness among the trading and business organisations about the service. Besides, SCI has also participated in the trade fairs/meets organised by the Ports for promotion of trade activities.

OUTLOOK

An improving global economy and accelerating trade growth especially in the North American and European markets is expected to lead to better fleet utilization, liner profitability and charter rates in 2015. The freight rate restoration would depend upon the market discipline observed by the shipping lines by avoiding undercutting and the temptation of speeding up the fleet regardless of the low fuel prices which could aggravate the capacity surplus, coupled with an orderly introduction of new tonnage. Continued strong growth in containerized trade is expected for Asia-Europe West Bound and Transpacific East Bound trade routes though the North-South markets may remain suppressed this year. Intra-Asia markets are expected to continue to accelerate in 2015-16. Liner fleet utilization is likely to level off in 2015 but is expected to grow strong in 2016-17 as market fundamentals are set to improve.



RISKS & CONCERNS

Geopolitical and economic risks associated with the likelihood of Europe falling back into a recession due to either an escalation in conflict between Russia and the West or a financial turmoil created from the exit of Greece from the Euro zone, remain a matter of concern having the potential of derailing the global economic growth and in turn prolonging the situation afflicting the liner industry from 2010. Chinese economy has slowed down faster than desired which is likely to impact China's trade partners, especially in South East Asia. The container capable fleet growth is expected to accelerate in 2015 at 7.2% and as the pace of deliveries slacken, ease to 6.3% in 2016 and 6.1% in 2017, followed subsequently however by an acceleration again averaging about 7% in 2018-19.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your company's liner segment registered a profit of ₹ 31.83 crores in FY 2014-15. The Operating income reduced in the current year as compared to the previous year but lower operating profits were offset by reduced direct operating expenses. Your company adopted cost – saving measures to mitigate losses accruing to the liner services viz. saving considerably on feeder and transshipment cost by not carrying the cargo to non-base ports, saving on leasing and incidental cost by off-hiring containers, blanking off voyages on the INDFEX route resulting in less inland movement, changing rotation pattern of ISE service leading to less haulage. Cargo handling expenses, a component of the direct operating expenses, were lower due to lesser number of containers carried. Containers carried to inland locations in Europe were mainly on merchant haulage. Slots were also sold to MSC which enabled your Company to earn freight without incurring cargo expenses.

3] TECHNICAL & OFFSHORE SERVICES

1. World scenario

The offshore support vessels industry is dependent on utilization of rigs, oil fields and other crude oil E&P activity, which in turn depends upon strategic decisions of energy security by oil and gas producers, shifts in Government policies and long term crude oil price trends. The world's primary energy consumption is projected to grow at an average of 1.4% p.a. with major part of the growth is in non-OECD countries, with Asian countries like China and India accounting for nearly half the growth. During FY 2014-15, Brent crude price touched a low of US\$45/barrel in March 2015, after a fall in price from US\$ 105/bbl in FY 13-14. It can be observed from the rig data that out of the total available rigs worldwide only about 70% were operational during FY 14-15. In line with the same, the worldwide AHTS utilization declined from 75% at the start of FY14-15 to 67% during end of FY 14-15 and PSV utilization declined from 85% at the start of FY14-15 to 75% during end of FY 14-15.

As on July 2015, only about 65% of total available rigs worldwide are operational. In absence of rigs in operation and due to oversupply of offshore vessels in world market the freight / charter hire market for offshore vessels has also been under pressure.

2. Indian scenario

Historically, India's domestic production of oil and gas has fallen short of its burgeoning energy requirements, compelling our country to rely on imports. India's crude oil imports bill forms one-third of the total value of imports, thereby widening India's current account deficit. The declining international Brent Curde Oil price during 2014-15, has reduced the burden of importing crude oil by over 35% in terms of value in our country.

The global decline in prices of crude oil has however not significantly impacted the performance of Indian E&P industry, and the activities of this sector during 2014-15 have been more or less similar to that of the previous year. In order to ensure energy security and attract investments in E&P, the Indian Government had initiated New Exploration Licensing Policy (NELP). In the first nine rounds of NELP (NELP-I to NELP-IX), the Government awarded 254 E&P blocks, of which 140 were offshore/deep water blocks. In the tenth round of NELP, 46 blocks shall be offered, of which 29 are offshore blocks.

It may be noted that the average utilization of the OSVs in India during 2014-15 was in range of 85%~95%. Further, 89% Indian offshore fleet has been active during the financial year 2014-15.

3. Strengths and Opportunities

Your company has always focused on employing its vessels on long term basis with ONGC, which is the biggest E & P Company in India. Your company has been successful in the above objective as its entire fleet of offshore vessels has been profitably deployed with ONGC on long term charter of 3 years. Prior FY 2014-15, 6 out of 9 offshore vessels of your company were employed with ONGC. The remaining 3 new-building offshore vessels were deployed on time charter basis with reputed private sector companies in India and abroad. During FY 2014-15, your company participated in ONGC tender and has been successful in employing the remaining 3 vessels with ONGC for a period of 3 years.

4. Weaknesses and Threats

Long term charters of few offshore vessels of SCI with ONGC would be expiring in 2016. Although your company is confident to deploy its vessels on long term basis to ONGC, any time lags between award of tenders may require the vessels to be deployed on spot basis.

Offshore Activities

SCI owned Offshore vessels

At the start of the year, your company owned 11 Offshore vessels out of which 2 vessels viz m.v. "C.P. Srivastava" and m.v. "SCI-03" were operating in the Spot market till 15.10.2014 and 15.09.2014 respectively. Thereafter both the vessels were disposed off and handed over to their respective buyers on 02.12.2014 and 28.10.2014 respectively. Thus the total number of offshore vessels in SCI fleet presently stands at nine (9) vessels with a corresponding DWT of 20,150. Out of the nine new built offshore vessels in SCI fleet, six vessels were already on long term charter with ONGC at the start of FY2014-15. The remaining three vessels have also successfully bagged 3 years long term charters with ONGC during the year 2014-15.

Directors Report

All offshore vessels were employed on long term charter with ONGC during the current year. The existing contract for m.v. "SCI Kundan" with ONGC expired on 08.08.2015 after three years of charter. Thereafter SCI Kundan has once again been offered to ONGC in the tender floated for requirement of AHTSVs. SCI has bagged the contract for a term of five years. SCI Kundan is expected to be on-hire under the contract during the last week of August 2015.

Your Company had entered into the offshore segment in 1984-85 with 10 Offshore Support Vessels (OSVs). Thereafter after disposal of all these 10 old vessels and addition of new vessels, the present offshore fleet of your company stands at 9 vessels. Although the new vessels added to the fleet, are of higher capacity and sophisticated technology (80T AHTSVs, 120T AHTSVs and PSVs), the total number of vessels has reduced. Due to inordinate delay in delivery of vessels by Indian shipyards, SCI had to rescind contracts for a total of 7 vessels on order. Out of these 7 vessels, during the year 2014-15, your company had to rescind contract for 3 vessels on order with M/s ABG Shipyard Ltd. due to delay from shipyard, while the remaining 4 were cancelled in the previous year.

O&M of ONGC owned vessels

Samudrika series OSVs:

Your company has continued to Operate, Man & Manage ONGC owned Samudrika series OSVs on nomination basis under 'cost plus' arrangement. At the start of the year, 11 nos. Samudrika series vessels were under O&M contract with SCI. Thereafter during the year 2014-15, 3 vessels have been disposed of by ONGC. The O&M contract of remaining 8 vessels is valid till their respective dates of disposal.

Specialized vessels:

Your Company has continued the Operation & Maintenance management (O&M) of ONGC's 2 Multi Support Vessels (MSVs) ("Samudra Sevak" & "Samudra Prabha") and one Geotechnical Vessel (GTV) ("Samudra Sarvekshak") on nomination basis under 'Cost plus' arrangement. The existing contracts for MSVs were valid upto 23.03.2015, which has now been extended upto 31.12.2015. The existing contract for GTV is valid upto 31.03.2016.

Your Company has also continued the Operation & Maintenance management (O&M) of ONGC owned Well Stimulation Vessel (WSV) "Samudra Nidhi" on 'cost plus basis' since the vessels delivery in year 1986. The present contract is expiring on 30.09.2015 and a provision for extension of 18 months is provided in the O&M contract.

ONGC's newly acquired offshore vessels:

Your company has successfully included five ONGC owned vessels under its fleet of managed vessels, delivered from M/s. Pipavav Defence and Offshore Engineering Company Ltd. Out of these five vessels one vessel has been delivered during the year 2014-15. Your company had signed contract with ONGC for Operation & Maintenance management (O&M) of 6 of ONGC's new built vessels from M/s Pipavav Defence and Offshore Engineering Co. Ltd. The last vessel of the series ("m.v. P.T. Venugopal") was delivered to ONGC on 06.05.2015 and SCI has taken over O&M contract for this vessel.

Emergency Towing Vessel (ETV) 2014:

On request of Directorate General of Shipping (DGS), this year also your company provided two ETVs, for providing emergency services during the monsoon period on the East Coast and West Coast of India for about 106 days. Two of our good vessels, viz, "m.v. SCI-03" on the West Coast (w.e.f. 02.06.2014 till 15.09.2014) and "m.v. C.P. Srivastava" on the East Coast (w.e.f. 06.06.2014 till 15.09.2014) were deployed for the emergency services.

Assistance to vessel "Caravel Pride"

The ETV "m.v.SCI-03" was deployed for assistance to stranded vessel "Caravel Pride" at Mormugao-Goa during the monsoon of 2014. The weather during the operation was very rough with heavy swell, poor visibility and heavy showers. In such severe weather condition ETV "SCI 03" did a job of holding and maintaining position close to "m.v.Caravel Pride" for nearly 4 hours and subsequently the vessel was towed inside safely. The D.G. Shipping appreciated ETV SCI 03, with regards to the commendable job done and courage displayed by master and crew of the vessel.

DRDO Project:

The Defence Research & Development Organization (DRDO), Government of India (GOI), Ministry of Defence (MOD) had requested your company for hiring of three support vessels as a platform for ship-borne tracking stations for flight trials over the Bay of Bengal and Indian Ocean. Your company had in-chartered two suitable vessels for a period of one year w.e.f. 27.03.2012 and 05.04.2012. The existing contract for these vessels is valid till 16.09.2015 and 25.09.2015.

Discussion on financial performance with respect to operational performance

The Offshore segment recorded revenue of ₹ 348.93 crores in 2014-15 as against ₹ 375.07 crores in 2013-14. The profit before tax stood at ₹ 111.28 crores in 2014-15 as against ₹ 146.76 crores in 2013-14.

Awards / Accolades

ONGC has congratulated all members of GTV Samudra Sarvekshak for completing the "Offshore Campaign 2014-15 in West Coast", which involved soil investigations of all initial as well as subsequent locations, well in advance.

On 24.03.2015, one Dornier aircraft of the Indian Navy, which took off from the naval ship in Goa, crashed 25 nautical miles off Goa and 28 nautical miles from Karwar with three officers on board. On request from Naval HQ and based on instructions from ONGC, MSV Samudra Sevak successfully recovered wreckage of the ill fated air craft which was at a depth of 60 meters. ONGC conveyed their appreciation to the ship staff for completing the job in a short period.

ONGC has conveyed their appreciation to the entire team for achieving zero breakdowns and maintaining 100% availability of ONGC OSVs operated and managed by SCI.



The D. G. Shipping appreciated master and crew of the vessel ETV SCI 03, with regards to the commendable job done and courage displayed by providing assistance to the stranded vessel "Caravel Pride" at Mormugoa-Goa during the monsoon of 2014.

Technical Service

During the year under report the Company continued to provide technical consultancy services to A&N Administration, UTL Administration, Directorate General of Light Houses & Light Ships, Geological Survey of India, Andaman Lakshadweep Harbour Works (ALHW), Union Territory of Daman and Diu Administration (UTDD) and other Government Departments for their various ship acquisition/retrofit projects.

Tonnage Acquisition Programme

The year under report is the third year of the country's Twelfth Five Year Plan. SCI had indicated an outlay availability of ₹ 5,686 crores during the Twelfth Five Year Plan period, which has been approved by the Government. During the year under report, your company had not proposed any new acquisitions due to the prevailing downturn in the shipping markets.

The global shipping markets are still reeling under recessionary pressures due to overcapacity in the market and it is thus felt prudent to go slow on acquisitions for the time being. Nevertheless, your Company would be continuously monitoring / reviewing the market so as to capitalize on any opportunities thrown by the market. SCI is presently evaluating opportunities for investments in the growing offshore services segment which would offer stable revenue streams to the company.

Eco-Friendly and Conservation of Energy

As a policy, the Company remained committed to environmental protection as per International Convention for the Prevention of Pollution from Ships. All engines being fitted lately on board are meeting requirement of NOx compliance. Necessary steps have been taken to minimize air pollution from ships. New designs of critical ship's systems have been adopted which further minimize/eliminate risk of oil pollution. The Company took various steps to conserve energy loss at sea through the exhaust of Marine Diesel Engines/ Boilers in addition to other forms of conservation e.g. use of Fresh Water Generator, application of tin-free self-polishing paints, etc. Ballast Water Treatment plants and Silt Water Management are being introduced for the recently ordered ships. Also use of eco-friendly refrigerant namely RA07C which is a hydrofluorocarbon that does not contribute to Ozone depletion and suitable air conditioning/refrigeration compressors have been recommended to the shipyards for new construction vessels. Vessels antifouling coating has already been changed to TBT free paints. A ship recycling plan indicating details of all potentially hazardous material on board used during construction is provided to all new ships which will greatly contribute towards on board occupational health and safety and also environmental friendly re-cycling at the end of its life.

Your company has incorporated the concept of efficient ship design in the new vessels which were ordered. The energy efficiency of ships is measured by determining the Energy Efficiency Design Index which is essentially a measure of the energy used per unit weight mile of cargo moved. Efficient ship design will result in the new vessels being more cost efficient. They will burn less fuel, resulting in lower greenhouse gas emissions and validating SCI's commitment to sustainable growth.

For the existing vessels, your company has developed a Ship Specific energy efficiency management plan to further improve and monitor energy efficiency in ship operations.

As reported in under Austerity Measures of Q3 FY14-15 One of our liner vessels, "SCI Chennai" which is plying in INDFEX service has been tested for operation of its main engine below 50% MCR by cutting-off one turbocharger. It has resulted in substantial saving of about 15 metric tons/day of fuel.

Under its Research & Development initiative, SCI facilitated experimentation of combustion catalyst to improve fuel efficiency on board "SCI Mumbai". This resulted in saving of about 8% in fuel consumption. To start with the process, same Combustion Catalyst for improvement of fuel efficiency will be initially used on our Container Vessels.

Technology Absorption, Adoption and Innovation

Your company has taken all steps to comply with requirements of The International Maritime Organization's MARPOL Annex-VI aimed at Controlling Air Pollution and setting limits on emissions to the atmosphere from ships. On the new vessels SCI has voluntarily accepted higher than mandatory requirements on emission standards.

Your company has taken the lead in ordering vessels with electronically controlled main propulsion engines and fitted with ballast water treatment plants.

The main engines and auxiliaries on board existing vessels in the fleet are being modified and equipped to handle low sulphur distillate fuels in order to comply with regulatory fuel sulphur limits in IMO emission control areas, ports in the European Union and ports in the State of California.

Your company has taken steps to acquire ships with efficient designs and fitting of energy saving devices to minimize fuel consumption and reduction in air pollution in some of the recently delivered vessels since 2013 (m.t. "Desh Vibhor": efficient design/ m.t. "Vishwa Chetna" & m.t. "Vishwa Uday": Energy saving device).

Risks and Concerns - Situation in Coastal Operation and Off-Shore areas

The international crude oil prices softened during the period under review and have remained steady thereafter for most part of the year. As a result, the international offshore services sector is witnessing a softening of rates, particularly the North Sea region.

In contrast to the above, the E&P activities on Indian coast have been progressing well. However, the downturn in foreign offshore markets is expected to result in many foreign flag vessels eyeing for Indian business. With these additional vessels vying for gainful opportunities in India, the charter hire rates for offshore vessels are expected to remain stable to soft during the next 2-3 years.



Directors Report

In the ONGC's ongoing tender for in-chartering offshore vessels of various categories, substantial number of foreign flag vessels has shown interest. While the competition is high during the current tender, with expectation of improved global outlook and stable supply and demand scenario of oil and gas in the next few years, the offshore services market is likely to be stable. To sustain the competition and capitalize on the offshore scenario in the Indian region, your good company is planning to place orders for additional assets which will be delivered in 2-3 years time to strengthen the offshore vessels fleet.

Measures taken to improve services and operations

Most of the offshore vessels of your good company have utilized their compensable downtime in such an effective manner, so as to have minimum chargeable off-hire during most of the months of FY 2014-15. The experience gained in dealing with numerous new customers/E&P operators is giving us the confidence to expand further in the challenging offshore sector beyond the Indian coast.

Long term charter hire contract with ONGC, helps your good company, not only to schedule routine activities of vessels but also to avoid idling / off-hire of vessel in between two charter hire contracts. Further with a single operator and a familiar modus operandi, improved and enhanced efficiency in operations are achieved.

5. Outlook

World Outlook

The world energy consumption is expected to continue to increase over the coming decades. The crude oil prices are showing downward trend and are expected to remain under pressure during FY 2015-16. The excessive oil supplies from Saudi Arabia have impacted the crude oil prices. Further, as per industry reports, Iran is expected to start their oil production by November 2015 which may create pressure on global crude oil prices.

Considering the sluggish demand and the present over supply of crude oil, the exploration activities are not expected to be pickup during next one to two years. As a consequence demand for rigs is projected to decline which may directly affect the requirements of offshore vessels to some extent. Accordingly the international freight / charter hire market for offshore vessels is expected to be under pressure for at least next 1-2 years.

Indian Outlook

As stated earlier, India's domestic production of hydrocarbon products falls far short of meeting the ever-rising energy demand and thus India would continue to import crude oil to bridge the demand and supply gap. Although the reduction of global crude oil prices would have positive impact on growing Indian economy, self reliance on crude oil production is necessary to insulate India against unforeseen market volatility as well as from energy security point of view.

Nevertheless the Indian Government has been taking steps to boost the domestic E&P sector as around 56% of India's oil reserves and 66% of natural gas reserves are in offshore blocks. According to industry experts, increasing number of finds coupled with higher acreage being made available for exploration under NELP would drive domestic E&P activities in the long term. According to industry body PHD Chamber of Commerce and Ernst & Young, India's national oil companies are likely to spend about ₹ 1,250 billion on exploration and production during 2015-17. PSU oil companies like ONGC, IOC are planning to invest around ₹ 76,000 crore on the project expansion during 2015-16, up 5 per cent over the previous fiscal year. In the backdrop as above, SCI expects that the domestic demand for offshore vessels would continue to be stable in India.

The competitive market environment has however provided an opportunity to invest into the offshore fleet as the new building/ resale prices of vessels have softened. The situation is also favorable for venturing into specialized segments like well stimulation which command higher charter rates by acquiring/ converting suitable offshore vessels. SCI has been closely monitoring the developments in the offshore segment and plans to take advantage of suitable opportunities for increasing its market share as well as to diversify its activities in this segment.

The market scenario of offshore vessel segment in India has been very competitive in recent years as many foreign flag offshore vessels are entering Indian market. However, the Indian flagged vessels get protection against the foreign flagged vessels in terms of Right of First Refusal, with which most of these vessels are assured of employment in the Indian oil fields. SCI with a fleet of modern and fuel efficient offshore vessels is well equipped to take on the competition in the offshore segment.

C. INTERNATIONAL SAFETY MANAGEMENT CELL

The SCI had introduced the Safety Management System by setting up a dedicated International Safety Management (ISM) Cell, which has developed, structured and documented procedures in compliance with the International Management Code for Safe Operation of Ships and for Pollution Prevention (ISM Code), in accordance with the resolution A.788(9) of the International Maritime Organization (IMO) and SOLAS, Chapter IX.

The SCI has laid the foundation of the Safety Management System (SMS) by recognizing that the cornerstone of good Safety Management is a commitment from the top management, coupled with the competence, attitude and motivation of individuals at all levels, that determines the expectations of a good Safety Management System.

The SCI has complied with all the functional requirements of the ISM Code, which includes the Safety, Occupational Health & Environment Protection Policy and Drug & Alcohol Policy.

Implementation of ISM Code for Phase-I and Phase-II Vessels

Presently SCI holds separate Document of Compliance Certificates (DOC) for individual ship-types as under:

- Bulk Carriers
- Oil Tankers, Chemical Tankers & Gas Carriers
- Passenger Ships
- Other Cargo Ships



Under Phase I (Bulk Carriers, Oil Tankers, Chemical Tankers, Gas Carriers & Passenger Ships), the DOC was endorsed on 29.01.2015 and is valid till 18.11.2017 subject to periodical verification by the Administration.

Under Phase II (Other Cargo Ships – Liner and Offshore Vessels), the DOC was endorsed on 29.01.2015 and is valid till 14.03.2016.

The LNG Ships DOC issued by BV on 15.05.2014 and is valid till 26.05.2019.

As regards, Safety Management Certificate (SMC) for SCI fleet, all ships are put up for periodical/ renewal SMC audits within time frame and respective SMCs are accordingly endorsed.

The requirement of various amendments to ISM Code and Statutory regulations from IMO/Flag is also being complied with.

Implementation of ISPS Code

The ISPS Code (International Ship & Port Facility Security Code) was adopted by the IMO in December 2002 and became mandatory from 1st July, 2004.

The SCI has successfully implemented the ISPS Code on all vessels on international voyages and the vessels, which interface with the vessels on international voyages, well ahead of the deadline of 1st July, 2004.

Implementing limited compliance of the ISPS Code for coastal ships as required by the Director General of Shipping, Mumbai has been completed by 30th June, 2005.

On an SCI ship, the Chief Officer is the designated Ship Security Officer but all Deck Officers, have been imparted approved Ship Security Officer's training. Additionally, engineer officers, as and when available, are also being put through the above course.

SCI is committed to the following objectives to fulfill the requirements of its security policy:

- Security of its ships and their crew, passengers and cargo.
- Support to its ships in implementing and maintaining the Ship Security Plan.

Compliance with ISO 9001:2008 Quality Standards – Quality Management System (QMS)

The SCI is a certified ISO 9001:2008 Company (for Quality Standards – Quality Management Systems) by the Indian Register of Quality Services. SCI first acquired the then prevailing ISO Quality Standard viz. ISO 9001:2000 in May 2007. The Quality Management System of SCI has been successfully maintained since last 8 years. The annual surveillance audit of ISO 9001:2008 has been successfully completed in the month of February 2015 and is valid till 7th May, 2016.

Compliance with IMS (ISO 9001:2008 – Quality Management System, ISO 14001:2004 – Environmental Management System and OHSAS 18001:2007- Occupational Health and Safety Management System) Certification.

IMS (Integrated Management System) was earlier implemented only in tankers. Currently it has been implemented across the organization. SCI has now set a target for compliance of IMS (QMS 9001:2008, EMS 14001:2004 & OHSAS 18001:2007) for all ships and establishments by way of IMS Certification audit before 25th February, 2016. IMS Awareness Training has been imparted to about 500 officers from SCI HO, MTI, Chennai, Kolkata, Haldia and Port Blair offices towards IMS Implementation in SCI.

D. PERSONNEL & ADMINISTRATION

Industrial Relations

Your company continued to enjoy harmonious industrial relations.

Fleet Personnel

During the year, your Company, like other shipping companies all over the world, has been facing shortage of fleet officers mainly in the senior ranks for manning of our vessels. In order to attract good officers, the company has constantly aligned the salary of seafarers with the market besides taking other welfare measures. As a long term solution, your Company has continued its thrust in training to increase the supply of the officers. Your company has trained over 400 nautical and engineering cadets during the year. The company foresees the supply of senior navigating and engineering officers to be gradually improving in coming years but the situation will continue to remain critical in short term. On ratings side except for mismatch in some isolated cases, there is no shortage.

To promote and encourage the safety culture on your ships, "Fleet Safety Awards" function was organized on 29.05.2015 at MTI, Powai, our training institute, wherein the safest ships for the year 2013 and 2014, from amongst the company's varied fleet of vessels were felicitated.

Maritime Training Institute

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 387 Courses for 6686 participants and the total man-days trained during this year is 58360. These included 51457 man-days for SCI's personnel and 6903 man-days for personnel from other companies. In addition to this, 209 of SCI's personnel were trained outside MTI and the additional man-days of training are 570. Every endeavour is made to ensure that our training institute is self sustaining.

Regular seminars, professional development programs and skill enhancement programs are being conducted for all ranks of officers, petty officers and ratings to enhance their competence and build a sense of belonging in them towards the company. Your company has also commenced a new course for training of Graduate Marine Engineers (GME) from October 2014 at Powai Campus of its Maritime Training Institute (MTI).

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has been assigned GRADE 1(Outstanding) rating by DNV – GL in accordance with the Comprehensive Inspection Programme of the Director General of Shipping (DGS).



Directors Report

Shore Personnel

The total manpower as on 01.07.2015 is 767 excluding CMD, Five Functional Directors and CVO, out of which 648 are officers and 119 are staff members.

Various training programmes, both in-house and outside, including General Management Training programme have been imparted to employees for development of skill sets and knowledge.

Women Representation

Your company is committed to the principle of equal employment opportunity and strives to provide employees with a work free of discrimination and harassment which is applied in all Personnel activities including but not limited to recruitment, hiring, placement, promotion, transfer, separation, compensation, benefits and training and have ensured equal opportunities for skill enhancement and career progression.

Your company's efforts are reflected in the representation of women across various grades in the hierarchy. At present women constitute around 21% of total workforce at shore establishments of your company. Your company is the only Shipping company in India which has been recruiting women in its fleet. Presently, two Masters, seven Chief Officers and 12 second/third officers are women serving on the fleet of ships of your company which is among the highest in the marine workforce world wide.

Your company encourages active involvement in the activities of the Forum of Women in Public Sector (WIPS) since its inception. WIPS, Western Region, under the aegis of SCOPE has appreciated your company's efforts by conferring the award for "Best WIPS Activity Report".

Corporate Social Responsibility (CSR) and Sustainable Development (SD).

The Corporate Social Responsibility vision of your company articulates its aim to be a corporate with its strategies, policies and actions aligned with wider social concerns, through initiatives in education, public health, environment and other areas of social upliftment.

Your company has aligned its CSR policy with the Companies Act 2013 and CSR - SD committees constituted as per the act to coordinate and oversee the implementation of CSR and Sustainable development initiatives are working effectively.

In line with the above vision and following the initiatives under Swachh Vidyalaya Abhiyan of Ministry of Human Resource Development, your company has undertaken the construction of toilets as follows:

1. Six Girl's Toilets at "Santoshpur Shikshayatan" School, Kolkata, West Bengal, through Sarva Shiksha Mission, West Bengal.
2. Four toilets two each for boys and girls at Government PU College, Handigund, Belgaum, Chikkodi District, Karnataka.
3. Two girl's toilet at Government Junior College, Ravikamatham, Golugonda, Vishakhapatnam, Andhra Pradesh.
4. Ten toilets each for men and women in Ghansoli ward of Navi Mumbai Municipal Corporation.

Awards & Accolades

Your company is happy to report that its efforts have been recognised at International Level. Your company has been awarded with the prestigious "50 Most Caring Company Awards" in 4th World CSR Congress & Awards on 18.02.2015 for its commitment to community welfare and voluntary initiatives.

The pioneering works of your company in Human Resources have been acknowledged by Asia Pacific HRM Congress Awards 2014 where your company was awarded with "Organization with Innovative HR Practices" award on 11.09.2014. Your company has been recognised as Master Brand in the Master Brand Awards by CMO Council on 14.06.2014.

Remuneration Policy

The remuneration to the senior management and other shore employees of your company is governed by the Presidential Directives and Directives of the Ministry of Shipping issued from time to time, which form the remuneration policy of your company.

E. THE RIGHT TO INFORMATION ACT 2005 (RTI ACT 2005)

A suitable mechanism has been put in place for dealing with the requests and appeals under RTI Act 2005. The RTI manual is posted on the Company's website. Your Company has been complying with the provisions of the Act within the stipulated time limit provided under the Act. As on 31.03.2015, your Company has disposed off most of the applications and appeals received from the parties.

F. JOINT VENTURE COMPANIES

Irano-Hind Shipping Company (IHSC)

The Government of India in meeting of cabinet held on 02.04.2013 approved the proposal for Dissolution of IHSC and splitting the assets/ liabilities of IHSC between joint venture partners as per mutually agreed terms. Presently the process of this exit is being finalised, awaiting further necessary approvals.

Joint Venture Company (M/s. SCI Forbes Ltd.):

SCI Forbes Ltd. which owned and operated four chemical tankers of about 13000 dwt was a Joint Venture Company (JVC) between SCI and Forbes & Co. Ltd. / Sterling Investments Pvt. Ltd. The economic downturn in the shipping industry severely impacted the operations of SCI Forbes Ltd. making it unviable for SCI to continue in the JVC and after reviewing various options available with SCI exited this JVC on 02.07.2014 by way of selling its stake to an affiliate of the JV Partners at predetermined valuation as per the MOA entered with the concerned parties. The impairment towards diminution in the value of this investment was already provided for in 2013-14 and your Company received net amount of ₹ 70.44 crs towards investment made in this JVC, during 2014-15.



Joint Venture Company (M/s. SAIL SCI Shipping Co. Pvt. Ltd.):

SAIL SCI Shipping Pvt. Ltd (SSSPL) is a JVC between SCI and SAIL. The JVC was incorporated with primary objective of providing various shipping related services to SAIL for importing coking coal and other bulk material from various countries to feed its steel plants located in India. The JVC was incorporated on 19th May, 2010. The partners have deliberated on acquiring of Capesize vessels. However the acquisition has since been deferred due to fall in the dry bulk market.

Sethusamudram Corporation Ltd.

The Government of India had constituted Sethusamudram Corporation Limited (SCL) to raise finance and to undertake activities to facilitate operation of a navigable channel from Gulf of Mannar to Bay of Bengal through Palk Bay (Sethusamudram Ship Channel). As per the Government directive, this project is to be funded by way of equity contributions from various PSUs including the SCI. Till 2012-13, SCI had invested ₹ 50 crore in the project. In view of uncertainties in the project implementation, provision has been made in the accounts for diminutions of full amount of the investment. The dredging work was temporarily suspended from 17.9.2009 consequent upon the direction of the Hon'ble Supreme Court of India and the status continues till date.

India LNG Transport Companies

India LNG Transport Companies No.1 & 2 Ltd are two Joint Venture Companies promoted by the Corporation and three Japanese companies viz. M/S Mitsui O.S.K Lines Ltd (MOL), Nippon Yusen Kabushiki Kaisha Ltd (NYK Lines) and M/S Kawasaki Kisen Kaisha Ltd (K Line) along with M/S Qatar Shipping Company (Q Ship), Qatar. SCI and MOL are the largest shareholders, each holding 29.08% share. The shares held by all the shareholders, including that by the Corporation are held in the two companies are pledged against loans provided by the lenders to these Companies. Each of the two Companies own and operate one LNG tanker named as SS Disha and SS Raahi respectively. SCI is managing the entire operation of the two ships from 2009. Upon completion of the tenure for the first loan, refinance was successfully arranged at competitive financing rates. This loan is for a period of 13 years until the year 2027.

India LNG Transport Company No. 3 Ltd is the 3rd Joint Venture Company which owns and operates one LNG tanker MT Aseem. The Company is promoted by the Corporation and its three Japanese partners viz. MOL, NYK lines, K Line along with Qatar Gas Transport Company (QGTC) and M/s Petronet LNG Limited (PLL) who are the other partners. SCI and MOL are the largest shareholders with 26% share each. The shares held by the Corporation and other partners have been pledged against loans by lenders to these companies. SCI is managing the entire operation of the two ships from April 2013.

India LNG Transport Company No. 4 Pvt. Ltd is a Company incorporated in Singapore in November 2013 and is promoted by the Corporation with its three Japanese Partners viz. MOL, NYK Line and K Line. SCI, MOL and NYK hold 26% share each. The Company is constructing one LNG tanker of 173,000 CBM which it would own and operate under a 19 year Time Charter Agreement with charterers M/s Petronet LNG Ltd. The Tanker is expected to be delivered in September 2016 and is likely to be operated to transport LNG from Barrow island Australia to Kochi & Dahej in India on account of Petronet LNG Ltd. Keel laying of the fourth LNG JV Tanker LNGC "Prachi" was held at Hyundai Heavy Industries, South Korea on 20.07.2015.

Memorandum of Understanding (MOU) with the Ministry of Shipping

Your Company's performance based on audited results under the MOU system has been rated as "V. Good" for the year 2013-14. SCI has signed the MOU for the financial year 2015-16 as per the guidelines issued by the Department of Public Enterprise (DPE) incorporating performance targets in sync with the changing dynamics of the shipping scenario. In addition to Financial Parameters, the MOU continues to accord due emphasis to several other important areas / activities such as Customer Satisfaction and redressal of customer grievances, revenue operating days, R&D, etc. Moreover activities under other parameters viz. 'Human Resource Management' and certain additional parameters as per the DPE requirements have also been incorporated in the MOU for achieving sustained overall growth.

Details of shares and Refund amount lying unclaimed

The details of the shares issued pursuant to FPO remaining unclaimed and lying in the escrow account, the voting rights of which shall remain frozen till the rightful owner of such shares claims the shares, are given as under:

Sr. No.	Details	No. of Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2014	4	436
2	Number of shareholders who approached for transfer of shares from suspense account till 31.03.2015	0	0
3	Number of shareholders to whom shares were transferred from suspense account till 31.03.2015	0	0
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2015	4	436
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 30.06.2015	4	436

An amount of ₹ 15,56,634/- w.r.t 53 applicants has been lying unclaimed in the Refund Account. The details of the same have been placed on SCI website.

Directors Report

Utilization of FPO Proceeds

During the year 2010-11, your Company had come out with a "Further Public Offer", (FPO), comprising of a 'fresh issue' of 42,345,365 equity shares in your company and an 'offer for sale' of 42,345,365 equity shares by the President of India. The FPO proceeds of ₹ 58245 lakhs were fully utilized in the financial year 2011-12 as per object of the issue for part financing of capital expenditure on nine shipbuilding projects specified for utilization. However, due to delays in the projects resulting in default by the shipyards, during the period January 2014 to May 2014, your Company rescinded contracts for four shipbuilding projects and also, re-negotiated the instalments paid for two projects in order to compress the same against a single project. The investment in the rescinded contracts out of the FPO Proceeds was Rs.330.65 crores. Your Company has till date received back ₹ 315.32 crores of these funds from the shipyards. The shareholders vide the resolution passed through postal ballot process approved the proposal to re-deploy the said ₹ 330.65 crore received/ to be received as refund from Shipyards, towards various shipbuilding projects including offshore assets [including but not limited to anchor handling tug supply vessels (AHTSVs), platform supply vessels (PSVs), rigs, etc] and Liquid Petroleum Gas (LPG) vessels. The Company proposes to invest the proceeds judiciously at the appropriate juncture.

Segment-wise Performance

A report on performance of the various operating segments of the Company (audited) is included at Note No. 34 of Notes on Financial Statements for the year ended 31st March 2015, which is forming part of the Annual Accounts.

Internal Control Systems and their adequacy

Internal Control Systems in your company are being monitored and continuously improved to meet the challenges that arise from time to time with the nature and size of the operations. Annual Audit Plan is approved by Audit Committee of the Board. Internal Audits are carried out by a firm of Chartered Accountants viz., M/s P.C. Ghadiali & Co. on concurrent basis. The Internal Audit Reports are submitted on quarterly basis together with comments, recommendations and its compliance, which are being constantly reviewed by a Finance Committee appointed by the Board in the absence of Audit Committee.

SET - IT Project

SCI has gone live with SAP ERP system integrated with shipping applications viz. AFSYS and DANAOS, which have now stabilized. Fleet personal payroll integrated with on board module has gone live recently. SCI has built a Disaster recovery site at Kolkata office to ensure business continuity during any emergency. System audits were carried out on internal controls & cyber security audit also has been carried out. Most of their recommendations are implemented.

Role of Vigilance Division in SCI

Various initiatives have been taken by the Vigilance Division for seamless integration with the SCI mainstream, encouraging a participative role in the organization, building up meaningful rapport between the Government, Company, its Board and sub-Committees and ensuring a paradigm shift towards the stated objective of making your Company corruption-free. Vigilance Division achieved a proper balance between preventive and punitive vigilance and simultaneously ensured good and ethical corporate governance.

Technology has been leveraged for achieving greater transparency viz. promoting online registration of complaints via the Vigilance Webpage contained in the SCI website; providing security to tenderers for sending price bids/quotations by emails; dissemination of important circulars / guidelines on the webpage etc.

Vigilance Division has worked with the IT Division of SCI to develop the "Online APR module" so that the requirement of filing APR on paper is done away with.

Activities of the Vigilance Division carried out in 2014 -15

During the year under review, the Vigilance Division continued the following normal activities which encompassed the 5 Ps of Vigilance:-

- Preventive vigilance
- Punitive vigilance
- Participative vigilance
- Proactive vigilance
- Predictive vigilance

The important activities that were carried out in 2014-15 by the Vigilance Division were as follows:-

- a) Investigation into complaints of corruption / malpractices were conducted
- b) Random scrutiny of Annual Property Returns (APRs)
- c) Actively monitoring the implementation of Integrity Pact in SCI and it was extended to procurement of goods and services from Foreign vendors and Foreign dry-docks (till now IP was applicable only to Domestic goods and services contracts).
- d) After issuance of Banning Guidelines last year, the 'Policy and Guidelines for Removal/Suspension/Banning of Entities' has now become a part of tender documents in SCI.
- e) Identification of sensitive posts and employees posted in sensitive areas and have got the Management to rotate them in a phased manner.
- f) Conducting surprise and periodic inspections, CTE Type inspections, conducting Systems Studies and recommending systemic improvements
- g) Selective scrutiny of Voyage Repair Bills, major works, dry-docking bills, various accounts
- h) Ensuring training of Vigilance Officers both on vigilance related subjects as well as general management



- i) Imparting training to fresh recruits on vigilance issues.
- j) Conducting Vigilance Awareness Programme with various programmes in which employees participated in large numbers such as Talent Display, Essay Writing, Quiz competition, Elocution, Slogan, Poster competition.

A quarterly E-journal titled "Satarkta Samvaad" is emailed to all employees. In this E-journal, a specific topic of vigilance interest is taken and discussed. In the recent issue of "Satarkta Samwad" has covered 'Lokpal & Lokayukta Act 2013' and 'Whistle Blower Protection Act 2011'. An annual Newsletter titled "SCI Voyager" is also brought out on the occasion of Vigilance Awareness Week. This is being done with a view to spreading vigilance awareness amongst the employees.

ISO 9001: 2008 Certification for Vigilance Division of SCI

SCI's Vigilance Division is one of the first few Vigilance Divisions in the PSUs and in Shipping Ministry to get ISO 9001:2008 Certification for its processes. All the Vigilance Officers also achieved the unique position of being fully qualified as Internal Auditors for ISO 9001:2008. The Vigilance Division has got its ISO Certification revalidated further till 06.05.2016.

Integrity Pact in the Shipping Corporation of India Ltd.

SCI had signed a Memorandum of Understanding (MoU) with Transparency International India for the adoption of Integrity Pact. By signing the MoU, your Company is committed to have most ethical and corruption free business dealings with the counterparties whether they are bidders, contractors or suppliers. The 'threshold value' for implementation of Integrity Pact in all goods and service contracts is ₹ 1 crore. Thus, any goods / services contract of ₹ 1 crore and above will be having Integrity Pact thereby assuring the concerned parties of the transparent and ethical practices in SCI. During the year under review, the Integrity Pact was monitored by Independent External Monitors (IEMs). Meetings were held periodically with the IEMs viz. Shri S.S. Hussain and Shri A.P. Shrivastava to review the progress of implementation of Integrity Pact in SCI. The Transparency International India has lauded the efforts of the Vigilance Division in the matter. During the financial year 2014-15, two (2) nos of IEM meetings were held on 26-08-2014 and 23-12-2014.

UN Global Compact:

Your company is a signatory to UN Global Compact initiative which signifies our commitment to uphold the principles/UN Charter on protection of human rights, prevention of child labour, protection of environment & anti corruption initiatives.

Human Rights

We, in SCI, believe that company can play a positive role in contributing to safeguard human rights and their promotion. Guided by values, your Company has put in place redressal machinery. During the year, no case of human right violation is reported in the company.

Labour

Your Company believes in freedom of association and collective bargaining through constructive forums. In accordance with national law, employees are free to join trade union of their choice without fear of intimidation or reprisal. The Company, while recruiting employees, follows the relevant rules and regulations laid down by the Government of India. This ensures that no unfair labour practices are followed. The minimum age for employment in SCI is 18 years. During direct employment in the company, criterion of minimum age is applied. For promoting gender equality, SCI has given employment to approximately 20% women.

Environment

Your company has taken environmental challenges seriously and it is demonstrated through its day-to-day operations. Right at the time of construction of ships, it is ensured that the new ships comply with strict environmental regulations. The company is also committed to safeguard against air and sea pollution by way of exhaust gases, pollution by oil or sewage and pollution by garbage toxic, plastics etc. into sea water. Some of the measures taken by your Company in this direction are:

- a. The vessel shall have green passport upon delivery i.e. list of all hazardous materials will be kept onboard which will be of great help during recycling/handling of hazardous materials during in-service repairs.
- b. Paint applied on the underwater portion of the hull is tin free.
- c. Fuel oil tanks are protected on the sides to avoid direct contact in case of accident.
- d. Vessels engines are being designed to burn very low sulphur fuel to minimize pollution.
- e. The refrigerant used by AC plants is environment friendly which if leaked out doesn't contribute to Ozone depletion

Ethical Practices

- Your Company has introduced preventive measures to ensure corruption free business environment.
- The vigilance function in SCI keeps watchful eye on the functioning of the organization by conducting regular checks to ensure that the employees while discharging their duties maintain high integrity and honesty. The Company has adopted Code of Conduct for Board Level Members and Senior Management Personnel.
- SCI has appointed a firm of Internal Auditors for extensive audit of systems and procedures.
- The company has adopted integrity pact of Transparency International India with the primary objective of safe-guarding public procurement from corruption.
- Independent External Monitors (IEMs) are appointed to monitor implementation of Integrity Pact.
- The Company has adopted a whistle blower policy based on the guidelines from Central Vigilance Commission (CVC), the Department of Public Enterprises (DPE) and the Companies Act, 2013.
- Financial and commercial transactions are fully computerized on network and the working is transparent and least susceptible to fraud.



Directors Report

Cautionary Statement

The statements made in the Management Discussion & Analysis describing Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

Implementation of Official Language Policy

Reiterating the commitment towards the spread of Official Language Hindi, your Company took all-out efforts persistently during the year. Besides complying the Hindi implementation guidelines and the official Language Policy of the Govt of India, your Company also conducted various competitions in hindi, viz. Noting & Drafting, Sulekhan, Quiz and also the Hindi Unicode workshops so as to encourage employees to work progressively in Hindi in their day-to-day affairs.

As an innovative step to promote Hindi language amongst employees, an exclusive soft version, biannual Hindi e-magazine, titled "E-Jagriti" was introduced and accordingly, two issues and a special edition of same were circulated via email and website during the year. Apart from the above, your company also introduced a quarterly Incentive Scheme for doing Hindi correspondence by email, and awarded cash incentives to eligible officers.

Your Company also organized a Rajbhasha Sammelan on the topic "Role of Hindi in Changing Communication Patterns of 21st Century" on a large scale for the employees of Town Official Language Implementation Committee (TOLIC) member organisations based in Mumbai. On the occasion of "Hindi Day", a Linguistic Harmony Culture Programme was also staged wherein SCI employees took active participation by presenting songs, poems, not only in Hindi but also in other Indian languages. Your company also took active participation in TOLIC meetings held twice during the year under report.

Board of Directors

Shri J. N. Das, Director (L&PS) ceased to be a director on the Board of SCI due to superannuation on 30.04.2014. On 07.07.2014, the Board appointed Capt S. Narula as Director (L&PS). Shri B. K. Mandal, Director (Finance), ceased to be a director on the Board of SCI due to superannuation on 31.05.2014. Capt K. Devadas was appointed as Director (T&OS) and Smt. H. K.Joshi as Director (Finance) w.e.f. 26.09.2014 and 05.02.2015 respectively.

The details of appointment/ resignation/ cessation of non - executive and independent directors are as follows:

Name of Director	Date of Appointment	Date of Cessation	Reasons for Cessation
Shri Arun Ramanathan	-	18.08.2014	Resignation
Rear Admiral (Retd.) T. S. Ganeshan	-	05.09.2014	Resignation
Shri Arun K. Verma	-	03.09.2014	Resignation
Shri Ashish Makhija	26.05.2014	03.09.2014	Resignation
Shri P. Umashankar	26.05.2014	08.09.2014	Resignation
Shri N.C.Sridharan	26.05.2014	05.09.2014	Resignation
Shri V. Gopal	26.05.2014	03.09.2014	Resignation
Shri R. Santhanam	26.05.2014	03.09.2014	Resignation
Shri M.C. Jauhari	-	03.11.2014	Cessation subsequent to his appointment as DDG (UIDAI)
Shri Barun Mitra	20.01.2015	-	-

Auditors' Report

The auditors in their audit report for the quarter ended 3rd March, 2015 have brought out that:

- The direct access of overseas foreign agents to fund collected on account of freight and other charges in the absence of matching bank guarantees, any policy on fixation of credit limits based on credit rating & other factors and regular monitoring mechanism is prone to risk of non / short payment, the consequential effect of which on the Statement of Profit and Loss remains unascertainable.
- Adjustments that may be required in the account on working of the actual amount payable to all eligible employees for self lease for staff and officers from 26-11-2008 to 31.03.2015, the impact of which on the statement of profit and loss and Balance Sheet remains presently unascertainable.
- The Company has maintained proper records of inventory other than the inventory lying with third parties for which neither records are maintained nor the third party confirmations are available. No material discrepancies have been noticed on physical verification between physical stock and book records.
- The committee constituted to investigate the matter of one of the foreign agents who manipulated the container movement report from time to time in earlier years and not paid the company its rightful dues as mentioned in the statutory auditors' report of previous year, has submitted the report to the Board on 5-8-2014 stating that the company is exposed to both debtors risk as well as risk of non-payment to vendors and in case of continuing with this agency, the company shall be constantly vulnerable to the above risks. The company still continued with the same agency to recover the outstanding as informed to us who later on defaulted in payment of the rightful dues of the company to the extent of ₹ 27 crs (net). The agency was then terminated with six months notice period during which the agent went for Joint Administrators showing its insolvency and incapability to pay



the defaulted amount. Except as mentioned in the forgoing lines, any other material fraud on or by the company has not been noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

- e. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, Inventory and sale of goods and services subject to special emphasis required on the continued failure to correct weakness in internal control systems as applicable to SAP and other sub systems in relation to the accounting of agents working and timely verification by the Company. Emphasis also needs to be given on addressing the deficiencies in the implementation of SAP-ERP system pointed out by office of C&AG of India and also in the system audit report conducted by the external organization. to establish checks on the complete and proper recording of the transaction relating to the expenses and revenue

The management's views on the above observations are as below:

- a. SCI has opened bank accounts in its name for collection of freight and other charges directly from customers at all ports except the ports where local laws do not permit opening such accounts by non resident companies. Rating of agents is done bi-annually. Bank guarantee amounts are constantly revised depending on freight collections. Agents' performance, remittances, accounts and outstanding are regularly monitored at various levels. Minimum freight guidelines (MFG) module is already implemented in ERP for all major container ports and agents cannot book freight below the level fixed by SCI management. MFG is revised periodically.
- b. Management has offered self lease facility to its employees w.e.f. 26-11-2008 on the terms and conditions approved by the Ministry of Shipping. Applications have been received from some of the employees and they are under scrutiny. The final amount payable is yet to be worked out. However, as a prudent accounting practice, Management has made a provision in the books of account on the basis of number of employees who have applied, estimated amount per employee and period of self lease. We do not expect material impact on profit and loss account.
- c. Inventory of stores and spares collected by the SCI's agents lies with them till it is delivered to vessels. Same is recorded in ERP system. Inventories are closely monitored by the respective superintendents
- d. After the termination of the agency, the agency house has been placed under Administration by the erstwhile promoters of the Agency. The Administration process is in progress and the final report is expected shortly. While there has been delay / default in settlement of our dues by the erstwhile agencies, we are following up with the Administrator for expeditious completion of the Administration Process. The erstwhile promoters of the Agency House are also seeking to resolve the issue amicably and Management is hopeful of reaching a solution and recovering our dues either through settlement or through legal process. However, as a means of abundant caution, Management has provided for the net receivables in the books of accounts.
- e. C&AG Audit team carried out a theme audit on Implementation of SAP – ERP system in SCI and identified certain deficiency in the existing system including system of internal control. Except for two observations, remedial actions have been taken. A comprehensive post implementation System audit of systems implemented in SCI was carried out by M/s. Deloitte to meet multiple needs of management to bridge the gaps among business risks, control and other technical issues. Around 200 observations were given by the auditors and 75% of their observations are already implemented and the remaining items are not considered due to certain business practices.

Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, the Board has appointed Mr. Upendra Shukla, Practicing Company Secretary to conduct the Secretarial Audit for the Company for FY 2014-15. The Secretarial Audit report for the FY 2014-15 is appended to the Director's Report. The secretarial auditor in his report for the year ended 31st March, 2015 has brought out that:

- (i) The Corporation has complied with the requirements of Corporate Governance as provided under Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance, with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board and hence, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee could not be validly constituted.
- (ii) The Board of Directors of the Company is constituted as per the Clause 49 of the Listing Agreement with balance of Executive Director and Non-Executive Directors with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

The management views on the above observation are as follows:

The Shipping Corporation of India Ltd. being a Government Company, the induction of Independent Directors can be made on the basis of nominations received by the Government. We have already taken up the matter of inducting Independent Director on the Board of SCI and no sooner the nominations are received, the requirement will be complied with.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, Report on Corporate Governance is attached to this Report.



Directors Report

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material disclosures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March 2015 on a "going concern" basis.
- That the Directors, in case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Explanation- For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

- That the Directors, had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

Your Directors extend their gratitude to Shri Rajive Kumar, Secretary to the Government of India, Ministry of Shipping, and look forward to his continued support and guidance. Your Directors also welcome Shri Nitin Gadkari, Minister of Shipping and Shri Pon Radhakrishnan, Minister of State for Shipping and look forward to their support and guidance in managing the affairs of the Company.

Your Directors also wish to express their thanks to the officials in the Ministry of Shipping, Road Transport & Highways for the unstinted support given by them in various matters concerning the Company. Your Directors would also like to convey their thanks to other Ministries, Trade Organizations, Shippers' Councils, who have played a vital role in the continued success of your Company.

The Directors thank the shareholders and valued customers for the continued patronage extended by them to your Company.

Last but not the least, your Directors wish to record their deep appreciation for the dedicated and loyal service of your Company's employees, both afloat and ashore, without whose co-operation and efforts the achievements made by your Company would not have been possible.

Place : Mumbai
Date : 12th August, 2015

For and on behalf of the Board of Directors

A. K. Gupta
Chairman & Managing Director



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i	CIN	L63030MH1950GOI008033
ii	Registration Date	24/03/1950
iii	Name of the Company	The Shipping Corporation of India Ltd.
iv	Category/Sub-category of the Company	Company limited by shares / Union Government Company
v	Address of the Registered office & contact details	Shipping House, 245, Madame Cama Road, Mumbai-400 021 Shri. Dipankar Halder, ED (LA) & CS Tel - 22772213
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Sharepro Services (India) Pvt. Ltd. Samhita Warehousing Complex, 13 A/B, 2nd Floor, Behind Sakinaka Tel. Exchange, off Andheri-Kurla Road, Andheri (E) Mumbai-400 072 Tel - 022 67720400/ 401/ 402

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

S. No	Name & Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
1	Sea & Coastal Freight Water Transport	50120	100%

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	India LNG Transport Co.(No. 1) Ltd. 171, Old Bakery Street, Valletta, Malta.	NA	Associate	29.08%	2(6)
2	India LNG Transport Co.(No. 2) Ltd. 171, Old Bakery Street, Valletta, Malta.	NA	Associate	29.08%	2(6)
3	India LNG Transport Co.(No. 3) Ltd. 171, Old Bakery Street, Valletta, Malta.	NA	Associate	26%	2(6)
4	India LNG Transport Co.(No. 4) Ltd. 171, Old Bakery Street, Valletta, Malta.	NA	Associate	26%	2(6)
5	Irano Hind Shipping Co. Ltd. "Irano Hind Building", Adj. Mehrshad St., Sedaghat St., Opp. Park Mellat, Valiasr Ave., Tehran, Iran.	NA	Associate	49%	2(6)
6	SAIL SCI Shipping Pvt. Ltd. "Shipping House", 13, Strand Road, Kolkata. 700 001	U61100WB2010PTC148428	Associate	50%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3057	0	3057	0.00	3057	0	3057	0.00	0.00
b) Central Govt. or State Govt.	296939920	0	296939920	63.75%	296939920	0	296939920	63.75%	0.00
c) Bodies Corporates	0	0	0	0	0	0	0	0.00	0.00
d) Bank/ FI	0	0	0	0	0	0	0	0.00	0.00

e) Any other	0	0	0	0	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	296942977	-	296942977	63.75%	296942977	0	296942977	63.75%	00
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	296942977	0	296942977	63.75%	296942977	0	296942977	63.75%	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	306500	2200	308700	0.07%	81500	2200	83700	0.02%	-0.05
b) Banks/FI	8952494	300	8952794	1.92%	7095581	300	7095881	1.52%	-0.40
c) Central govt	0	0	0	0	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0	0	0	0	0.00	0.00
f) Insurance Companies	79739447	0	79739447	17.12%	79739447	0	79739447	17.12%	0.00
g) FIs	7100459	2700	7103159	1.52%	9001098	2700	9003798	1.93%	0.41
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
i) Others (specify) (a) Foreign Portfolio Corp	0	0	0	0	136754	0	136754	0.03%	0.03
SUB TOTAL (B)(1):	96098900	5200	96104100	20.63%	96054380	5200	96059580	20.62%	-0.01
(2) Non Institutions									
a) Bodies corporates									
i) Indian	12880324	15051	12895375	2.77%	12627112	15051	12642163	2.72%	-0.05
ii) Overseas	5250	0	5250	0.00	5250	0	5250	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	41805693	32175	41837868	8.98%	42420497	33524	42454021	9.11%	0.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13622609	160150	13782759	2.96%	13210991	160150	13371141	2.87%	-0.09
c) Others (specify)									
i. Trust	396947	0	396947	0.09%	430265	0	430265	0.09%	0.00
ii. NRI (Rep)	3256270	324100	3580370	0.77%	3283755	324100	3607855	0.78%	0.01
iii. Clearing members	0	0	0	0	0	0	0	0.00	0.00
iv. NRI (Non Rep)	253114	150	253264	0.05%	285508	150	285658	0.06%	0.01
v. Foreign National/ Bodies	100	0	100	0.00	100	0	100	0.00	0.00
vi. NSDL in transit	0	0	0	0	0	0	0	0.00	-
SUB TOTAL (B)(2):	72220307	531626	72751933	15.62%	72263478	532975	72796453	15.63%	0.01
Total Public Shareholding (B)= (B)(1)+(B)(2)	168319207	536826	168856033	36.25%	168317858	538175	168856033	36.25%	0.00



Total (A) + (B)	465262184	536826	465799010	100.00	465260835	538175	465799010	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs									
i. Promoter and Promoter Group	0	0	0	0	0	0	0	0.00	0.00
ii. Public	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)	465262184	536826	465799010	100.00	465260835	538175	465799010	100.00	0.00

(iii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	President of India	296939920	63.75	0.00	296939920	63.75	0.00	0.00
2	Vijay Chibber	1515	0.00	0.00	1515	0.00	0.00	0.00
3	Sabyasachi Hajara	1507	0.00	0.00	1507	0.00	0.00	0.00
4	Rajeev Gupta	30	0.00	0.00	30	0.00	0.00	0.00
5	Bidyut Kanti Mandal	1	0.00	0.00	1	0.00	0.00	0.00
6	Sunil Virendra Thapar	1	0.00	0.00	1	0.00	0.00	0.00
7	Jnanendra Nath Das	1	0.00	0.00	1	0.00	0.00	0.00
8	Bipin Bihari Sinha	1	0.00	0.00	1	0.00	0.00	0.00
9	Arun Kumar Gupta	1	0.00	0.00	1	0.00	0.00	0.00
Total		296942977	63.75	0.00	296942977	63.75	0.00	0.00

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (NIL)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	65796899	14.13	01.04.2014	0	Nil movement during the year		
		65796899	14.13	31.03.2015			65796899	14.13
2.	General Insurance Corporation of India	5246302	1.13	01.04.2014	0	Nil movement during the year		
		5246302	1.13	31.03.2015			5246302	1.13
3.	The New India Assurance Company Limited	4958095	1.06	01.04.2014	0	Nil movement during the year		
		4958095	1.06	31.03.2015			4958095	1.06
4.	Ashish Rameshkumar Goenka	3412095	0.73	01.04.2014	0	Nil movement during the year		
		3412095	0.73	31.03.2015			3412095	0.73

5.	Dimensional Emerging Markets Value Fund	2334024	0.50	01.04.2014				
				18.07.2014	13843	Bought	2347867	0.50
				08.08.2014	16058	Bought	2363925	0.51
				15.08.2014	13263	Bought	2377188	0.51
				21.11.2014	-36998	Sold	2340190	0.50
				28.11.2014	- 35309	Sold	2304881	0.49
				06.03.2015	35091	Bought	2339972	0.50
				13.03.2015	25679	Bought	2365651	0.51
				20.03.2015	75246	Bought	2440897	0.52
				27.03.2015	37050	Bought	2477947	0.53
		2519889	0.54	31.03.2015	41942	Bought	2519889	0.54
6.	National Insurance Company Ltd.	1991333	0.43	01.04.2014	0	Nil Movement during the year		
		1991333	0.43	31.03.2015			1991333	0.43
7.	Punjab National Bank	1906153	0.41	01.04.2014	0	Nil Movement during the year		
		1906153	0.41	31.03.2015			1906153	0.41
8.	Rameshkumar S Goenka	1775000	0.38	01.04.2014	0	Nil Movement during the year		
		1775000	0.38	31.03.2015			1775000	0.38
9.	Union Bank of India *	1726153	0.37	01.04.2014				
				25.04.2014	-140000	Sold	1586153	0.34
				02.05.2014	-51153	Sold	1535000	0.33
				30.05.2014	-5000	Sold	1530000	0.33
				22.08.2014	-20000	Sold	1510000	0.32
				29.08.2014	-45000	Sold	1465000	0.31
				05.09.2014	-20000	Sold	1445000	0.31
				12.09.2014	-35000	Sold	1410000	0.31
				19.09.2014	-10000	Sold	1400000	0.30
				30.09.2014	-67818	Sold	1332182	0.29
				10.10.2014	-30000	Sold	1302182	0.28
				17.10.2014	-20000	Sold	1282182	0.28
				28.11.2014	- 46586	Sold	1235596	0.27
				1235596	0.27	31.03.2015		1235596
10.	Central Bank of India	1726153	0.37	01.04.2014	0	Nil movement during the year		
		1726153	0.37	31.03.2015			1726153	0.37
11.	MV SCIF Mauritius #			01.04.2014				
				19.12.2014	395426	Bought	395426	0.08
				31.12.2014	980216	Bought	1375642	0.30
				02.01.2015	37895	Bought	14113537	0.30
				13.02.2015	34668	Bought	1448205	0.31
				27.03.2015	-61837	Sold	1386368	0.30
		0	0	31.03.2015	11681	Bought	1398049	0.30

* Ceased to be in the list of top ten shareholders as on 31.03.2015. The same is reflected above since the shareholder was one of the top ten shareholder as on 01.04.2014.

Not in the list of top ten shareholders as on 01.04.2014. The same has been reflected above since the shareholder was one of the top ten shareholder as on 31.03.2015.



(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (As on 01.04.2014)		Shareholding at the end of the year (As on 31.03.2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Arun Kumar Gupta	1	0.00	1	0.00	1	0.00
2.	Sunil Thapar	1	0.00	1	0.00	1	0.00
3.	Bipin Bihari Sinha	1	0.00	1	0.00	1	0.00
4.	H. K. Joshi	0	0.00	0	0.00	0	0.00
5.	Dipankar Haldar	0	0.00	0	0.00	0	0.00

V. INDEBTEDNESS

A Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

(₹ In Lakhs)

	Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,00,055.48	25,640.00	-	8,25,695.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,423.06	47.44	-	3,470.50
Total (i+ii+iii)	8,03,478.54	25,687.44	-	8,29,165.98
Change in Indebtedness during the financial year				
• Additions	26,500.00	17,503.93	-	44,003.93
• Reduction **	1,47,266.34	39,687.44	-	1,86,953.78
Net Change	-1,20,766.34	-22,183.51	-	-1,42,949.85
Indebtedness at the end of the financial year				
i) Principal Amount	6,79,815.30	3,500.00	-	6,83,315.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,896.89	3.93	-	2,900.82
Total (i+ii+iii)	6,82,712.19	3,503.93	-	6,86,216.12

* The Secured Loans includes current maturities on Long term Loans which are included under Current liabilities in the Financial Statements

** Includes changes due to Forex

Sl. No.	Particulars of Remuneration	Name of the MD/ WTD/ Manager				Total Amount
		Arun Kumar Gupta	Sunil Thapar	Bipin Bihari Sinha	Sarveen Narula	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	21,47,838	24,66,377	21,88,281	23,96,856	91,99,352
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3,85,262	4,13,909	4,99,456	3,32,805	16,31,432
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	as % of Profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	25,33,100	28,80,286	26,87,737	27,29,661	10,830,784
	Ceiling as per the Act	-	-	-	-	-

Sl. No	Particulars of Remuneration	Name of the MD/ WTD/ Manager				Total Amount
		K.Devadas	H. K. Joshi	B. K.Mandal *	J. N. Das *	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	11,78,705	3,12,468	21,04,848	24,36,924	60,32,945
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,93,844	96,088	7,03,062	1,09,083	11,02,077
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	as % of Profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	13,72,549	4,08,556	28,07,910	25,46,007	71,35,022
	Ceiling as per the Act	-	-	-	-	-

* B.K. Mandal & J.N. Das Superannuated on 31.05.2014 and 30.04.2014 respectively.

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
		Arun Ramanathan (1)	T.S. Ganeshan (2)	Arun Kumar Verma (3)	P. Umashankar (4)	
1	Independent Directors					
	(a) Fee for attending board committee meetings	1,60,000	1,40,000	3,00,000	80,000	6,80,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	1,60,000	1,40,000	3,00,000	80,000	6,80,000
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,60,000	1,40,000	3,00,000	80,000	6,80,000
	Total Managerial Remuneration	1,60,000	1,40,000	3,00,000	80,000	6,80,000
	Overall Ceiling as per the Act.	-	-	-	-	-

Sl. No	Particulars of Remuneration	Name of the Directors				Total Amount
		V. Gopal (5)	N. C. Sridharan (6)	Ashish Makhija (7)	R. Santhanam (8)	
1	Independent Directors					
	(a) Fee for attending board committee meetings	80,000	1,80,000	1,00,000	80,000	4,40,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	80,000	1,80,000	1,00,000	80,000	4,40,000

2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	80,000	1,80,000	1,00,000	80,000	4,40,000
	Total Managerial Remuneration	80,000	1,80,000	1,00,000	80,000	4,40,000
	Overall Ceiling as per the Act.	-	-	-	-	-

(1) for the period 01.04.2014 to 18.08.2014

(5) for the period 26.05.2014 to 03.09.2014

(2) for the period 01.04.2014 to 05.09.2014

(6) for the period 26.05.2014 to 05.09.2014

(3) for the period 01.04.2014 to 03.09.2014

(7) for the period 26.05.2014 to 03.09.2014

(4) for the period 26.05.2014 to 08.09.2014

(8) for the period 26.05.2014 to 03.09.2014

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO*	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	17,58,549	-	17,58,549
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3,51,012	-	3,51,012
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	As % of Profit	-	-	-
	Others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total	21,09,561	-	21,09,561

*Shri A. V. Patel SVP (F&A) held the post of CFO from 26.05.2014 to 04.02.2015. During this period he received remuneration of ₹ 20,58,485 (Salary as per Section 17(1) of the Income Tax, Act, 1961 and value of perquisites under Section 17(2) of the Income Tax Act, 1961) and did not receive separate remuneration for the post of CFO.

Smt. H. K. Joshi who is holding the post of CFO with effect from 05.02.2015 is not receiving separate remuneration for holding the post of CFO.

VI PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no Penalties/ Punishment/ Compounding of Offences for the year ending 31st March, 2015.

FORM AOC-I

Statement Pursuant to Section 129 (3) of the Companies Act 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Venture	India LNG Transport Co. (No. 1) Ltd.	India LNG Transport Co. (No. 2) Ltd.	India LNG Transport Co. (No. 3) Ltd.	India LNG Transport Co. (No. 4) Ltd.	Irano Hind Shipping Company Ltd.	SAIL SCI Shipping Pvt. Ltd.
1. Latest audited Balance Sheet Date	31.12.2014	31.12.2014	31.12.2014	Not Available: As per Companies Act, Singapore India LNG Transport Company (No. 4) Ltd would be preparing its financials after 18 months of incorporation.	20.03.2014	Unaudited as on 31.03.2015
2. Shares of Associate/Joint Ventures held by the company at year end no.	2908	2908	2600	2107352	46060000	100000
Amount of Investment in Associates/Joint Venture (in lakhs)	3	3	1	1289	39	10
Extent of Holding	29.08%	29.08%	26%	26%	49%	50%
3. Description of how there is significant influence	shareholding managing the company	shareholding managing the company	shareholding managing the company	shareholding	shareholding	shareholding
4. Reason why associate/ joint venture is not consolidated	As per Ministry of Corporate Affairs Notification dated 14.10.2014, SCI is exempted from preparing consolidated financial statements for FY 2014-15 as it does not have any subsidiary companies					
5. Networth attributable to shareholding as per latest audited Balance sheet (in lakhs)	1039	688	(6,821)	NA	5627	6.68
6. Profit / Loss for the year (in lakhs)						
i. Considered in consolidation	NA	NA	NA	NA	NA	NA
ii. Not considered in consolidation	3678	1808	(2,468)	NA	(20,509)	0.19

As per our report of even date attached hereto.

For MKPS & Associates, For GMJ & Co.,

Chartered Accountants Chartered Accountants

FR. No. 302014E FR. No. 103429W

CA Mahendra K Agrawala CA Atul Jain

Partner Partner

Membership No. 51764 Membership No. 037097

Mumbai, Dated the 21st May, 2015

For and on behalf of the Board of Directors

Dipankar Haldar **A.K.Gupta**
Chairman & Managing Director **Chairman & Managing Director**
ED (LA & Co. Sec) **Director (Finance)**

Mumbai, Dated the 21st May, 2015

FORM AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provision thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2015 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transaction at arm's length basis for the year ended 31st March, 2015 are as follows:

Name of the related party	Nature of relationship	Duration of contracts/ arrangements/ transactions (yr)	Salient terms of the contracts or arrangements	Investment (in USD mn)	Date (s) of approval by the Board, if any	Amount paid as advances, if any
ILT No. 1 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	14.23	06.05.2001 & 12.12.2008	No advances
ILT No. 2 Ltd.	Joint Venture Company	till 2028	Based on transfer pricing guidelines	13.40	06.05.2001 & 12.12.2008	No advances
ILT No. 3 Ltd.	Joint Venture Company	till 2034	Based on transfer pricing guidelines	15.58	13.01.2006 & 24.09.2012	No advances
ILT No. 4 Pvt. Ltd.*	Joint Venture Company	till 2035	Based on transfer pricing guidelines	2.68	13.11.2013 & 28.03.2014	No advances

* Tanker of ILT No. 4 is in building phase and investment of SCI as on March 31st, 2015 is part of total investment committed by SCI.

Mumbai
Date : 12.08.2015

For and on behalf of the Board of Directors
Arun Kumar Gupta,
Chairman & Managing Director

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

The Shipping Corporation of India Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Shipping Corporation of India Limited (hereinafter called 'the Corporation'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Corporation's books, papers, minute books, forms and returns filed and other records maintained by the Corporation and also the information provided by the Corporation, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Corporation has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Corporation has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Shipping Corporation of India Limited for the financial year ended on 31st March, 2015 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The following Acts / Guidelines specifically applicable to the Company:
 - (a) Merchant Shipping Act,
 - (b) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
 - (c) International Safety Management Code (ISM).

I report that during the year under review there was no action/event in pursuance of –

- (a) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the "The Institute of Company Secretaries of India".
- (ii) The Listing Agreement entered into by the Company with BSE Ltd. and National Stock Exchange Ltd.

During the period under review the Corporation has complied with the provisions of the Act, Rules Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

"The Corporation has complied with the requirements of Corporate Governance as provided under Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance, with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board and hence, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee could not be validly constituted."

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that –

The Board of Directors of the Company is constituted as per the Clause 49 of the Listing Agreement with balance of Executive Director and Non-Executive Directors with the exception of appointment of Independent Directors to the extent of 50% of the total strength of the Board. It is clarified by the Corporation that the matter is being pursued with the Administrative Ministry for appointing required number of Independent Directors on the Board. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Corporation had no specific events/actions having a major bearing on the Corporation's affairs in pursuance to the laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Mumbai
Date : 21/05/2015

U. C. SHUKLA
COMPANY SECRETARY
FCS: 2727/CP:1654



Report of the Directors on Corporate Governance

SCI's Philosophy on Corporate Governance

SCI constantly keeps the Corporate Governance issues in focus. It is SCI's policy to provide adequate and timely information to all stakeholders. SCI's endeavour in this respect has been acknowledged and appreciated year after year. SCI has been awarded accolades for providing meaningful information on its activities. This year too, SCI will strive to meet the expectations of various stakeholders. SCI apart from complying with the Companies Act, 2013 and Clause 49 of the Listing Agreement has also adopted the guidelines issued by the DPE in 2010 on Corporate Governance.

SCI's Code of Conduct

The Board of Directors of the Company adopted "Code of Business Conduct & Ethics for Board members & Senior Management Personnel". This Code of Conduct is bifurcated into the "Code of Business Conduct & Ethics for Board Members" & "Code of Business Conduct for Senior Management Personnel". The Code is in alignment with Company's vision and values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

The Code is posted on the Company's Website- www.shipindia.com

The Board Members and Senior Management Personnel have affirmed compliance to this code and a declaration to this effect signed by Chairman & Managing Director is provided at the end of this Report.

Board of Directors:

Composition of the Board of Directors

As of date, the Board of Directors of your Company comprises 8 members with a mix of 6 Executive (including Chairman & Managing Director) and 2 non-executive Directors who are the Government Directors representing the promoters i.e. the Government of India. The Clause 49 of the Listing Agreement dealing with Corporate Governance requires at least 50% of the total strength of the Board of Directors of a company to comprise of Independent Directors, which has an Executive Chairman. During the year under review, Rear Admiral (Retd.) T. S. Ganeshan, Shri Arun Ramanathan, Shri Arun Kumar Verma, Shri N. C. Sridharan, Shri P. Umashankar, Shri Ashish Makhija, Shri V. Gopal, Shri R. Santhanam who were Independent Directors on the Board of SCI ceased to be so due to their resignations (Please refer details w.r.t. Meetings attended by the Directors for the dates of resignation). The process of appointment of fresh independent directors is on at the Ministry of Shipping. Shri B. K. Mandal and Shri J. N. Das ceased to be directors with effect from 31.05.2014 and 30.04.2014 respectively due to Superannuation.

Shri M. C. Jauhari ceased to be director on the Board of SCI with effect from 03.11.2014 subsequent to his appointment as DDG (UIDAI) and Shri Barun Mitra, Joint Secretary (Shipping) assumed office with effect from 20.01.2015.

Capt. K. Devadas was appointed as Director (T&OS) and Smt. H. K. Joshi was appointed as Director (Finance) w.e.f. 26.09.2014 and 05.02.2015 respectively.

The directorships held in other public limited companies and memberships/chairmanships held in the Committees of such Boards by the members of the Board of your Company as on 31st March 2015 are set out below:

Name	Designation	No. of Directorships and Committee memberships / chairmanships		
		Directorships in other public limited companies**	Committee memberships **	Committee chairmanships **
Executive Directors (Whole-Time)				
Shri A.K. Gupta	Chairman & Managing Director	01	NIL	NIL
Capt. S. Thapar	Director (Bulk Carrier & Tanker Division)	NIL	NIL	NIL
Capt. B. B. Sinha	Director (Personnel and Administration)	NIL	NIL	NIL
Capt. S. Narula	Director (Liner & Passenger Services)	01	NIL	NIL
Capt. K. Devadas	Director (Technical & Off-Shore Services)	NIL	NIL	NIL
Smt. H. K. Joshi	Director (Finance) & CFO	NIL	NIL	NIL
Non-Executive Director (Part-Time Ex-Officio)				
Dr. (Ms.) T. Kumar	Special Secretary and Financial Advisor	01	NIL	NIL
Shri Barun Mitra	Joint Secretary	NIL	NIL	NIL

**In accordance with Clause 49(II)(D) of the Listing Agreement with the Stock Exchanges, only directorships on public limited

Report of the Directors on Corporate Governance

companies have been considered and the directorships on private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded. Similarly, in terms of the above Clause, membership/chairmanship of the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies has been considered.

Board Meetings / Annual General Meeting

During the financial year 2014-2015, 10 Board Meetings were held, the dates being, 26.05.2014, 27.05.2014, 07.07.2014, 12.08.2014, 26.09.2014, 10.10.2014, 13.11.2014, 10.12.2014, 12.02.2015 and 12.03.2015.

The details about attendance of the Directors at the Board Meetings and at the 64th Annual General Meeting (AGM) held on 24.09.2014 are given below:

Name of the Director	No. of Meetings		Attendance at the last AGM held on 24.09.2014
	held during the tenure of Directors	attended	
Shri A. K. Gupta	10	10	Yes
Dr. (Ms.) T. Kumar	10	09	No
Shri M. C. Jauhari	06	04	No
Shri Barun Mitra *	02	02	-
Rear Admiral (Retd.) T. S. Ganeshan *	04	01	-
Shri B. K. Mandal *	02	02	-
Shri J. N. Das *	0	0	-
Shri Arun Ramanathan *	04	Nil	-
Capt. B. B. Sinha	10	10	Yes
Capt S. Thapar	10	10	Yes
Shri Arun Kumar Verma *	04	04	-
Shri Ashish Makhija*	04	04	-
Shri P. Umashankar*	04	03	-
Shri N.C.Sridharan *	04	04	-
Prof. V. Gopal*	04	04	-
Shri R.Santhanam *	04	04	-
Capt. S.Narula *	08	08	Yes
Capt. K.Devadas *	06	06	-
Smt. H.K.Joshi *	02	02	-

*The changes taken place in the constitution of the Board of Directors of SCI during the FY 2014-15 are as follows:-

Name of the Director	Date of Appointment	Date of Cessation	Reason for Cessation
Shri J. N. Das	-	30.04.2014	Superannuation
Shri B. K. Mandal	-	31.05.2014	Superannuation
Shri Arun Ramanathan	-	18.08.2014	Resignation
Rear Admiral (Retd.) T. S. Ganeshan	-	05.09.2014	Resignation
Shri Arun K. Verma	-	03.09.2014	Resignation
Shri Ashish Makhija	26.05.2014	03.09.2014	Resignation
Shri P. Umashankar	26.05.2014	08.09.2014	Resignation
Shri N. C. Sridharan	26.05.2014	05.09.2014	Resignation
Prof. V. Gopal	26.05.2014	03.09.2014	Resignation
Shri R. Santhanam	26.05.2014	03.09.2014	Resignation
Shri M. C. Jauhari	-	03.11.2014	Cessation subsequent to his appointment as DDG (UIDAI)
Shri Barun Mitra	20.01.2015	-	-
Capt. S. Narula	07.07.2014	-	-
Capt. K. Devadas	26.09.2014	-	-
Smt. H. K. Joshi	05.02.2015	-	-

Committees of the Board

To enable better and more focused attention on the affairs of the Company, the Board has constituted the following Committees of the Board besides other Committees as required under Clause 49 and Companies Act, 2013:

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Contracts Committee of the Board

This Committee of the Board comprises the whole-time Directors, including Chairman & Managing Director as the Chairman of the Committee. The Committee deliberates on the matters pertaining to contracts having financial implication of high value nature or any other matter, which in the view of Chairman & Managing Director requires the attention of the Committee. During the year under review, no meeting of the Contracts Committee of the Board was held.

Strategy Committee of the Board

The Committee was constituted on 11.08.2010 to look into the strategic decisions of the Company. On reconstitution of the Board in May 2014, the Committee was re-constituted comprising of Shri P. Umashankar, Shri Ashish Makhija, Shri R. Santhanam, Prof. V. Gopal and Shri A. K. Gupta. Due to resignations from Independent Directors the Committee has become non functional. In the absence of Independent Directors, the Board has not constituted the fresh Committee. During the year 2014-15, no meetings of the committee were held.

Ship Acquisition & Ship Construction Sub Committee of the Board (SASC)

This Committee was constituted in September 2010 primarily to draft and finalize the eligibility criteria for Indian shipyards, to evaluate and grade the Indian shipyards and periodically review grading of the shipyards. After re-constitution of the Board in May 2014, the Committee has not been re-constituted.

Ship Acquisition Committee (SAC)

The "Ship Acquisition Committee of the Board" was constituted in February 2011, to deliberate on proposals for acquisition of vessels by SCI before putting up to the Board for "in-principle" & "final" approval. Also proposals for renegotiations of contract price or amendments to major terms of shipbuilding contract would be considered by this Committee. After reconstitution of the Board in May 2014, the Committee has not been re-constituted.

Ship Disposal Guidelines Sub-Committee (SDC)

This Committee was constituted on 13.08.2011 to review the Ship Disposal Guidelines and submit its recommendations on amendments thereof to the Board. The Committee submitted its recommendations to the Board. After reconstitution of the Board in May 2014, the Committee has not been reconstituted because the objectives have been fulfilled.

Corporate Social Responsibility Committee

The Committee was constituted on 19.12.2013 and was subsequently re-constituted on 26.05.2014 to be in line with the provisions of Section 135 of the Companies Act, 2013. It comprises of C&MD as Chairman of the Committee, Shri R. Santhanam, Prof. V. Gopal as members and Director (P&A) as ex-officio member & Convener of the Committee. During the year under review, no meetings of the Committee were held. Due to resignations from Independent Directors the Committee has become non functional.

Committees of the Board constituted under Clause 49

Audit Committee

The Audit Committee was reconstituted on 12.11.2013 with Shri Arun K. Verma as Chairman, and Shri Arun Ramanathan and Rear Admiral (Retd.) T. S. Ganeshan as its members. Shri N. C. Sridharan was appointed as member of the Audit Committee on 26.05.2014. All were independent Directors. All the members of the Committee were 'financially literate' and have accounting and financial management expertise.

The Company Secretary has acted as Secretary to the Committee. The Director (Finance) and the Directors in charge of operations have attend the meetings as invitees. The Statutory Auditors and Internal Auditors have also attended meetings at which the audit reports / Company's financial statements were reviewed by the Committee.

The terms of reference of Audit Committee included all matters specified in section 177 of the Companies Act, 2013, Clause 49(III) of the Listing Agreement with Stock Exchanges and the DPE Guidelines on Corporate Governance for CPSEs, 2010 and covered, inter-alia, overseeing Company's financial reporting process, adequacy of internal control systems, reviewing financial risks' management policies, compliance with Accounting Standards, etc.

The Audit Committee held 07 meetings during the year 2014-15 the dates being, 21.04.2014, 21.05.2014, 27.05.2014, 26.06.2014, 07.07.2014, 11.08.2014, 12.08.2014. Apart from reviewing the quarterly / annual financial results of the Company, the Committee devoted these meetings inter alia for detailed review of the systems and procedures, accounting practices, internal control measures, status of risk management and process review of statutory and regulatory compliances. The attendance of each member of the Committee is given below:

Name of the Directors	No. of meetings held	No. of meetings attended
Shri Arun K. Verma	07	07
Shri Arun Ramanathan	07	04
Rear Admiral (Retd.) T. S. Ganeshan	07	03
Shri N. C. Sridharan	07	05

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Due to resignations from Independent Directors, the Committee has become non functional and no subsequent meeting has taken place. Therefore, the Board has constituted an internal Finance Committee with Director (Finance) as Chairman and D(B&T), D(P&A) and D(L&PS) as its members to look into matters related to the Audit Committee. During the year 2014-15 three meetings were held on 11.03.2015, 17.03.2015 and 18.03.2015. The minutes of the meetings of Finance Committee have been placed before the Board from time to time.

Nomination and Remuneration Committee

On 26.05.2014, the Board re-constituted the Remuneration Committee as follows - Rear Admiral (Retd.) T. S. Ganeshan as the Chairman of the Committee, Shri Ashish Makhija and Shri P. Umashankar as the members and renamed it as 'Nomination and Remuneration Committee'. The terms of reference of the Committee were to take care of the compliance under section 178 of the Companies Act, 2013 and clause 5.1 of the DPE Guidelines on Corporate Governance for CPSEs, 2010. During the year 2014-15, one meeting of the Committee was held on 19.08.2014. Due to resignations from Independent Directors, the Committee has become non functional and, no subsequent meeting has taken place.

Share Transfer Committee

This Committee of the Board comprising of Chairman & Managing Director and an Executive Director (Whole Time), regularly approves the transfer and transmission of shares and other related matters. As and when the shareholders made lodgements for transfer/re-materialisation, the Share Transfer Committee held their meetings promptly to effect the transfers. The Share Transfer Committee of the Board met three times during the year 2014-15 on 28.07.2014, 01.10.2014 and 13.01.2015.

Stakeholders' Relationship Committee

The Committee was re-constituted on 26.05.2014 with Shri Arun Ramanathan as Chairman, and Shri Arun K. Verma and Capt. S. Thapar as its members. Shri B.K. Mandal ceased to be a member of the said Committee on 31.05.2014. The meetings were attended by all its members. The Stakeholders' Relationship Committee of the Board met two times during the financial year 2014-15 i.e. on 21.05.2014 and 11.08.2014. Due to resignations from Independent Directors, the Committee has become non functional. In absence of Independent Directors, no subsequent meeting has taken place.

Grievances & their redressals: During the year under review, 7 complaints were received. All the complaints have been replied / sorted out within average period of 7 days of receipt of each complaint as against the stipulated time of 15 days as per SEBI norms. No share transfers were pending at the end of the financial year. The sources of complaints received and other details are given below:

Source(s) of Complaints	Received	Redressed	Pending
SEBI	01	01	NIL
Stock Exchanges	05	05	NIL
Other	01	01	NIL
Total	07	07	NIL

Compliance Officer

The Compliance Officer for monitoring the share transfer process and for carrying out other related functions as per Listing Agreement, is Shri Dipankar Haldar, Executive Director (Legal Affairs) & Company Secretary, and can be contacted at:

"Shipping House"	Tel: 2277 2213 (D)
245, Madame Cama Road,	2202 4572 (D)
Nariman Point,	Fax: 2202 2906
Mumbai – 400 021.	E-mail: dipankar.haldar@sci.co.in

Investors can lodge their complaints, if any, on sharepro@shareproservices.com by providing their folio number, contact number, e-mail ID and the address for correspondence which would enable us to respond to them promptly.

As per the provisions of Section 124 read with Section 125 of the Companies Act, 2013, the Company is required to transfer the unpaid dividends remaining unclaimed and unpaid for a period of 7 years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Details of shareholders who have not encashed their dividend warrants in spite of the same being sent to them, has been uploaded on the Company's website.

Given below are the due dates for transfer of unclaimed and unpaid dividend to the IEPF by the Company:

Financial Year	Date of declaration	Proposed date for transfer to IEPF
2007-08 (Final)	29.09.2008	28.10.2015
2008-09 (Final)	30.09.2009	29.10.2016
2009-10 (Final)	29.09.2010	28.10.2017
2010-11 (Interim)	03.03.2011	02.04.2018
2010-11 (Final)	23.09.2011	22.10.2018

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Unpaid/ unclaimed balance of the Interim Dividend 2007-08 account was due for transfer to IEPF as per Section 124 and 125 of the Companies Act, 2013 and the same has been transferred accordingly.

General Body Meetings

The date, time and venue of the last three Annual General Meetings of the Company and the special resolutions passed thereat, are given below:

General Meetings	Date & Time	Venue	Details of Special Resolutions passed, if any
62 nd AGM (FY 2011-12)	24.09.2012 (15.30 hrs.)	Y. B. Chavan Auditorium, Jagannath Bhosale Marg, Near Mantralaya, Mumbai – 400 021	NIL
63 rd AGM (FY 2012-13)	24.09.2013 (15.30 hrs.)	Registered Office of the Company, Mumbai	
64 th AGM (FY 2013-14)	24.09.2014 (15.30 hrs.)		

Details of resolution passed by way of Postal Ballots during the year under review:

Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company had sought consent of the shareholders for passing special resolutions. Mr. Upendra Shukla, Practising Company Secretary, was appointed as scrutinizer.

The announcement of result of the Postal Ballot took place on 14th January, 2015 when the Resolution was declared as passed with requisite majority.

The voting pattern was as follows:-

- a. Ratification of the Borrowing Limits fixed under section 293 (1)(d) of the Companies Act, 1956 under the provisions of Section 180 of the Companies Act, 2013

	In favour of the Resolution			Against the Resolution			Not Voted	
	No of Share holders	No. of Votes cast	% of votes cast	No. of Share holders	No. of votes cast	% of votes cast	No. of Share holders	No. of shares/ votes
E-voting	107	77301202	99.99	20	6879	0.06	0	0
Ballots	322	297063994	99.97	21	74431	0.03	0	0
Combined	429	374365196	99.98	41	81310	0.02	0	0

- b. Granting power under section 180(1)(a) of the Companies Act, 2013 to the Board or a Committee thereof to create charges on the movable and immovable properties of the Company both present and future, in respect of borrowings.

	In favour of the Resolution			Against the Resolution			Not Voted	
	No of Share holders	No. of Votes cast	% of votes cast	No. of Share holders	No. of votes cast	% of votes cast	No. of Share holders	No. of shares/ votes
E-voting	106	77300913	99.99	21	7168	0.01	0	0
Ballots	310	297062555	99.97	26	75245	0.03	7	625
Combined	416	374363468	99.98	47	82413	0.02	7	625

- c. Re-deployment of ₹ 330.65 crore received/ to be received as refund from Shipyards which were originally part of the proceeds of the Further Public Offer.

	In favour of the Resolution			Against the Resolution			Not Voted	
	No of Share holders	No. of Votes cast	% of votes cast	No. of Share holders	No. of votes cast	% of votes cast	No. of Share holders	No. of shares/ votes
E-voting	111	77299672	99.99	15	8297	0.01	1	112
Ballots	316	297066258	99.98	19	71478	0.02	8	689
Combined	427	374365930	99.98	34	79775	0.02	9	801

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Means of Communication

Half-yearly Report sent to each household of shareholders	No, as the unaudited financial results of the Company are published in the newspapers every quarter and are also made available on the Company's website.
Quarterly Results published in newspapers	Yes, the newspapers being: For Quarter ended June 2014 a. Financial Express – Mumbai, Ahmedabad, New Delhi, Kolkata, Hyderabad, Chennai, Bangalore, Pune, Chandigarh, Lucknow, Kochi b. Jansatta – Kolkata, Chandigarh, New Delhi, Lucknow c. Loksatta – Mumbai For Quarter ended September 2014 a. Financial Express – Mumbai, Ahmedabad, Ahmedabad (Gujarati), New Delhi, Kolkata, Hyderabad, Chennai, Bangalore, Pune, Chandigarh, Lucknow, Kochi. b. Jansatta – New Delhi, Chandigarh, Kolkata, Lucknow. c. Loksatta - Mumbai For Quarter ended December 2014 a. Financial Express – Mumbai, Ahmedabad, Bangalore, Kolkata, Chennai, Kochi, New Delhi, Hyderabad, Lucknow, Chandigarh, Pune . b. Jansatta – New Delhi, Chandigarh, Kolkata, Lucknow. c. Loksatta - Mumbai For Year and Quarter ended March 2015 a. Financial Express – Mumbai, Pune, Ahmedabad, Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bangalore, Hyderabad. b. Jansatta – Kolkata, Chandigarh, New Delhi, Lucknow c. Loksatta - Mumbai
Website, where results and/or official news are displayed	On the Company's Website www.shipindia.com
The presentation made to Institutional Investors or to the Analysts	The following con-calls were held by the Company for investors : - For the Q1 results of FY 2014-15 - on 14.08.2014. For the Q2 results of FY 2014-15 - on 17.11.2014. For the Q3 results of FY 2014-15 - on 13.02.2015. For the Q4 results of FY 2014-15 - on 22.05.2015.
Whether Management Discussion and Analysis is a part of Annual Report or not	Yes.

General Shareholder Information

Annual General Meeting – Date, Time & Venue	22 nd September, 2015 at 15.30 hrs. at the Registered Office of the Company, "Shipping House", 245, Madame Cama Road, Mumbai – 400 021.
Financial Calendar	The financial year under review covers the period from 1st April ,2014 to 31st March, 2015 First Quarter Results (Unaudited) – August, 2014. Second Quarter Results (Unaudited) – November, 2014. Third Quarter Results (Unaudited) – February, 2015. Fourth Quarter & Annual Results (Audited) – May, 2015
Date of Book Closure	16.09.2015 to 22.09.2015
Proposed Dividend	The Board of Directors has not recommended dividend for this financial year.

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Listing on Stock Exchanges & payment of listing fees	Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.		
	National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai – 400 051.	The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata – 700 001.	
	The Delhi Stock Exchange Association Limited # DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002.	Madras Stock Exchange Limited # Exchange Building, 11, Second Line Beach, Chennai – 600 001.	
	The Company has paid the annual listing fees for the year 2014 -2015 to the aforesaid Stock Exchanges within the stipulated time. # Consequent to SEBI exit orders, Madras Stock Exchange and Delhi Stock Exchange have been de-recognized as Stock Exchanges with effect from 14.05.2015 and 19.11.2014 respectively.		
Stock Code	The Stock Exchange, Mumbai – 523598 National Stock Exchange of India Limited – SCI Demat-ISIN Number – INE 109 A 01011		
Address for Correspondence/ Registrar and Transfer Agents	Shareholders' correspondences should be addressed to the Company's Share Transfer Agents, M/s. Sharepro Services (India) Pvt. Ltd. at their addresses mentioned below		
	M/s. Sharepro Services (India) Pvt. Ltd.		
	Regd. Office: Samhita Warehousing Complex, 13 A/B, 2nd Floor, Behind Sakinaka Tel. Exchange, Andheri- Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. Telephone No-022-67720400/401/402	Investor Relation Centre: 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021. Telephone No. 67720700	
	Fax: 022-28591568/28508927, E-mail: sharepro@shareproservices.com		
Share Transfer System	The transfers' processing are done by the Registrar and Transfer Agents and approved by the Share Transfer Committee of the Company. There are no pending share transfer requests as on 31 st March, 2015.		
Dematerialization of shares and liquidity	With effect from 26.06.2000, trading in the Company's shares was made compulsory in the dematerialized form. The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31 st March 2015, 99.88 % of the paid-up equity share capital, representing 465260835 shares was held in depository mode. The processing activities with respect to the requests received for dematerialization are completed within 15 days from the date of receipt of request.		
Your Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments.			
Your Company has no Plant.			

Monthly high and low quotation of shares on BSE and NSE during the financial year 2014-2015.

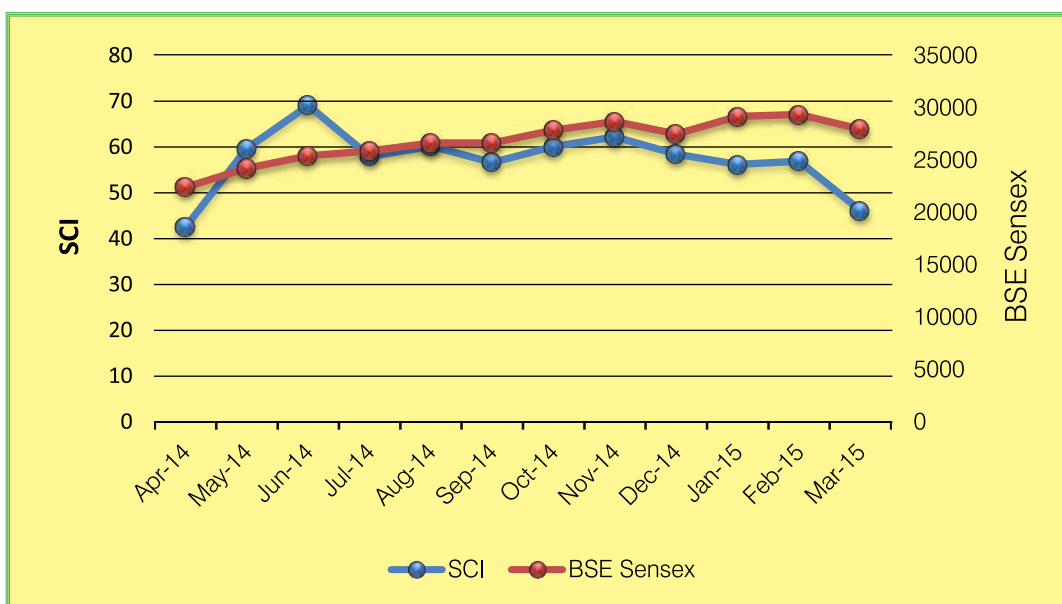
Month	Share Price on BSE		Share Price on NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2014	48.65	41.05	48.65	41.55
May 2014	64.65	38.85	64.90	38.85
June 2014	73.25	59.55	73.50	59.50
July 2014	70.10	56.80	70.00	56.30
August 2014	64.00	53.65	64.00	53.50
September 2014	69.45	55.05	69.40	55.05
October 2014	60.95	55.10	60.85	54.60
November 2014	67.25	59.55	67.25	59.50
December 2014	69.70	57.10	69.75	57.00
January 2015	61.15	55.85	61.25	55.90
February 2015	60.70	48.25	60.70	48.30
March 2015	57.60	43.85	57.65	43.65



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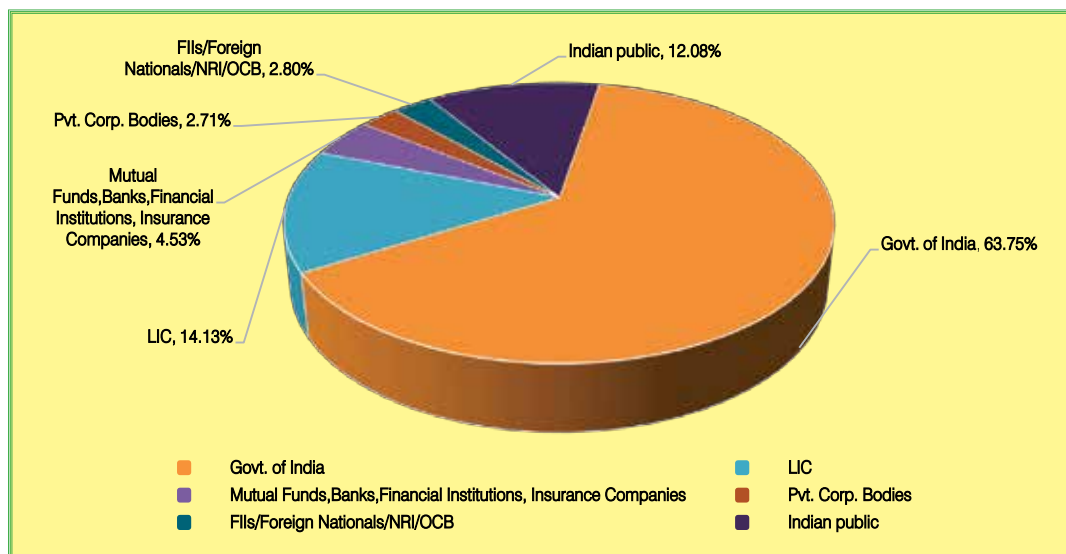
Stock Performance in comparison to BSE Sensex

Month	SCI's Closing Price (₹)	BSE Sensex
April 2014	42.60	22417.8
May 2014	59.70	24217.34
June 2014	69.10	25413.78
July 2014	58.00	25894.97
August 2014	60.20	26638.11
September 2014	56.65	26630.51
October 2014	60.10	27865.83
November 2014	62.20	28693.99
December 2014	58.45	27499.42
January 2015	56.20	29182.95
February 2015	56.90	29361.50
March 2015	46.15	27957.49



DISTRIBUTION OF SHARE HOLDING AS ON 31-MARCH-2015									
CATEGORY	DEMAT(A)		PHYSICAL(B)		C=A+B		%OF C TO @		
	FOLIOS	SHARES	FOLIOS	SHARES	FOLIO	SHARES	FOLIOS	SHARES	
1 - 500	162546	21458194	133	22525	162679	21480719	91.3055	4.6116	
501 - 1000	8083	6335695	8	6700	8091	6342395	4.5412	1.3616	
1001 - 2000	3815	5659782	1	1200	3816	5660982	2.1418	1.2153	
2001 - 3000	1282	3245523	2	4900	1284	3250423	0.7207	0.6978	
3001 - 4000	530	1900651	0	0	530	1900651	0.2975	0.4080	
4001 - 5000	440	2074242	0	0	440	2074242	0.2470	0.4453	
5001 - 10000	684	5015415	1	6000	685	5021415	0.3845	1.0780	
10000 & above	638	419571333	7	496850	645	420068183	0.36320	90.1823	
TOTAL	178018	465260835	152	538175	178170 @	465799010 @	100	100	

Report of the Directors on Corporate Governance



Directors' Remuneration

The details of the remuneration paid to the whole-time Directors and sitting fees paid to the Independent Directors during the year under review are set out below:-

Name of the Director	Consolidated Salary (Note No. 1)	Perquisites, Allowances & Other Benefits	Performance Linked Incentives (Note No.2)	Sitting Fees	Total
Executive Directors (Whole time)					
Shri A. K. Gupta	21,47,838/-	3,85,262/-	-	-	2,533,100/-
Capt. Sunil Thapar	24,66,377/-	4,13,909/-	-	-	2,880,286/-
Capt. B. B. Sinha	21,88,281/-	4,99,456/-	-	-	2,687,737/-
Capt. S. Narula	23,96,856/-	3,32,805/-	-	-	2,729,661/-
Capt. K. Devadas	11,78,705/-	1,93,844/-	-	-	1,372,549/-
Smt.H. K.Joshi	3,12,468/-	96,088/-	-	-	408,556/-
Shri B. K. Mandal	21,04,848/-	7,03,062/-	-	-	2,807,910/-
Shri J. N. Das	24,36,924/-	1,09,083/-	-	-	2,546,007/-
Non-Executive Directors (Part-Time Ex-Officio)					
Dr. (Ms.) T. Kumar	-	-	-	-	-
Shri Barun Mitra	-	-	-	-	-
Non-Executive Directors (Part-Time Independent)					
Shri Arun Ramanathan	-	-	-	1,60,000/-	1,60,000/-
Rear Admiral (Retd.) T. S. Ganeshan	-	-	-	1,40,000/-	1,40,000 /-
Shri Arun Kumar Verma	-	-	-	3,00,000/-	3,00,000/-
Shri Ashish Makhija	-	-	-	1,00,000 /-	1,00,000/-
Shri P. Umashankar	-	-	-	80,000/-	80,000/-
Shri N. C. Sridharan	-	-	-	1,80,000 /-	1,80,000/-
Prof V. Gopal	-	-	-	80,000/-	80,000/-
Shri R. Santhanam	-	-	-	80,000/-	80,000/-

Report of the Directors on Corporate Governance



Note No. 1:- Consolidated Salary includes Basic Salary, Dearness Allowance, Contribution to Provident Fund, Leave Encashment and Leave Salary on superannuation.

Note No. 2:- Performance Linked Incentive includes the PRP relating to the earlier years.

- i. SCI, being a Government Company, the remuneration of the Executive Directors (whole-time), who are Government appointees, is decided by the Government of India.
- ii. The part-time official Government Directors do not receive any remuneration from the company.
- iii. The non-executive Directors (Independent Directors) are paid sitting fees of ₹ 20,000/- per meeting per day of attendance. Apart from the sitting fees, the non-executive Directors do not receive any other remuneration.
- iv. In addition to the above, wherever necessary, the Directors are reimbursed the travelling and other related expenses for attending Board and other Meetings.
- v. Criterion for payment of performance linked incentive is based on the policy prevailing in the Company.
- vi. SCI being a Government Company, the appointment, tenure and remuneration of Directors are decided by the Government of India. All appointments of Executive Directors (whole-time) are contractual in nature. Government nominates non executive part-time Directors from time to time on the board of the Company.
- vii. The Company presently does not have any stock option scheme.
- viii. Shri Rajeev Gupta is holding 30 shares, as Government Nominee. Letter no. SS-11036/26/2013-SY II dated 23.04.2015 received from Ministry of Shipping has directed SCI to transfer these shares to the President of India. Accordingly, the transfer is in process.

Subsidiary Companies

The Company does not have any subsidiary company.

Disclosures

During the year under review, the Company has not entered into financial or other transactions of material nature with its Promoters, the Directors, and senior management that may have potential conflict with the interests of the Company at large.

The number of shares held by the Ex - Directors in the Company is given below:-

1	Shri S. Hajara	1507
2	Shri Rajeev Gupta	30

The aforesaid Ex-directors are holding shares in SCI in the capacity of nominees of the President of India. Letter no. SS-11036/26/2013-SY II dated 23.04.2015 received from Ministry of Shipping has directed SCI to transfer these shares to the President of India. Accordingly, the transfers are in process.

No penalties / strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Code of Conduct for Prevention of Insider Trading

SCI has its code of conduct for prevention of insider trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines which advise the management and the staff on procedures to be followed and disclosures to be made while dealing with the shares of Company, and cautions them of the consequences of violations. In line with the aforesaid regulations the policy is also available at the Company's website at the section 'Investors Policies'.

Related Party Transactions

In line with the Companies Act, 2013 and Listing Agreement your company has formulated a policy on materiality of Related Party Transaction and dealing with related party transaction as approved by the Board which is also available at Company's website at the section 'Investors'.

The details of all the transactions with related parties which are entered into in the ordinary course of business are placed before the audit committee on quarterly basis. The related party disclosures as required under Accounting Standard 18 "Related Party Disclosures" are given in the Notes on Accounts of the Balance Sheet (Refer Note 31 to the financial statements.). There were no material individual transactions with related parties which are not in normal course of business required to be placed before the Audit Committee that may have potential conflict with the interest of the company at large. All individual transactions with related parties were on "arm's length" basis.

Accounting Treatment

In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013.

Risk Management

In line with the revised clause 49 (VI) of the Listing Agreement, the Risk Management Committee has been constituted consisting of all functional Directors and regular meetings are held at Management level to review the risk registers and thereafter placed in the Board.



Report of the Directors on Corporate Governance

Proceeds from public issues, right issues, preferential issues etc.

During the year 2010-11, your Company had come out with a "Further Public Offer", (FPO), comprising of a 'fresh issue' of 42,345,365 equity shares in your company and an 'offer for sale' of 42,345,365 equity shares by the President of India. The FPO proceeds of ₹. 58245 lakhs were fully utilized in the financial year 2011-12 as per object of the issue for part financing of capital expenditure on nine shipbuilding projects specified for utilization. However, due to delays in the projects resulting in default by the shipyards, during the period January, 2014 to May, 2014, your Company rescinded contracts for four shipbuilding projects and also, re-negotiated the instalments paid for two projects in order to compress the same against a single project. The investment in the rescinded contracts out of the FPO Proceeds was ₹ 330.65 crores. Your Company has till date received back ₹ 315.32 crores of these funds from the shipyards. The shareholders vide the resolution passed through postal ballot process, (Please refer the details of resolutions passed through postal ballot process mentioned hereinabove) approved the proposal to re-deploy the said ₹ 330.65 crores received/ to be received as refund from Shipyards, towards various shipbuilding projects including offshore assets (including but not limited to anchor handling tug supply vessels (AHTSVs), platform supply vessels (PSVs), rigs, etc) and liquid petroleum gas (LPG) vessels. The Company proposes to invest the proceeds judiciously at the appropriate juncture.

Management Discussions and Analysis Report

The report forms a part of the Directors' Report to the Shareholders and it includes discussions on matters, as required under the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges.

Material Financial and Commercial Transactions of Senior Management Personnel

There have been no material financial and commercial transactions entered into by the Senior Management Personnel where they have personal interest that may have a potential conflict with the interest of the Company.

CEO / CFO Certification

A certificate from Chairman and Managing Director and Director (Finance) on the financial statements of the company and on the matters which were required to be certified according to the clause 49(IX) was placed before the Board.

Compliance with Non Mandatory Requirements of Clause 49

Maintenance of Office and reimbursement of expenses of Non Executive Chairman

As the Company has an Executive Chairman, the requirements of this clause are not applicable.

Tenure of Independent Directors on the Board

SCI, being a Government Company, the appointment and tenure of the Directors are decided by the Government of India.

Shareholder Rights - Declaration of financial performance

The financial results are posted on the Company's website immediately. The results of the Company are also published in the newspapers within the time limits prescribed under the Listing Agreement.

Audit Qualifications

Qualifications made by the Statutory Auditors are contained in the Auditors' Report forming part of the Annual Report. The Management's response to the qualifications is also incorporated in the Directors' Report. There are no qualifications made by the Comptroller and Auditor General of India.

Training of Board Members

The company has a training policy approved by Board which is applicable to all shore employees which includes functional directors too. On joining the SCI Board, at the first board meeting, a new member is explained about the working of the Board, by the Chairman. The Director, whole time and Independent are also sent for training in Corporate Governance, Risk Management etc. at Institutes.

Mechanism for evaluating Non-Executive Board Members

SCI being a Government Company where the Directors are appointed / nominated by the Government, the requirement of performance evaluation is not envisaged.

Whistle Blower Policy

SCI has formulated a whistle blower policy, as part of vigil mechanism under Section 177 of the Companies Act, 2013 and clause 49(II)(F) of the Listing Agreement. In addition to this, SCI's whistle blower policy majors as per Central Vigilance Commission (CVC) guidelines. The policy is available at the Company's website under "Profile" section.

Additional Disclosures as required under the Guidelines laid down by DPE

1. There were no materially significant related party transactions that may have potential conflict with the interests of company at large.
2. Status of compliance with the Presidential Directives, by the Company
There were no Presidential Directives received by the Company.
3. There is no item of expenditure debited in the books of accounts which are not for the purposes of the business.
4. There are no expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management.



Report of the Directors on Corporate Governance

5. The office and administration expenses as a percentage of total expenses are 5.31% in FY 2014 -15 as against 4.61% in FY 2013-14. The increase in administrative expenses is due to the provision for self lease and Performance related pay expenditure made in FY 2014-15. The finance expenses as a percentage of total expenses is 4.17% in FY 2014 -15 as against 4.38% in FY 2013 -14.

Place : Mumbai
Date : 12th Aug 2015

For and on behalf of the Board of Directors
A. K. Gupta
Chairman & Managing Director

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CHAIRMAN & MANAGING DIRECTOR

The Company has adopted a Code of Conduct for the Board Members and Senior Management of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors & Senior Management personnel have complied with the Code of Conduct for the financial year 2014-15 and a confirmation to this effect has been obtained from the Directors & Senior Management personnel.

Place : Mumbai
Date : 21st May 2015

For and on behalf of the Board of Directors
A. K. Gupta
Chairman & Managing Director



Auditor Certificate on Corporate Governance

AUDITORS REPORT ON CORPORATE GOVERNANCE TO THE MEMBERS OF THE SHIPPING CORPORATION OF INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by THE SHIPPING CORPORATION OF INDIA LIMITED for the year ended March 31st, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange(s) and as stipulated in the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company, for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement and in the guideline of corporate governance for Public Sector Enterprises issued by the Department of Public Enterprises, Government of India subject to the following:

- a) *there were no independent directors in the Board since September 2014 and to that extent the constitution of the board was not as per the regulatory requirements and as a result the committees could not be constituted as per the regulatory requirements.*
- b) *Consequently, the compliance to the requirements of the minimum number of meetings* and the gap between the same were not as per the regulatory requirements.*

* The Audit Committee met 7 times during the year 2014-15 with the last meeting being held on 12.08.2014

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrar and the Share transfer agents of the company to the shareholders / investors grievance committee, as at March 31st, 2015 there were no investor grievance matter against the company remaining unattended/pending for more than 30 days.

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

For
MKPS & Associates
Chartered Accountants
FRN 302014E
CA Narendra Khandal
Partner
M No. 065025

For
GMJ & Co.
Chartered Accountants
FRN 1032429W
CA Atul Jain
Partner
M No 037097



Independent Auditor's Report

To
The Members of
THE SHIPPING CORPORATION OF INDIA LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of **THE SHIPPING CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31st, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

1. **The direct access of overseas foreign agents to fund collected on account of freight and other charges in the absence of matching bank guarantees, any policy on fixation of credit limits based on credit rating & other factors and regular monitoring mechanism is prone to risk of non/short-payment, the consequential effect of which on the Statement of Profit and Loss remains unascertainable.**
2. **Adjustments that may be required in the account on working of the actual amount payable to all the eligible employees for self lease from 26-11-2008 to 31-03-2015, the impact of which on the statement of profit and loss and Balance Sheet remains unascertainable (Refer Note No. 41 to the Financial Statements).**

Opinion

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the 'Basis for Qualified Opinion' paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention of the management to the following observations without qualifying our opinion:

1. Change in the accounting policy in respect of method of depreciation which has overstated the fixed assets by ₹ 5847 lakhs, overstated the profit for the year by ₹ 5847 lakhs (Refer Note 38 to the financial statements)
2. The adjustments required in the accounts not likely to be material in the opinion of management on confirmation and reconciliation of outstanding in respect of trade payables, trade receivables and loans & advances (Refer Note 40 to the financial statements)



Auditor's Report

Report on Other Legal and Regulatory Requirements:

1. (a) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (b) As required under sub section (5) of Section 143 of the Act, in case of a Government company, we give in the Annexure- II a statement on the matters specified in the directions and sub-directions issued by the Comptroller and Auditor General of India.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) **Except for the effects of the matter described in the basis for qualified opinion paragraph above**, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, in our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion may have an adverse effect on the functioning of the Company
 - f) On the basis of written representations received from the directors as on March 31st, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2015, from being appointed as a director in terms of section 164(2) of the Act.
3. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company has disclosed the amount of pending litigations on its financial position in Note-30 to the Financial Statements which is in the nature of contingent liability being not required to be provided in the accounts.
 - ii) The Company does not anticipate any material foreseeable losses, on long- term contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For MKPS & Associates

Chartered Accountants

Firm's Regn. No. 302014E

CA Mahendra K Agrawala

Partner

M. No. 051764

Mumbai

21st May, 2015

For GMJ & Co.

Chartered Accountants

Firm's Regn. No. 103429W

CA Atul Jain

Partner

M. No. 037097

Mumbai

21st May, 2015

ANNEXURE- I

TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of “Report on other Legal and Regulatory requirements” of our Independent Auditors' Report of even date

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) The Fixed assets of the Company have been physically verified by the management which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- ii. a) In our opinion, physical verification of inventory lying with the company has been conducted at reasonable intervals by the management.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory other than the inventory lying with third parties for which **neither records are maintained nor the third party confirmations are available**. No material discrepancies have been noticed on physical verification between physical stock and book records.
- iii. The Company has granted loans to five bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
 - a) In the case of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, this paragraph is not applicable to the Company in respect of repayment of the principal amount.
 - b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, Inventory and sale of goods and services subject to **special emphasis required on the continued failure to correct weakness in internal control systems as applicable to SAP and other sub systems in relation to the accounting of agents working and timely verification by the Company. Emphasis also needs to be given on addressing the deficiencies in the implementation of SAP-ERP system pointed out by office of C&AG of India and also in the system audit report conducted by the external organization, to establish checks on the complete and proper recording of the transaction relating to the expenses and revenue.**
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the year under audit.
- vi. We have been informed by the company that the maintenance of cost record under Section 148(1) of the Act has not been prescribed by the Central Government.
- vii. a) According to the information and explanations given to us and records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess, ESI, Investor Education and Protection Fund, provident fund and other statutory dues as applicable, with the appropriate authorities.
- b) The details of dues of Sales Tax, Service Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute, are given as under:

Sr. No.	Name of Statute	Nature of dues	Forum where the dispute is pending	Financial Year to which it pertains	₹ In Lakhs
1	Income Tax Act, 1961	U/s. 195	Bombay High Court	2003-04 to 2005-06	9820
2	Income Tax Act, 1961	Tax u/s. 143(3)	Bombay High Court	2006-07	2901
3	Income Tax Act, 1961	Tax u/s. 143(3) & 147	ITAT Mumbai	2004-05 & 2005-06	3330
4	Income Tax Act, 1961	Penalty u/s 271(1)	CIT (A) Mumbai	2004-05 & 2005-06	323
5	Income Tax Act, 1961	Tax u/s. 143(3)	ITAT Mumbai	2007-08	1013
6	Income Tax Act, 1961	Tax u/s. 143(3)	CIT (A) Mumbai	2009-10	1180
7	Income Tax Act, 1961	Tax u/s. 143(3)	CIT (A) Mumbai	2011-12	393
8	Finance Act, 1994	Service Tax	Commissioner (Appeals)	2002-03 to 2007-08	2
9	AP VAT Act, 2005	VAT	CTO	2011-12	10
Total					18972

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Act and Rules there under has been transferred to such fund within time.
- viii. The company has accumulated losses as on 31st March 2015, which is less than 50% of its net-worth. Further, it has not incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
- ix. The Company has not defaulted in repayment of dues to banks during the year under audit.
- x. In our opinion, in respect of the guarantee given by the company for the loans taken by others, the terms and conditions thereof are not, prima facie, prejudicial to the interest of the company.
- xi. In our opinion, the term loans have been used for the purpose for which the same were obtained.
- xii. The committee constituted to investigate the matter of one of the foreign agents who manipulated the container movement report from time to time in earlier years and not paid the company its rightful dues as mentioned in the statutory auditors' report of previous year, has submitted the report to the Board on 5-8-2014 stating that **the company is exposed to both debtors risk as well as risk of non-payment to vendors and in case of continuing with this agency, the company shall be constantly vulnerable to the above risks. The company still continued with the same agency to recover the outstanding as informed to us who later on defaulted in payment of the rightful dues of the company to the extent of ₹ 27 crs (net). The agency was then terminated with six months notice period during which the agent went for Joint Administrators showing its insolvency and incapability to pay the defaulted amount.** Except as mentioned in the forgoing lines, any other material fraud on or by the company has not been noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

**For MKPS & Associates,
Chartered Accountants
Firm Regn. No. 302014E
CA Mahendra K Agrawala
Partner
Membership No. 51764**

Mumbai, Dated the 21st May, 2015

**For GMJ & Co.,
Chartered Accountants
Firm Regn. No. 103429W
CA Atul Jain
Partner
Membership No. 037097**

Mumbai, Dated the 21st May, 2015



Directions under section 143(5) of Companies Act 2013
On the Accounts of The Shipping Corporation of India Ltd. for the year 2014-15

Sl. No.	Directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements									
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	The company is not selected for disinvestment and hence not applicable.	Not Applicable									
2	Please report whether there are any cases of waiver/ write off of debts/ loans/interest etc., if yes, the reasons there for and the amount involved.	<p>There has been write off in respect of sundry debtors amounting to ₹ 3,47,988/- during the year as detailed below:</p> <table border="1"> <thead> <tr> <th>Name of the party</th> <th>Amount of write-off</th> <th>Reasons for write-off</th> </tr> </thead> <tbody> <tr> <td>ONGC Ltd</td> <td>₹ 3,12,811/-</td> <td>The amount has been outstanding since FY 2004 and has been written-off after approval from the competent authority.</td> </tr> <tr> <td>Ministry of Shipping</td> <td>₹ 35,177/-</td> <td>Short recovery from MoS, for which details not available and has been written-off after approval from the competent authority.</td> </tr> </tbody> </table>	Name of the party	Amount of write-off	Reasons for write-off	ONGC Ltd	₹ 3,12,811/-	The amount has been outstanding since FY 2004 and has been written-off after approval from the competent authority.	Ministry of Shipping	₹ 35,177/-	Short recovery from MoS, for which details not available and has been written-off after approval from the competent authority.	Not Material
Name of the party	Amount of write-off	Reasons for write-off										
ONGC Ltd	₹ 3,12,811/-	The amount has been outstanding since FY 2004 and has been written-off after approval from the competent authority.										
Ministry of Shipping	₹ 35,177/-	Short recovery from MoS, for which details not available and has been written-off after approval from the competent authority.										
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	As explained to us, there is no gift received from Govt. or other authorities. Further, as informed to us, there are inventories lying with agents being third parties for which neither records are provided nor confirmation is obtained.	Not Material									
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>The year-wise age-wise analysis of pending legal/ arbitration cases may be referred at Annexure -'1'. The case-wise details providing the relevant summarized information in an Annexure of each division are available with the legal department.</p> <p>The reasons of pendency as stated by the management are as follows: When the dispute is between PSU's and Govt. bodies, the disputes are referred to Permanent Machinery of Arbitration established by DPE. These proceedings are before secretaries to the Government of India and the hearings are decided by the Arbitrator. Further, normal arbitrations wherein private parties are involved, the best efforts are made by pursuing the lawyer and repeated follow ups for speedy disposal within the limits of legal framework.</p> <p>As regards monitoring mechanism for expenditure on all legal cases (foreign and local), there is no documented mechanism except that the endeavour is made to keep costs limited to 10% of the suit value and in case of foreign cases, separate client care agreement is signed wherein rates are specified to keep costs in check.</p>	Presently, No impact as these are contingent liabilities duly disclosed in the financial statements.									

Sub-Directions under section 143(5) of the Companies Act, 2013 on the accounts of the Shipping Corporation of India Limited for the year 2014-15

Sl. No.	Directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	As per information given to us, the corporation has clear title/ lease deeds for freehold and leasehold land.	No impact
2	State the area of land under encroachment and briefly explain the steps taken by the company to remove encroachments.	As explained to us, there is no area of land under encroachment.	Not Applicable
3(i)	Whether the amount of (a) Bank balance, (b) trade receivables, (c) trade payables and (d) loans and advances for which third party confirmation was not made available has been reported?	The corporation has sent letters for balance confirmation of bank balances, trade receivables and trade payables. However, no confirmation has been sent for loans and advances. The third party confirmation available to us has been 51 numbers out of total number of confirmations being 557 sent to the parties.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of management.
(ii)	Where such balance has been confirmed by respective parties, whether it varies widely with the amounts reflected under respective heads in the financial statements, and if so, difference to be disclosed.	The balance confirmation received wherever varying with the amount as per the book is shown in Annexure-2.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of management.
4	Independent verification may be made, of information/ inputs furnished to Actuary, viz. Number of employees, average salary, retirement age, etc and assumptions made by the Actuary regarding the discount rate, future cost increase, mortality rate etc for arriving at the provision for liability of retirements benefits, viz. Gratuity, leave encashment, post retirement medical benefits, etc	The information / inputs furnished by the company to the actuary for valuation of the provision for liability of retirement benefits, i.e number of employees, average salary, retirement age etc. have been reviewed and the same are based on actual for the current year. The assumption made by the actuary for valuation of the liability of retirement benefits i.e., discount rate, morality rate, future cost increase are consistent over the period. The actuary has confirmed in its report that the liability of retirement benefits has been valued as per the provisions of Accounting Standard -15	No impact

For MKPS & Associates,
Chartered Accountants
Firm Regn. No. 302014E
CA Mahendra K Agrawala
Partner
Membership No. 51764
Mumbai, Dated the 21st May, 2015

For GMJ & Co.,
Chartered Accountants
Firm Regn. No. 103429W
CA Atul Jain
Partner
Membership No. 037097
Mumbai, Dated the 21st May, 2015

ANNEXURE- 1

Age-wise analysis of pending legal/arbitration cases

B & T			
Period	No of cases	By SCI	Against SCI
Less than1 year	1	Nil	9,000,000
1-3 years	4	15,300,000	38,900,000
3-5 years	2	46,132,368	3,100,000
5-10 years	4	13,267,330	60,773,525
10 years & above	3	32,122,637	182,119,378

L & PS			
Period	No of cases	By SCI	Against SCI
Less than1 year	-	Nil	Nil
1-3 years	2	9,969,893	3,479,748
3-5 years	2	Nil	17,012,454
5-10 years	4	284,498	144,270,204
10 years & above	34	Nil	119,558,217

T & OS			
Period	No of cases	BY SCI	Against SCI
Less than1 year	3	192,442,802	1,512,909,900
1-3 years	3	55,900,000	14,615,346
3-5 years	3	17,300,000	58,570,496
5-10 years	1	164,100,000	NIL
10 years & above	7	10,782,734	3,539,743

Chennai			
Period	No of cases	By SCI	Against SCI
Less than1 year	1	2,369,528	Nil
1-3 years	2	Nil	2,310,295
3-5 years	7	Nil	3,593,538
5-10 years	3	Nil	3,494,781
10 years & above	13	740,917	4,664,522

Delhi			
Period	No of cases	By SCI	Against SCI
Less than1 year	-	Nil	Nil
1-3 years	1	Nil	Nil
3-5 years	1	Nil	Nil
5-10 years	1	Nil	83,200
10 years & above	3	8,329,000	3,409,172

Finance			
Period	No of cases	By SCI	Against SCI
Less than1 year	4	270,600,000	Nil
1-3 years	9	715,900,000	Nil
3-5 years	3	57,400,000	Nil
5-10 years	1	164,000,000	Nil
10 years & above	2	15,500,000	Nil

P&A			
Period	No of cases	By SCI	Against SCI
Less than1 year	12.00	NA	5,283,762
1-3 years	9.00	NA	150,000
3-5 years	10.00	64,063,000	14,294,000
5-10 years	9.00	1,141,000	27,500,000
10 years & above	28.00	4,340,655	129,267,777

Kolkata			
Period	No of cases	By SCI	Against SCI
Less than1 year	Nil	Nil	Nil
1-3 years	4	Nil	65,075,000
3-5 years	Nil	Nil	Nil
5-10 years	13	6,000,000	7,265,500
10 years & above	74	42,020,603	110,253,636

- * Amount mentioned in Rupees
- * NA means not Ascertainable

ANNEXURE- 2

Balance confirmation received wherever varying with the amount as per the books.

G/L Account	Vendor Code	Vendor Name	Currency	Balance as per Vendor as on 31.12.2014/ 28.02.2015	Balance as per SCI as on 31.12.2014	Differences	Trade Payable/ Receivable
5000000000	201848	UME (LIFERAFT) PVT LTD.	INR	354,364.00	-	354,364.00	Trade payable
5000000000	201854	EMEC PVT. LTD.	INR	4,683,230.00	-	4,683,230.00	Trade payable
5000000000	201484	Sicagen	INR	484,831.00	-111,487.00	373,344.00	Trade payable
5000000000	201701	TRISHUL INDUSTRIES	INR	8,900,000.00	-1,904,143.55	6,995,856.45	Trade payable
5000000000	400570	INDIAN REGISTER OF SHIPPING	USD	722,105.68	-114,384.38	607,721.30	Trade payable
5000000000	400597	INDIAN REGISTER OF SHIPPING	USD	524,713.46	-206,736.44	317,977.02	Trade payable
5000000000	400821	INDIAN REGISTER OF SHIPPING	USD	84,033.00	-70,689.00	13,344.00	Trade payable
5000000000	101013	TRINAUTIC INTERNATIONAL PVT. LTD.	INR	7,481,956.00	-399,162.00	7,082,794.00	Trade payable
5000000000	200181	SHREE VENKATESH MARINE ENGINEERING	INR	22,395,369.00	-2,007,024.60	20,388,344.40	Trade payable
5000000000	202675	STAR HYDRAULICS PVT LTD.	INR	-	-32,883.00	-32,883.00	Trade payable
5000000000	1100827	KAMAL BASU & CO.	INR	1,864,318.00	-	1,864,318.00	Trade payable
5000000000	1100828	KAMAL BASU & CO.	INR	1,808,233.00	-90,023.00	1,718,210.00	Trade payable
5000000000	200759	SWIFT MARINE SERVICES	INR	3,858,918.00	-651,159.12	3,207,758.88	Trade payable
5000000000	201730	S.B.TEKNIK	INR	3,478,324.00	-470,599.01	3,007,724.99	Trade payable
5000000000	201631	C-MET ENGINEERING INDIA PVT LTD.	INR	10,811,426.50	-3,223,069.25	7,588,357.25	Trade payable
5000000000	100012	PENTA ELECTROMECC PVT LTD.	INR	7,318,876.00	-197,355.46	7,121,520.54	Trade payable
5000000000	200750	MARINE ELECTRICAL & REFRIGERATION	INR	27,931,045.00	-2,126,573.73	25,804,471.27	Trade payable
5000000000	100262	SAMARTH ENGINEERING	INR	1,500,200.00	-171,747.00	1,328,453.00	Trade payable
5000000000	201618	ASHAPURA MARINETECH INTERNATIONAL	INR	118,772.00	-8,047.00	110,725.00	Trade payable
5000000000	400023	METRO-MAC MARINE AUTOMATION	AED	286,820.00	-36,450.00	250,370.00	Trade payable
			USD	37,287.00	-	37,287.00	Trade payable
5000000000	201632	COMPASS MARINE ENTERPRISE	INR	185,279.00	-22,683.63	162,595.37	Trade payable
5000000000	201682	SATELLITE SERVICES BOMBAY	INR	1,325,458.00	-537,961.00	787,497.00	Trade payable
5000000000	200767	DOLPHIN SAFETY SERVICES	INR	454,899.00	-404,742.00	50,157.00	Trade payable
5000000000	200763	THE ORIENT ENGINEERING & SHIP REPA	INR	16,420,805.00	-170,111.60	16,250,693.40	Trade payable
5000000000	201701	TRISHUL INDUSTRIES	INR	11,000,000.00	-1,904,143.55	9,095,856.45	Trade payable
5000000000	200849	FRICONS	INR	1,991,553.00	-261,012.24	1,730,540.76	Trade payable
5000000000	201685	SEA-HOOK ENGINEERING WORKS	INR	697,385.00	-86,948.00	610,437.00	Trade payable
5000000000	201684	SEA BREEZE MARINE ENGINEERS AND	INR	1,580,237.00	-522,031.00	1,058,206.00	Trade payable
5000000000	600044	KIRTON & CO LTD.	EUR	254.39	3,422.92	3,677.31	Trade payable
5000000000	600039	ISS-MCKAY LTD.	USD	-9,075.77	15,320.73	6,244.96	Trade payable
5000000000	600022	EURO SHIPPING SERVICES	USD	134,082.05	-130,754.74	3,327.31	Trade payable
5000000000	600058	OY FENNOSCANDIA CHARTERING AB	EUR	17,035.80	-12,040.98	4,994.82	Trade payable
5000000000	600242	VOSA SAIGON	USD	3,258.19	4,518.64	7,776.83	Trade payable
2100000000	100003385	MERCATOR LTD.	INR	3,047,844.00	3,950,700.00	902,856.00	Trade Receivable
5000000000	600044	KIRTON & CO LTD.	EUR	254.39	3,422.92	3,677.31	Trade payable
5000000000	600039	ISS-MCKAY LTD.	USD	-9,075.77	15,320.73	6,244.96	Trade payable
5000000000	600022	EURO SHIPPING SERVICES	USD	134,082.05	-130,754.74	3,327.31	Trade payable
5000000000	600058	OY FENNOSCANDIA CHARTERING AB	EUR	17,035.80	-12,040.98	4,994.82	Trade payable
5000000000	600242	VOSA SAIGON	USD	3,258.19	4,518.64	7,776.83	Trade payable

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE SHIPPING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of the Shipping Corporation of India Limited for the year ended 31st March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 21st May, 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of the Shipping Corporation of India Limited for the year ended 31st March, 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

For and on behalf of the
Comptroller and Auditor General of India

(Roop Rashi)

Place: Mumbai
Date: 16th July, 2015

Principal Director of Commercial Audit and
Ex- Officio Member, Audit Board – I, Mumbai



The Shipping Corporation of India Limited

Balance Sheet as at 31st March 2015

Particulars	Note No.	As at 31st March, 2015 ₹ In lakhs	As at 31st March, 2014 ₹ In lakhs
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds:			
(a) Share Capital	1	46580	46580
(b) Reserves and Surplus	2	606780	587402
(2) Non-current liabilities			
(a) Long-term borrowings	3	556994	657074
(b) Other Long-term Liabilities	4	41	36
(c) Long-term provisions	5	13797	12427
(3) Current liabilities			
(a) Short term Borrowings	6	3500	58454
(b) Trade payables	7	125742	131931
(c) Other current Liabilities	8	162797	154519
(d) Short-term provisions	9	4257	4731
TOTAL		1520488	1653154
II ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible assets	10	1143237	1191115
(ii) Intangible assets	11	1209	2358
(iii) Capital work-in-progress	12	49093	6288
(b) Non-current investments	13	1306	1306
(c) Long-term loans and advances	14	44472	159134
(d) Other Non Current Assets	15	1215	446
(2) Current assets			
(a) Current investments	16	7708	10043
(b) Inventories	17	9193	19045
(c) Trade receivables	18	78782	105999
(d) Cash and Bank Balances	19	125616	101893
(e) Short-term loans and advances	20	48406	39938
(f) Other current assets	21	10251	15589
TOTAL		1520488	1653154

The accompanying Significant Accounting Policies & Note No. 1 to 44 are an integral part of the financial statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For **MKPS & Associates,**
Chartered Accountants
FR. No. 302014E
CA Mahendra K Agrawala
Partner
Membership No. 51764

For **GMJ & Co.,**
Chartered Accountants
FR. No. 103429W
CA Atul Jain
Partner
Membership No. 037097

A. K. Gupta
Chairman & Managing
Director

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 21st May, 2015

Mumbai, Dated the 21st May, 2015

The Shipping Corporation of India Limited

Statement of Profit & Loss for the Year Ended 31st March, 2015



Particulars	Note No.	Year ended	Year ended
		31st March, 2015 ₹ In lakhs	31st March, 2014 ₹ In lakhs
I. Revenue from operations	22	415375	415517
II. Other Operating Revenue	23	3269	7663
III. Other Income	24	40117	30720
IV. Total Revenue		458761	453900
V Expenses:			
Cost of Services Rendered	25	279416	311234
Employees Benefit Expense	26	41363	41106
Other expenses	27	14050	12158
Finance costs	28	17933	20606
Depreciation and Amortisation on :			
a) Tangible Assets	10	75768	84410
b) Intangible Assets	11	1247	1234
		77015	85644
Total expenses		429777	470748
VI. Profit/(Loss) before Prior Period, Exceptional and Extraordinary items and tax (IV-V)		28984	(16848)
VII. Income / (Expenses) pertaining to Prior Period (Net)	29	(1371)	(5291)
VIII. Profit (Loss) before Exceptional and Extraordinary items and tax (VI+VII)		27613	(22139)
IX. Exceptional items		-	-
X. Profit before Extraordinary items and tax (VIII-IX)		27613	(22139)
XI. Extraordinary items		-	-
XII Profit before Tax (X-XI)		27613	(22139)
XIII Tax expense:			
Current Tax	7520		6305
Excess Provision Written Back	-		(678)
Mat Credit adjusted			(300)
	-	7520	5327
XIV Profit/(Loss) for the year (XII-XIII)		20093	(27466)
XV Earnings per equity share of Face Value of ₹ 10 each:			
Basic & Diluted (including extraordinary items)		4.31	(5.90)
Basic & Diluted (excluding extraordinary items net of Tax)		4.31	(5.90)

The accompanying Significant Accounting Policies & Note No. 1 to 44 are an integral part of the financial statements.

As per our report of even date attached hereto.

For and on behalf of the Board of Directors,

For **MKPS & Associates**,
Chartered Accountants
FR. No. 302014E
CA Mahendra K Agrawala
Partner
Membership No. 51764

For **GMJ & Co.**,
Chartered Accountants
FR. No. 103429W
CA Atul Jain
Partner
Membership No. 037097

A. K. Gupta
Chairman & Managing
Director
Dipankar Haldar
ED (LA & Co. Sec)

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 21st May, 2015

Mumbai, Dated the 21st May, 2015

The Shipping Corporation of India Limited

Cash Flow Statement

Particulars	2014-15 ₹ in lakhs	2013-14 ₹ in lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax, extraordinary items & prior period adjustments	28984	(16848)
ADJUSTMENTS FOR :		
Depreciation	77015	85644
Interest Income	(14589)	(10329)
Interest Expense	17933	20606
Dividend Received	(672)	(520)
Surplus/Loss on sale of Fixed Assets (other than Ships)	(187)	(119)
Surplus on Sale of Ships	(12055)	(9927)
Provision for doubtful Debts & Advances (Net)	5221	1825
Debts & Advances written off	3	8
Provision for dimunition in value of investment	-	2720
Excess provisions written back	(544)	(3977)
Income from rescindment of contracts	(12400)	(2511)
	59725	83420
Operating profit before working capital changes	(i) 88709	66572
Adjustments for : Increase in working capital		
(a) Trade & other receivables	129132	(8212)
(b) Inventories	9852	(699)
(c) Trade payables	(8653)	39219
	130331	30308
Cash generated from operations	(ii) 219040	96880
Tax paid (Net of Refunds)	(7711)	(7768)
Cash flow before prior period adjustments	211329	89112
Prior period adjustments (Net)	(1371)	(5291)
Net Cash from Operating Activities	(A) 209958	83821
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / Acquisition of Fixed Assets (including Assets under construction)	(71592)	(113462)
Sale of Fixed Assets	12472	11073
Income from Investments	3593	3441
Interest Received	11832	7375
Sale / Purchase of Investments	2335	(2283)
Advances to Joint Venture Companies	3652	(5222)
Income from Rescindment of contracts	12400	2511
Net cash used in investing activities	(B) (25308)	(96567)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Loans Borrowed/Repaid	(142380)	9251



The Shipping Corporation of India Limited

Cash Flow Statement

Dividends Paid (Incl. Dividend Tax)		(5)	(1)
Interest Charges		(18395)	(20922)
Staff Welfare Activities (Net)		(48)	(43)
Corporate Social Responsibility Activities		(99)	(124)
Net cash flow from financing activities	(C)	(160927)	(11839)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C)	23723	(24585)
Cash & Cash Bank Balances at the beginning of the Year		101893	126478
Cash & Cash Bank Balances at the end of the Year		125616	101893
Closing Cash & Bank Balances includes :			
Cash & Cash equivalents		11269	29883
Other bank balances		114347	72010
Cash & Cash Bank Balances at the end of the Year		125616	101893

As per our report of even date attached hereto.

For **MKPS & Associates,**
Chartered Accountants
FR. No. 302014E
CA Mahendra K Agrawala
Partner
Membership No. 51764

For **GMJ & Co.,**
Chartered Accountants
FR. No. 103429W
CA Atul Jain
Partner
Membership No. 037097

Mumbai, Dated the 21st May, 2015

For and on behalf of the Board of Directors,

A. K. Gupta
Chairman & Managing
Director
Dipankar Haldar
ED (LA & Co. Sec)

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 21st May, 2015



Notes on Financial Statements

for the year ended 31st March, 2015

Note "1" - Share Capital

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
A Authorised:		
1,00,00,00,000 Equity Shares of ₹ 10 each (Prev.Yr. 1,00,00,00,000 Equity Shares of ₹ 10 each)	100000	100000
B Issued, Subscribed and Paid Up:		
46,57,99,010 Equity Shares of ₹ 10 each fully paid up (Prev. Yr. 46,57,99,010 Equity Shares of ₹ 10 each fully paid up)	46580	46580
TOTAL	46580	46580

C Reconciliation of Equity Shares

	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of shares	Amount in ₹ lakhs	No. of shares	Amount in ₹ lakhs
Opening Balance	465799010	4657990100	465799010	4657990100
Add : Bonus Shares Issued during the Year	-	-	-	-
Less : Shares bought back	-	-	-	-
Closing Balance	465799010	4657990100	465799010	4657990100

D Details of shareholders holding more than 5% shares

S. No.	Name of Shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
		No of shares held	% of Holding	No of shares held	% of Holding
1	President of India	296939920	63.75	296939920	63.75
2	Life Insurance Corporation of India	65796899	14.13	65801520	14.13

Rights/Preference/Restriction attached to Equity Shares

The Company has only one class of Equity Shares having par value of ₹ 10. Each shareholder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential allotment in proportion to their shareholding. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Company is a stand alone company and does not have any holding company.

NOTE "2" - Reserves & Surplus

Particulars	Note No.	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1. Capital Reserve :			
As per last Balance Sheet		14298	14298
Add : Transfer from Appropriation		-	-
		14298	14298
2. Securities Premium Account :			
As per last Balance Sheet		52177	52177
Less: Share Issue Expenses		-	-
		52177	52177
3. General Reserve :			
As per last Balance Sheet		403982	403982
Add : Transferred from Special Reserve Utilised		-	-
		403982	403982

Notes on Financial Statements

for the year ended 31st March, 2015

Particulars	Note No.		As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
4. Tonnage Tax Reserve				
As per last Balance Sheet	A	-		-
Add: Transferred from Appropriation		50	50	-
5. Tonnage Tax Reserve (Utilised)	B			
As per last Balance Sheet		138900		138900
Add : Transfer from Tonnage Tax Reserve		-		-
			138900	138900
6. Corporate Social Responsibility Reserve	C			
As per last Balance Sheet		803		927
Add: Transferred from Appropriation		-		-
Less : Amount utilised		99		124
			704	803
7. Staff Welfare Fund	D			
As per last Balance Sheet		88		131
Add: Transferred from Appropriation/Profit & Loss		117		50
Add: Interest earned		14		14
Less : Amount utilised		78		107
			141	88
8. Balance in Statement of Profit and Loss				
Balance Bought Forward from Last Year		(22846)		4620
Add: Profit/(Loss) for the Year		20093		(27466)
Less: APPROPRIATIONS:				
Capital Reserve		-		-
Corporate Social Responsibility Reserve		-		-
Depreciation Adjustment (Refer Note No.38)		568		
Tonnage Tax Reserve		50		
Staff Welfare Fund		101		-
Balance carried forward			(3472)	(22846)
			606780	587402

Notes:

A. Tonnage Tax Reserve:

This reserve is a statutory reserve as per requirement of section 115VT of the Income Tax Act, 1961 for the purpose of complying with the conditions for applicability of tonnage tax scheme

B. Tonnage Tax Reserve (Utilised):

Tonnage tax reserve being Statutory Reserve, as per requirement of section 115VT of the Income Tax Act, 1961 which has been utilised but awaiting transfer to General Reserve

C. Corporate Social Responsibility Reserve:

Reserve created as per the corporate social responsibility policy of the company. It is created for contribution to betterment of society and environment

D. Staff Welfare Fund:

This is a fund created for the welfare activities of the employees

Notes on Financial Statements

for the year ended 31st March, 2015

NOTE "3" - Long-Term Borrowings

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Non-Current ₹ In lakhs	Current* ₹ In lakhs	Non-Current ₹ In lakhs	Current* ₹ In lakhs
Secured Term Loans				
From Banks				
In INR	A	2575	1729	4306
In Foreign currency	B	554419	121093	652768
TOTAL	C	556994	122821	657074

A) Secured by Fleet having Net block of ₹ 11867 lakhs (Prev. Yr. ₹ 12664 lakhs)

B) Secured by Fleet having Net block of ₹ 1080248 lakhs (Prev. Yr. ₹ 1121838 lakhs)

Secured by Vessel under construction ₹ Nil (Prev. Yr. ₹ 67121 lakhs)

C) Maturity Profile

	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	122821	117385	115021	201767

* Represents current maturities of Long term Borrowings included in "Other Current Liabilities"

NOTE "4" - Other Long term Liabilities

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Security Deposits	41	36
TOTAL	41	36

NOTE "5" - Long Term Provisions

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Leave Encashment	4372	4312
2 Post Retirement Medical Scheme*	3784	3328
3 Pension	5641	4787
TOTAL	13797	12427

Long term provision	As at 31 st March 2014	Provided during the year	Utilised during the year	Amount reversed	As at 31 st March 2015
Leave Encashment Liability	4312	60	-	-	4372
Post Retirement Medical Scheme*	3328	456	-	-	3784
Pension	4787	854	-	-	5641
	12427	1370	-	-	13797

* This includes ₹ 1880 lakhs (Prev. yr. ₹ 1596 lakhs) being provision made for new Post Retirement Medical Scheme (w.e.f 01.01.2007) which is a Defined Contribution Plan.

NOTE "6" - Short-Term Borrowings

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Secured Loans*		
- from Banks repayable on demand	3500	32814
Unsecured Loans		
-from Banks repayable on demand	-	25640
TOTAL	3500	58454

*Secured against term deposit with the bank.

NOTE "7" - Trade Payables

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Trade Payables		
i) Dues of Micro & Small Enterprises	547	170
ii) Others	125195	131761
TOTAL	125742	131931
Disclosure under Micro, Small & Medium Enterprises Development Act, 2006 (The Act)		
Principal amount remaining unpaid to suppliers at the end of the period	547	170
Interest accrued and due to suppliers on the above amount	Nil	Nil
Payment made to suppliers (other than interest) beyond the appointed day, during the period	Nil	Nil
Interest paid to suppliers under the Act, (Other than Section 16)	Nil	Nil
Interest paid to suppliers under the Act, (Section 16)	Nil	Nil
Interest due and payable to suppliers under the Act, for payments already made	Nil	Nil
Interest accrued and remaining unpaid at the year end.	Nil	Nil

The information has been given in respect of such vendors to the extent they could be identified as Micro & Small enterprises on the basis of information available with the Company.

NOTE "8" - Other Current Liabilities

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Current maturities of long-term debt	122821	110167
2 Interest accrued but not due on borrowings	2897	3359
3 Unfinished Voyages	4266	7794
4 Investor Education & Protection Fund to be credited on the due dates :		
- Unpaid Dividend	53	58

Notes on Financial Statements

for the year ended 31st March, 2015

5	Advances and Deposits		3602	5060
6	Security Deposits		884	916
7	Subsidy for Myanmar Service		159	-
8	Other Liabilities			
	-Employee related	8733		5981
	-Statutory Liabilities	883		3461
	-Payable to Related Parties	16178		15511
	-Others	2321		2212
			28115	27165
	TOTAL		162797	154519

NOTE "9" - Short Term Provisions

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Employee Benefits	812	718
2 Foreign Taxation	1440	1440
3 Insurance & cargo claims	829	983
4 Losses on unfinished voyage*	-	70
5 Offhire claims	1176	1520
TOTAL	4257	4731

*Represents estimated loss on unfinished voyage recognised in accounts.

Short term provision	As at 31 st March 2014	Provided during the year	Utilised during the year	Amount reversed	As at 31 st March 2015
Employee Benefits	718	1352	1258	-	812
Foreign Taxation	1440	-	-	-	1440
Insurance & cargo claims	983	120	118	156	829
Losses on unfinished voyage	70	-	-	70	-
Offhire claims	1520	256	516	84	1176
	4731	1728	1892	310	4257

NOTE "10" - Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31-3-14	Additional	Deductions/ Adjustments	Cost as at 31-3-15	up to 31-3-14	Provided during the year	Deductions/ Adjustments	up to 31-3-15	As at 31-3-15	As at 31-3-14
Fleet	1,728,768	28,316	46,305	1,710,779	540,128	75,911	46,282	569,757	1,141,022	1,188,640
Ownership Containers	3,332	-	1,118	2,214	3,044	250	1,080	2,214	-	288
Freehold Land	271	-	-	271	-	-	-	-	271	271
Buildings	1,313	-	-	1,313	866	(290)	-	576	737	447
Ownership Flats and Residential Buildings	318	-	-	318	252	(75)	-	177	141	66

Notes on Financial Statements

for the year ended 31st March, 2015

NOTE "10" - Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31-3-14	Additional	Deductions/ Adjustments	Cost as at 31-3-15	up to 31-3-14	Provided during the year	Deductions/ Adjustments	up to 31-3-15	As at 31-3-15	As at 31-3-14
Furniture, Fittings & Equipments etc.	7,213	215	56	7,372	5,859	541	55	6,345	1,027	1,354
Motor Vehicles	92	-	-	92	84	-	-	84	8	8
Assets held for disposal	414	158	152	420	373	-	(16)	389	31	41
Total	1,741,721	28,689	47,631	1,722,779	550,606	76,337	47,401	579,542	1,143,237	1,191,115
Previous Year's Total	1,651,483	126,092	35,854	1,741,721	500,785	84,410	34,589	550,606	1,191,115	

Notes :

- (1) Additions to Fleet include ₹ 28260 lakhs (Prev. yr. ₹ 80082 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy No. 7(d)
- (2) Borrowing cost and Interest capitalised during the year is ₹ Nil (Prev. yr. ₹ 430 lakhs).
- (3) Buildings include cost of Shipping House at Mumbai ₹ 134 lakhs (Prev. yr. ₹ 134 lakhs) which is on leasehold land wherein the value of lease is considered as ₹ 1.
- (4) Ownership Flats and Residential Buildings include : Cost of shares and bonds in Co-operative Societies/Company of face value ₹ 0.73 lakhs (Prev. yr. ₹ 0.73 lakhs).
- (5) Depreciation for the year consists of ₹ 75768 lakhs charged to profit & loss and ₹ 568 lakhs charged to "Reserves & Surplus" (Refer Note No. 38)

NOTE "11" - Intangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31-3-14	Additional	Deductions/ Adjustments	Cost as at 31-3-15	up to 31-3-14	Provided during the year	Deductions/ Adjustments	up to 31-3-15	As at 31-3-15	As at 31-3-14
Computer Software	6,909	98	-	7,007	4,551	1,247	-	5,798	1,209	2,358
Total	6,909	98	-	7,007	4,551	1,247	-	5,798	1,209	2,358
Previous Year's Total	6,644	265	-	6,909	3,317	1,234	-	4,551	2,358	

NOTE "12" - Capital Work in Progress

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Construction Work in Progress - Fixed Assets		
Assets under Construction excluding advance	43125	372
2 Construction Period Expenses :		
a. Interest	2105	1248
b. Other directly attributable expenses	80	382
c. Exchange fluctuation	3783	4286
	5968	5916
Total	49093	6288

Borrowing cost and Interest capitalised during the year is ₹ 820 lakhs

Notes on Financial Statements

for the year ended 31st March, 2015

Note "13" - Non - Current Investments

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Trade Investments		
Investments in Equity Instruments		
Unquoted		
a In Joint Venture		
2908 (Prev. yr 2908) Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No. 1) Ltd.*	3	3
2908 (Prev.yr. 2908) Ordinary Shares of 2.33 Euro each fully paid of India LNG Transport Company (No.2) Ltd.*	3	3
2600 (Prev.yr. 2600) Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 3) Ltd. *	1	1
1,00,000 (Prev. yr. 1,00,000) Shares of ₹ 10 each of SAIL SCI Shipping Company Pvt. Ltd.	10	10
2107352 (Prev. Yr. 2107352) Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.*	1289	1289
	1306	1306
b Others		
5,00,00,000 (Prev. yr. 5,00,00,000) Ordinary Shares of ₹ 10 each fully paid of Sethusamudram Corp. Ltd.	5000	5000
Less: Provision for dimunition in value of investment	5000	5000
	-	-
3438 Equity Shares of ₹ 20/- each of Scindia Steam Navigation Company Ltd., Fully paid (₹ 0.30 lakhs ; Prev. yr. ₹ 0.30 lakhs)	-	-
"Less : Loss on Marked to Market (₹ Nil , Prev. yr. ₹ Nil)"	-	-
	-	-
	-	-
Total	1306	1306
Total unquoted investments	1306	1306
Total dimunition on unquoted investments	5000	5000

* The shares are pledged to banks against loans given by them to joint venture companies.

A The Company entered into a joint venture agreement with Steel Authority of India Ltd. with participation interest in the ratio of 50:50 and promoted a jointly controlled entity SAIL SCI Shipping Pvt. Ltd. (SSSPL). The said company was incorporated on 19.05.2010 with an authorised share capital of ₹ 1000 lakhs. The Company has subscribed equity capital of 100000 shares of ₹ 10 each amounting to ₹ 10 lakhs.

B Sethusamudram Corporation Ltd. (SCL), a Special Purpose Vehicle was incorporated on 06.12.2004 for developing the Sethusamudram Channel Project with Tuticorin Port Trust, Ennore Port Ltd, Visakhapatnam Port trust, Chennai Port Trust, Dredging Corporation of India Ltd., Shipping Corporation of India Ltd. and Paradip Port Trust as the shareholders. SCI participated with an investment of ₹ 5000 lakhs (previous year ₹ 5000 lakhs). The dredging work is suspended from 17.09.2009 consequent upon the direction of the Hon'ble Supreme Court of India. As there is no progress in the project since then, the Management had provided for dimunition towards the investment in FY 2012 - 13.

Notes on Financial Statements

for the year ended 31st March, 2015

- C India LNG Transport Companies No. 1 & 2 Ltd. are two joint venture companies promoted by the Corporation and three Japanese companies viz. M/S Mitsui O.S.K. Lines Ltd. (MOL), M/S Nippon Yusen Kabushiki Kaisha Ltd (NYK Lines) and M/S Kawasaki Kisen Kaisha Ltd (K Line) along with M/S Qatar Shipping Company (Q Ship), Qatar. SCI and MOL are the largest shareholders, each holding 29.08% shares while NYK Line 17.89%, K Line 8.95% & Q Ship holds 15% respectively. The Shares held by the Corporation and other partners in the two joint venture Companies have been pledged against loans provided by lender banks to these companies. India LNG Transport Company No.1 Ltd owns and operates one LNG tanker SS Disha and India LNG Transport Company No. 2 Ltd owns and operates one LNG Tanker SS Raahi. The entire operation and management of the two companies was taken over by SCI from 1st January 2009.
- D India LNG Transport Company No. 3 Ltd. is the 3rd joint venture company which owns and operates one LNG tanker MT Aseem. The company is promoted by the Corporation and its three Japanese partners viz. MOL, NYK Lines, K Line along with M/S Qatar Gas Transport Company (QGTC) and M/s Petronet LNG Limited (PLL) who are the other partners. SCI and MOL are the largest shareholders with 26% share each, while NYK, K Line, QGTC and PLL hold 16.67%, 8.33%, 20% and 3% respectively. The Shares held by the Corporation and other partners in the joint venture company have been pledged against loans provided by lender banks to these companies. The entire operation and management of the company was taken over by SCI from April 2013.
- E India LNG Transport Company No. 4 Ltd. is a Joint Venture Company incorporated in Singapore in November 2013 and is promoted by the Corporation with its three Japanese partners viz MOL, NYK and K Line. SCI, NYK, MOL are holding 26% share each, while the balance 22% is with K Line. The company will construct, own and operate one LNG tanker of about 173,000 CBM and would be under a 19-year Time Charter Agreement with charterers M/s Petronet LNG Limited. The tanker will be delivered in September 2016 and will be operating from Barrow Islands, Australia to Kochi, India.

NOTE "14" - Long term Loans & Advances

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Unsecured, Considered Good (unless otherwise stated)		
1 Advance for Capital Expenditure	-	64803
2 Loans & Advances to Related Parties (Refer Note No.31)	29088	32740
3 Other Loans & Advances		
Loans to Employees (Of this Loan ₹ 953 lakhs is secured)	1462	1250
Excess - Gratuity Fund	5578	5804
Others*	8344	54537
TOTAL	44472	159134

*Others include amount of ₹ 8344 lakhs due from vendor towards rescindment of shipbuilding contracts against which arbitration proceedings are pending (Refer Note no. 42)

NOTE "15" - Other Non Current Assets

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
*Accrued interest on loans to employees	448	446
(Secured, considered good)		
Deposits - Unsecured	767	-
TOTAL	1215	446

*Includes due from Directors - Nil (Prev. Yr. Nil)

Notes on Financial Statements

for the year ended 31st March, 2015

Note "16" - Current Investments

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
A Investments in Mutual Funds		
Unquoted - valued at Net Asset Value		
7,64,343.203 Units of UTI Money Market Fund - Institutional Plan - Direct Plan - Daily Dividend Reinvestment	7669	-
299351.439 Units of BOI AXA Liquid Fund Direct Plan - Daily Dividend	-	3004
	7669	3004
B Joint Venture Investment in Equity Instruments		
Unquoted - valued at cost		
46,060,000 (Prev. Yr.46,060,000) Registered Shares of Rials 5,000 each of Irano Hind Shipping Co. Ltd.,Tehran, Fully paid (including 46,053,385 Bonus Shares)*	39	39
295,029 (Prev. yr. 295,029) shares of 1 USD each fully paid of ISI Maritime Ltd. (Shares are received as a gift from Irano-Hind Shipping Co. Ltd.)	-	-
500 (Prev.yr.500) shares of ₹10 each fully paid up of Jaladhi Shipping Services Pvt. Ltd. (Shares are received as gift from Irano-Hind Shipping Co. (P.J.S)	-	-
0 (Prev. yr. 8,00,00,000) ordinary Shares of ₹10 each fully paid up of SCI Forbes Ltd.	-	8000
Less: Provision for dimunition in value of investment	-	4051
	-	3949
C Joint Venture Investment in Preference shares	39	3988
Unquoted - valued at cost		
Nil (Prev. yr. 6,18,00,000) 0% Redeemable Preference Shares of ₹ 10 each fully paid up of SCI Forbes Ltd.	-	6180
Less: Provision for dimunition in value of investment	-	3129
	-	3051
TOTAL	7708	10043
Total Quoted investments	-	-
Total Unquoted investments	7708	10043
Total Dimunition in value of investments	-	7180

* 30 Shares are held in the name of SCI Directors and are with Irano Hind Shipping Co. Ltd,Tehran

- i The Company holds 49% interest in Irano Hind Shipping Co. Ltd. a joint venture company incorporated in Iran on which sanction has been imposed by United Nations Organisation (UN). The exposure of the Company in the Joint Venture is limited to ₹ 39 lakhs towards investment. It has been decided by the joint venture partners to dissolve this company.
- ii SCI Forbes Ltd. is a joint venture between SCI, Forbes & Co. & Sterling Investment Pvt. Ltd where SCI has a 50% shareholding. The Management has sold its entire stake in the joint venture company to other joint venture partner on 2nd July, 2014

Notes on Financial Statements

for the year ended 31st March, 2015

NOTE "17" - Inventories

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Fuel Oil	8646	18783
Stores, Spares	547	262
TOTAL	9193	19045

Inventories are valued at cost as determined by "Moving Average Price" method or net realisable value whichever is lower unless otherwise stated.

NOTE "18" - Trade Receivables

Particulars		As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Over Six Months:			
i) Unsecured, Considered Good	25586		24262
ii) Unsecured, Considered Doubtful	14511		9583
	40097		33845
Less : Provision for Doubtful Receivables	14511		9583
		25586	24262
2 Other Debts :			
i) Unsecured, Considered Good	53196		81737
ii) Unsecured, Considered Doubtful	-		-
	53196		81737
Less : Provision for Doubtful Receivables	-		-
		53196	81737
TOTAL		78782	105999

NOTE "19" - Cash & Bank Balances

Particulars		As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
A CASH AND CASH EQUIVALENT			
1 Bank Balances			
Current Account	9732		17153
Inter Bank Transfers	1		-
Term Deposit maturing within 3 months	1513		12704
		11246	29857
2 Cash Balances, Including Imprest		9	12
3 Margin Money for Bank Guarantee		14	14
B OTHER BANK BALANCES			
1 Term Deposit maturing within 12 months		103891	60322
2 Term Deposit maturing after 12 months		10285	11485

Notes on Financial Statements

for the year ended 31st March, 2015

3	Earmarked Balance with Bank towards unpaid dividend		53	58
4	Staff Welfare Fund Balances			
	In Saving Bank Account (Prev. Yr. ₹ 0.07 lakhs)	-		-
	In Fixed deposit Account	118		145
			118	145
	TOTAL		125616	101893

Fixed deposit amounting to ₹ 25439 lakhs are pledged with banks for Borrowings

NOTE "20" - Short term Loans & Advances

Particulars		As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Advance recoverable in cash or in kind or for value to be received:			
a) From Related Parties (Refer Note no.31 for details)*			
Interest Receivable (Unsecured, Considered Good)		15	-
b) From Employees			
i) Secured, Considered Good	263		358
ii) Unsecured, Considered Good	78		305
		341	663
c) From Other			
ii) Unsecured, Considered Good	35797		28677
lii) Unsecured, Considered Doubtful	1339		1381
	37136		30058
Less : Provision for Doubtful Advances	1339		1381
		35797	28677
2 Balance with Customs, Port Trust and Excise Authorities:			
Unsecured, Considered Good		528	1250
3 Other recoverable / adjustable			
Unsecured, Considered Good			
a) CENVAT Credit on Service Tax / VAT etc	4503		2147
b) Prepaid Expenses	312		424
c) Others	12		14
		4827	2585
4 Advance Tax (net)		6849	6658
5 MAT Credit			
Opening	-		-
Add : Credit during the year	-		300
Less : MAT Credit Availed	-		300
		-	-
6 Sundry Deposits			
Unsecured, Considered Good		49	105
TOTAL		48406	39938

*Includes due from Directors - Nil Prev. Yr. Nil

Notes on Financial Statements

for the year ended 31st March, 2015

NOTE "21" - Other Current Assets

Particulars		As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
1 Interest Accrued on Investments/ Bank Deposits		2076	2251
2 Interest Accrued on Loans to employees	A	90	81
3 Unfinished Voyages Expenses		6515	10924
4 Claim Recoverable		1570	2333
	TOTAL	10251	15589

A Includes due from Directors -Nil lakhs Prev. Yr. ₹ 0.11 lakhs

NOTE "22" - Revenue from Operations

Particulars		Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
Freight		279365	287249
Charter Hire		109013	101527
Demurrage		18913	19226
Contract Revenue:			
Core shipping Activities	463		490
Incidental Activities	4079		4035
Reimbursement of Overheads	3542		2990
		8084	7515
	TOTAL	415375	415517

NOTE "23" - Other Operating Revenues

Particulars		Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
Training & Consultancy fee		1237	1008
Sundry Receipts (Core)		188	112
Sundry Receipts (Incidental)		63	479
Excess Provisions & Unclaimed Credit Written Back		544	3977
Recovery of Insurance & PI Claims		1237	2087
	TOTAL	3269	7663

NOTE "24" - Other Income

Particulars		Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
1 Profit on Sale of Fixed Assets			
a) Sale of Ships (Net)	12055		9927
b) Sale of Other Fixed Assets	187		119
		12242	10046
2 Interest on :			
a) Fixed Deposits with Banks	9362		7234

Notes on Financial Statements

for the year ended 31st March, 2015

b) From Related Parties - Joint Venture (Refer Note no.31)	2867	2921
c) Loans to Employees	64	60
d) Others	2296	114
	14589	10329
3 Dividend From Mutual Fund	672	520
4 Profit on Sale of Investments	-	14
5 Other Miscellaneous Income	57	41
6 Net gain on Foreign Currency Transaction / Translation	-	7062
7 Income from Rescindment of Contracts	12400	2511
8 Profit on sale of bunker	157	197
TOTAL	40117	30720

NOTE "25" - Cost of Services Rendered

Particulars	Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
Direct Operating Expenses :		
Agency Fees	2183	2685
Brokerage	3613	3765
Commission	5713	6444
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net)	16418	25457
Marine, Light And Canal Dues	36066	39120
Fuel Oil (Net)	118420	141895
Water Charges	335	359
Hire Of Chartered Steamers	47372	38438
Other Indirect Operating Expenses		
Victualling, Transfer And Repatriation And Other Benefits	4730	5050
Stores & Spares	16926	18122
Sundry Steamer Expenses	1910	1961
Repairs And Maintenance and Survey Expenses	17264	19601
Insurance And Protection , Indemnity Club Fees & Insurance Franchise	8466	8337
TOTAL	279416	311234

NOTE "26" - Employees Benefit Expenses

Particulars	Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
A Floating staff		
Wages, Bonus And Other Expenses on Floating Staff	24959	26668
Gratuity	220	(458)
Contribution To Provident Fund	369	371

Notes on Financial Statements

for the year ended 31st March, 2015

B Shore Staff		
Salaries, Wages, Bonus etc	14729	13802
Contribution to Provident & Other Funds	831	820
Gratuity	75	(254)
c Remuneration to Directors	180	157
TOTAL	41363	41106

NOTE "27" - Other Expenses

Particulars	Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
Other Expenses		
Power & Fuel	520	582
Rent	224	520
Repairs and Maintenance	2273	2157
Insurance	136	101
Rates and Taxes	248	274
Auditors' Remuneration *	59	77
Establishment Charges	1652	1515
Advertisement & Publicity	161	258
Legal & professional	615	546
Postage, Telephone Telegram & Telex	128	150
Printing & stationery	182	149
Training, Seminar & Conference Fee	391	375
Travel & Conveyance	361	356
Directors' Sitting Fees	11	21
Directors' Travel Expenses	55	119
Net loss on Foreign Currency Transaction / Translation	1169	-
Debts / Advances written off	3	8
Interest and Penalties	51	169
Provisions		
Provision for Off Hire Etc.	574	438
Provision for Doubtful Debts and Advances	5221	1825
Foreign Taxation	86	135
Provision for loss on unfinished voyage**	(70)	(337)
Provision for dimunition in value of investment	-	2720
TOTAL	14050	12158
*Auditors' Remuneration includes:		
Audit Fees	26	27
Certification Work	17	25
Travelling & Out of Pocket Expenses	16	25
TOTAL	59	77

** Represents provision for expected losses on unfinished voyages. In FY 2013-14, a provision of ₹ 70 lakhs had been made which was reversed as the same has been adjusted in the current year. The provision for FY 2014-15 is Nil



Notes on Financial Statements

for the year ended 31st March, 2015

NOTE "28" - Finance Cost

Particulars	Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
1 Interest Payments on:		
Rupee Term Loan from Banks/Financial Institutions	422	912
Foreign Currency Term Loan from Banks/Financial Institutions	15462	17670
Others	1492	418
	17376	19000
2 Other Borrowing Cost	557	1606
TOTAL	17933	20606

NOTE "29" - Income/ Expenses relating to previous years

Particulars	Year ended 31 st March, 2015 ₹ In lakhs	Year ended 31 st March, 2014 ₹ In lakhs
Income:		
1 Currency Exchange Difference	-	47
2 Bunker Recovery	-	42
3 Charter Hire	(1640)	632
4 Freight	(291)	(37)
5 Demurrage	-	16
6 Recovery of container related cost	-	(396)
7 Remuneration from managed vessels	125	(91)
8 Foreign Tax Credit	-	242
9 Reimbursement of Overheads	-	2
10 Others	9	(53)
Total Income	(1797)	404
Expenditure:		
1 Stevedoring charges	(951)	1747
2 Brokerage & commission	45	295
3 Fuel oil	191	624
4 Wages, bonus & other exp on floating staff	-	40
5 Salaries -Shore staff	-	(15)
6 Charter hire payments	61	719
7 Sundry steamer charges	(124)	33
8 Currency Exchange Difference	133	271
9 Stores, Repairs and Maintenance	296	(77)
10 Marine,light & canal dues	69	(47)
11 Insurance & P&I	(203)	132
12 Demurrage	(161)	342
13 Service Tax/CENVAT	217	1512
14 Bank charges	-	95

Notes on Financial Statements

for the year ended 31st March, 2015

15 Establishment charges	31	-
16 Others	(30)	24
Total Expenses	(426)	5695
NET INCOME /(EXPENDITURE)	(1371)	(5291)

NOTE "30" - Contingent Liabilities & Commitments

Particulars	As at 31 st March, 2015 ₹ In lakhs	As at 31 st March, 2014 ₹ In lakhs
Contingent Liabilities and Commitments (to the extent not provided for)		
i Claim against the company not acknowledged as debts –		
A Claim made by M/s. Chokhani International Ltd. towards dry dock expenses pending before High Court, Chennai	4662	4443
B Cargo Loss, Freight, Demurrage, Slot Payments, Fuel Cost, other operational claims and Custom duty disputed demand. (As certified by the Management)	5083	5927
C Disputed demand of Statutory Dues (As certified by the Management)	18972	18518
a) Income Tax & Sales Tax	18970	18516
b) Service Tax	2	2
ii Guarantees given by the Banks		
on behalf of the Company	4745	4216
on behalf of the Joint Venture to the extent of the Company's share.	6735	6458
iii Undertaking cum Indemnity given by Company		
iv Cargo Claims covered by P&I Club	8396	346
v Bonds/Undertakings given by the Company to Customs Authorities.	25635	17677
vi Corporate Guarantees/Undertakings		
A In respect of Joint Ventures	Not Ascertained	Not Ascertained
B Others	5820	5457
Commitments:		
i. Estimated amount of contracts on capital account, remaining to be executed on capital account and hence not provided for (Net of Advance paid) (As certified by the Management)	68	114404
ii Uncalled liability on shares and other investments partly paid	-	-
iii Other commitments (As certified by Management)	-	-

NOTE "31" - Related Party Disclosures

Related Party disclosures, as required by AS -18 "Related Party Disclosures" are given below:
Names of related party entities with whom transactions were carried out during the period:

Joint Venture Companies:

1. Irano Hind Shipping Co. Ltd
2. India LNG Transport Co. (No. 1) Ltd.
3. India LNG Transport Co. (No. 2) Ltd.
4. India LNG Transport Co. (No. 3) Ltd.
5. India LNG Transport Co. (No. 4) Ltd.
6. SCI Forbes Ltd (till 02.07.2014)

Key Management Personnel:

1. Shri A. K. Gupta, CMD
2. Shri. J. N. Das (retired on 30.04.2014)
3. Shri B. K. Mandal (retired on 31.05.2014)
4. Shri. S. Thapar
5. Shri B. B. Sinha
6. Shri S. Narula (w.e.f. 01.05.2014)

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for the year ended 31st March, 2015

7. SAIL SCI Shipping Pvt. Ltd.

7. Shri Kelath Devadas(w.e.f. 23.09.2014)

8. Smt H. K. Joshi (w.e.f. 05.02.2015)

9. Shri A. V. Patel (from 01.06.2014 to 04.02.2015)

10. Shri Dipankar Haldar

The following transaction were carried out with Related Parties:

Nature of Transaction	Name of the Party	2014-15 (₹ In lakhs)	2013-14 (₹ In lakhs)
Investments made during the year	India LNG Transport Co. (No. 4) Ltd.	NIL	1289
	Total	NIL	1289
Interest Income	India LNG Transport Co. (No. 1) Ltd.	739	823
	India LNG Transport Co. (No. 2) Ltd.	698	779
	India LNG Transport Co. (No. 3) Ltd.	1324	1319
	India LNG Transport Co. (No. 4) Ltd.	106	-
	Total	2867	2921
Expenses reimbursed	India LNG Transport Co. (No. 1) Ltd.	43	25
	India LNG Transport Co. (No. 2) Ltd.	35	23
	India LNG Transport Co. (No. 3) Ltd.	44	14
	Total	122	62
Loans given during the year	India LNG Transport Co. (No. 4) Ltd.	-	1934
	Total	-	1934
Loans realised during the year	India LNG Transport Co. (No. 1) Ltd.	2099	13
	India LNG Transport Co. (No. 2) Ltd.	1976	12
	India LNG Transport Co. (No. 3) Ltd.	538	15
	India LNG Transport Co. (No. 4) Ltd.	1525	-
	SAIL SCI Shipping Pvt. Ltd.	38	-
	Total	6176	40
Loan balances at year end	Irano Hind Shipping Co. Ltd.	23	23
	India LNG Transport Co. (No. 1) Ltd.	6785	8433
	India LNG Transport Co. (No. 2) Ltd.	6389	7941
	India LNG Transport Co. (No. 3) Ltd.	15521	14406
	India LNG Transport Co. (No. 4) Ltd.	370	1899
	SAIL SCI Shipping Pvt. Ltd.	-	38
Total	29088	32740	
Interest Receivable at year end	India LNG Transport Co. (No. 1) Ltd.	2	-
	India LNG Transport Co. (No. 2) Ltd.	1	-
	India LNG Transport Co. (No. 3) Ltd.	4	-
	India LNG Transport Co. (No. 4) Ltd.	8	-
	Total	15	-
Interest amount compounded into principal	India LNG Transport Co. (No. 1) Ltd.	-	823
	India LNG Transport Co. (No. 2) Ltd.	-	775
	India LNG Transport Co. (No. 3) Ltd.	1322	-
	India LNG Transport Co. (No. 4) Ltd.	18	-
	Total	1340	1598

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for the year ended 31st March, 2015

	India LNG Transport Co. (No. 1) Ltd.	399	388
Management & Accounting Fees earned	India LNG Transport Co. (No. 2) Ltd.	399	388
	India LNG Transport Co. (No. 3) Ltd.	401	382
	Total	1199	1158
	India LNG Transport Co. (No. 1) Ltd.	12	12
Guarantee Fees received	India LNG Transport Co. (No. 2) Ltd.	12	12
	India LNG Transport Co. (No. 3) Ltd.	12	12
	India LNG Transport Co. (No. 4) Ltd.	20	NIL
	Total	56	36
Payable on account of Ship	Irano Hind Shipping Co. Ltd.	16178	15512
	Total	16178	15512

(II) Key Management Personnel	For the year ended	For the year ended
	31 st March, 2015 ₹ In lakhs	31 st March, 2014 ₹ In lakhs
1. Remuneration	221	157
2. Loans recovered during the period	0.11	1
3. Loan amounts due as at the end of the period	-	0.11
4. Maximum amount due during the period	0.11	1

NOTE "32" - Joint Venture Information

Details of Joint Venture, as required by AS-27 "Financial Reporting of Interests in Joint Ventures" are given below:

I) Details of Joint Venture Interest

Name	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.15 (As on 31.03.14)	Other Venturers Share 31.03.15 (As on 31.03.14)
1. Irano Hind Shipping Company Ltd.	Equity	Iran	49%(49%)	•IRISL 51.00% (51.00%)
2. India LNG Transport Company (No. 1) Ltd.	Equity	Malta	29.08%(29.08%)	•MOL 29.08% (29.08%), •NYK Lines 17.89%(17.89%), •K Line 8.95% (8.95%), •Qship 15.00% (15.00%)
3. India LNG Transport Company (No. 2) Ltd.	Equity	Malta	29.08%(29.08%)	•MOL 29.08% (29.08%), •NYK Lines 17.89%(17.89%), •K Line 8.95% (8.95%), •Qship 15.00% (15.00%)
4. India LNG Transport Company (No. 3) Ltd.	Equity	Malta	26.00%(26.00%)	•MOL 26.00% (26.00%), •NYK Lines 16.67%(16.67%), •K Line 8.33%(8.33%), •QGTC 20.00% (20.00%), •PLL 3.00% (3.00%)
5. India LNG Transport Company (No. 4) Ltd.	Equity	Singapore	26.00% (26.00%)	•MOL 26.00% (26.00%), •NYK Lines 26.00% (26.00%), •K Line 22.00% (22.00%)
6. SAIL SCI Shipping Pvt. Ltd.	Equity	India	50.00%(50.00%)	•SAIL 50.00%(50.00%)

* IRISL- Islamic Republic of Iran Shipping Line *MOL - Mitsui O.S.K.lines Ltd., *NYK Lines- Nippon Yusen Kabushiki Kaisha Ltd, *K Line- Kawasaki Kisen Kaisha Ltd *Q Ship - Qatar Shipping Company, *PLL - Petronet LNG Ltd., * Forbes - Forbes & Co. Ltd., *SICPL – Sterling Investments Corporation Pvt. Ltd. *SAIL - Steel Authority India Ltd. *QGTC-Qatar Gas Transport Company

II) Company's Interest in the Joint Venture

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Sr. No.	Name	As on	Assets (₹ In Lakhs)	Liabilities (₹ In lakhs)	For the period ended	Income (₹ In lakhs)	Expenditure (₹ In lakhs)
1	Irano Hind Shipping Company Ltd.	20-03-2014	50301	44674	20-03-2014	2794	12843
2	India LNG Transport Company (No. 1) Ltd.	31-12-2014	27863	26823	31-12-2014	4932	3700
3	India LNG Transport Company (No. 2) Ltd.	31-12-2014	29527	28839	31-12-2014	4521	3823
4	India LNG Transport Company (No. 3) Ltd.	31-12-2014	38477	45298	31-12-2014	4241	4854
5	India LNG Transport Company (No. 4) Ltd.*	Not available	Not available	Not available	Not available	Not available	Not available
6	SAIL SCI Shipping Pvt. Ltd. (Unaudited)	31-03-2015	7	0.14	31-03-2015	0.46	0.33

*As per Companies Act, Singapore India LNG Transport Company (No. 4) Ltd would be preparing its financials after 18 months of incorporation.

NOTE "33" - Earnings per share

Particulars	For the Year ended 31 st March, 2015 ₹ In lakhs	For the Year ended 31 st March, 2014 ₹ In lakhs
A Profit/(-) Loss after tax (₹ in lakhs)	20093	(-)27466
B Weighted average number of Equity Shares (Nos)	465799010	465799010
C Basic & Diluted Earnings per Share (in ₹) before Extraordinary Items	4.31	(-)5.90
D Basic & Diluted Earnings per Share (in ₹) after Extraordinary Items	4.31	(-)5.90
E Nominal Value per Equity Share (in ₹)	10.00	10.00

The Company does not have any outstanding diluted potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

NOTE "34" - Segment Reporting

Particulars	For the Year ended 31 st March, 2015 ₹ In lakhs	For the Year ended 31 st March, 2014 ₹ In lakhs
1 Segment Revenue		
i) Liner Segment	90374	93399
ii) Bulk Segment	304700	298877
iii) Technical and Offshore	34893	37507
iv) Others	1086	810
v) Unallocated	13120	12977
Total	444173	443570
2 Segment Results		
Profit/ (Loss) before tax & interest		
i) Liner Segment	3183	(19521)
ii) Bulk Segment	4952	(16476)
iii) Technical and Offshore	11128	14676

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iv) Others		720	481
Total		19983	(20840)
Add : Unallocated Income (Net of expenditure)		10973	9146
Add : Interest (Net)		(3343)	(10445)
Total Profit before Tax		27613	(22139)
3 Segment Assets			
i) Liner Segment		119430	207772
ii) Bulk Segment		1070695	1144769
iii) Technical and Offshore		168763	153581
iv) Others		731	645
Total		1359619	1506767
Unallocable Corporate Assets		160869	146387
Total		1520488	1653154
4 Segment Liabilities			
i) Liner Segment		98401	102230
ii) Bulk Segment		67965	83305
iii) Technical and Offshore		9465	16769
iv) Others		447	284
Total		176278	202588
Unallocable Corporate Liabilities		690850	816584
Total		867128	1019172
5 Capital Expenditure during the year			
i) Liner Segment		1032	2933
ii) Bulk Segment		23550	97701
iii) Technical and Offshore		3734	24768
iv) Unallocated		312	723
Total		28628	126125
6 Depreciation			
i) Liner Segment		2841	5868
ii) Bulk Segment		67296	72991
iii) Technical and Offshore		6879	6785
Total		77016	85644
7 Provisions			
i) Liner Segment		4396	117
ii) Bulk Segment		1248	1387
iii) Technical and Offshore		110	121
iv) Unallocated		58	3156
Total		5812	4781

Notes:-

- Segment definitions - Liner segment includes breakbulk, container transport, passenger vessels and also passenger vessels & research vessels managed on behalf of other organisations. Bulk segment includes tankers (both crude and product), dry bulk carriers, gas carriers, phosphoric acid carriers and LNG vessels managed on behalf of joint venture companies. Technical & Offshore services segment include company owned offshore vessels, offshore vessels managed on behalf of other organisations and income from technical consultancy. Others segment include income earned from Maritime Training Institute. Unallocable

Notes on Financial Statements

for the year ended 31st March, 2015

items and interest income/expenses are disclosed separately.

2. All expense & revenue items are allocated vessel wise wherever possible. Expense & revenue items that cannot be allocated vessel wise are allocated on the basis of unit cum GRT method i.e. 50% allocated on the basis of units & balance 50% on the basis of adjusted GRT. For vessels which are bigger than 20000 GRT, GRT is adjusted to one third of GRT or 20000 GRT, whichever is more.

NOTE “35” - Disclosures of Employee benefits as per Accounting Standard-15 “Employees benefits”, as defined there in, are given below:

A Description of type of employee benefits

- a) The Company offers to its employee’s defined benefits plans in the form of Gratuity, leave encashment and post retirement Medical Scheme

The details under the plan are as follows:

i.	Gratuity	a) Represents benefits to employee on the basis of number of years of service rendered by employee. The employee is entitled to receive the same on retirement or resignation. b) SCI has formed a trust for gratuity which is funded by the Company on a regular basis. The assets of the trust have been considered as plan assets.
ii.	Leave Encashment	Represents unavailed leave to the credit of the employee and carried forward in accordance with terms of agreement.
iii.	Post Retirement Medical Benefit Scheme	Represents benefits given to employees subsequent to retirement on the happening of any unforeseen event resulting in medical costs to the employee

- b) The Company offers to its employees defined contribution plan in the form of provident fund, post retirement medical scheme (New w.e.f. 01.01.2007) and pension contribution

The details of the plan are as follows:-

i.	Provident Fund	It is a contribution made on monthly basis @ 12% of monthly Basic and DA to the PF Trust who credits annual interest on PF balances. The corpus accumulated is paid on retirement of the employee.
ii.	Post Retirement Medical Scheme (New w.e.f. 01.01.2007)	It is a contribution @ 4% of monthly Basic and DA towards provision of employees’ medical expenses incurred after retirement.
iii.	Pension contribution	It is a contribution @ 12% of monthly Basic and DA towards provision of annuity after retirement of employees.

B Movement in the net liability recognized in the balance sheet are as follows:

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
As At	Funded	Funded	Unfunded	Unfunded	Unfunded	Unfunded
At the beginning of the period	9797	11052	4906	5224	1858	4163
Current service cost	1249	1257	1037	970	-	(12)
Interest Cost	859	867	393	390	165	220
Actuarial (gains) and losses (including for prior years)	(426)	(1788)	(139)	(391)	127	(2395)
Curtailment Period						
Benefits Paid	(1053)	(1591)	(1085)	(1203)	(120)	(118)
At the end of the period	10426	9797	5057	4906	2030	1858

Notes on Financial Statements

for the year ended 31st March, 2015

C Analysis of Percentage of defined Benefit obligation into funded and unfunded: (₹ In lakhs)

Particulars	As at	
	31 st March, 2015	31 st March, 2014
Total Amount of defined benefit obligation	17512	16560
Amount of funded Defined benefit obligation	10425	9797
Percentage of funded defined benefit obligation	59.53	59.16
Percentage of defined benefit obligation not funded	40.47	40.84

D Movement in Fair Value of plan assets (₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Opening value of fair value of plan assets	15600	16081	NIL	NIL	NIL	NIL
Expected Return on plan assets	1408	1368	NIL	NIL	NIL	NIL
Benefits Paid	(1053)	(1591)	NIL	NIL	NIL	NIL
Actuarial gain/(loss) on plan assets	48	(257)	NIL	NIL	NIL	NIL
Closing value of fair value of plan assets	16003	15600	NIL	NIL	NIL	NIL

E Reconciliation of the present value of defined obligation and fair value to the assets and liabilities recognized in the balance sheet: (₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Present value of obligations at the end of the period	10426	9797	5057	4906	2030	1858
Less: fair value of assets as the balance sheet date	16003	15600	NIL	NIL	NIL	NIL
Net (Liability)/Asset disclosed in the balance sheet	5577	5803	(5057)	(4906)	(2030)	(1858)

F Total Expense recognized in the profit and loss account (₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Current Service Cost	1249	1257	1037	970	NIL	(12)
Interest Cost	859	867	393	390	165	220
Expected return on plan assets	(1408)	(1368)	NIL	NIL	NIL	NIL
Actuarial (gains) and losses	(427)	(1788)	(139)	(391)	127	(2395)
Past Service Cost	NIL	NIL	NIL	NIL	NIL	NIL
Losses (gains) on curtailments and settlements	NIL	NIL	NIL	NIL	NIL	NIL
Benefits Paid*	NIL	NIL	(1085)	(1203)	(120)	(118)
Actuarial (gains)/loss on plan assets	(48)	257	NIL	NIL	NIL	NIL
Charged to profit and loss	226	(775)	151	(318)	173	(2305)

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for the year ended 31st March, 2015

* For gratuity, the benefits are paid by the trust and are not debited to the profit and loss of the Company. For leave encashment and Post Retirement Medical Benefit Scheme, the benefits paid are debited to Profit and Loss Account.

G (i) Percentage of category of plan assets to fair value of plan assets (₹ In lakhs)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Fair Value	% of Total	Fair Value	% of Total
Investment in Government securities	5398	33.74	6798	43.41
Investment in Bonds	3853	24.08	3812	24.30
Investment in deposits including bank balances	6387	39.91	4618	30.31
Other Assets including accrued interest	364	2.27	371	2.26
Total	16002		15600	

H. None of the financial assets of SCI have been considered in the fair value of plan assets.

I. The expected rate of return on plan assets has been estimated on the basis of actual returns of the trust in the past years. The securities of trust have an effect on the fair value of plan assets as the value of the securities vary with the changes in the market interest rates.

J. Actual Return on plan assets ₹ 1456 lakh. (Prev. period ₹ 1532 lakhs)

K. Principal actuarial assumptions at the balance sheet date:

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Discount rate at the end of the period	7.95%	9.03%	7.95%	9.03%	7.95%	9.03%
Expected return on plan assets at the end of the period	9.00%	9.00%	NIL	NIL	NIL	NIL
Future salary increases	7.50%	7.50%	7.50%	7.50%	7.50%	NA
Mortality Rate	IALM (2006-08) Ult	LIC 1994-96	IALM (2006-08) Ult	LIC 1994-96	IALM (2006-08) Ult	LIC 1994-96
Medical cost incremental trend rates						8%
Normal Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years

L Experience Adjustment for Gratuity Liability (₹ In lakhs)

As on	31/03/2010	31/03/2011	31/03/2012	31/03/2013	31/03/2014	31/03/2015
Present value of defined benefit obligation	12828	11780	11088	11052	9797	10425
Fair value of Plan Assets	17891	17424	16419	16081	15600	16003
Surplus/ (Deficit)	5063	5644	5331	5029	5803	5577
Experience adjustment on Plan Liability (Gain)/Loss	743	(1158)	(659)	(121)	(304)	(191)
Experience adjustment on Plan Asset (Loss)/Gain	(95)	(136)	(246)	124	(46)	(380)

M Contribution expected to be paid in the next year ₹ NIL

N Effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates on:

(i) the aggregate of the current service cost and interest cost components of net periodic post-employment medical costs; and

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(ii) the accumulated post-employment benefit obligation for medical costs. (₹ In lakhs)

Particulars	Post Retirement Medical Benefit Scheme			
	Aggregate of the current service cost and interest cost		Accumulated post-employment benefit obligation for medical costs	
	2014-15	2013-14	2014-15	2013-14
Effect of one percentage up	40	-	2183	135.78
Effect of one percentage down	40	-	1894	(116.22)

O The estimates of future salary increases, considered in the actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand with the employment market.

P The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Company contributes fixed percentage of Basic + DA to Post Retirement Medical Scheme (new w.e.f. 01.01.2007) and Pension Scheme w.e.f. 01.01.2007. The schemes are yet to be implemented.

NOTE "36" - Activities in Foreign Currency (₹ In lakhs)

Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
a) Expenditure in Foreign currency		
Professional and Consultancy Fees	25	63
Interest Expenses	15612	18308
Hire of chartered Steamers	42560	33129
Heavy Oil Consumption	1267	2344
Stevedoring Expenses Laden	16547	23370
Wages, Bonus and Other Expenses on floating staff	187	463
Marine Light and canal dues	22440	25060
TOTAL	98638	102737
b) Earnings in foreign currency		
Charter hire income	57521	49078
Freight	95686	112823
Interest Income	2880	2931
Recovery of Terminal Handling Charges	17418	17933
TOTAL	173505	182765
c) Amount remitted during the year in foreign currencies on account of dividend	NIL	NIL
d) Value of Imports calculated on C.I.F. basis		
Raw materials	NA	NA
Components and Spare parts	7488	7885
Capital Goods	NIL	41931

Notes on Financial Statements

for the year ended 31st March, 2015

NOTE “37” - Percentage of Imported and indigenous Raw Materials, Stores & Spares to the total consumption

(₹ in lakhs)

Particulars	% 2014-15	% 2013-14	2014-15	2013-14
Raw Material				
Imported Goods	NA	NA	NA	NA
Indigenous Goods	NA	NA	NA	NA
Component and Spare Parts				
Imported Goods	44.24%	43.51%	7488	7885
Indigenous Goods	55.76%	56.49%	9438	10237
	100.00%	100.00%	16926	18122

NOTE “38”

During the year the Company has revised the useful life of their vessels (fleet) to comply with useful life mentioned in Schedule II of the Companies Act, 2013. Also, the Company has changed its accounting policy in respect of providing depreciation on assets other than vessels by shifting from “Written down value” method to “Straight line method” over the useful life of assets mentioned in Schedule II of the Companies Act, 2013. Due to this change, the Fixed Assets for the FY 2014-15 is higher by ₹ 5847 lakhs due to lower depreciation and profit for the FY 2014-15 is higher by ₹ 5847 lakhs. Further, as per the transitional provisions in Schedule-II of the Companies Act, 2013, an amount of ₹ 568 lakhs representing the carrying value of assets whose “useful life” has been completed during the year is debited to “Balance in Statement of Profit and Loss” under the head “Reserves & Surplus”

NOTE “39”

The Company has reviewed the carrying amount of the ships at Balance Sheet date for impairment by discounting the future estimated cash flows during its designed useful life at its weighted average cost of capital being adjusted considering various risks such as Country Risk, Currency Risk, Price Risk, Cash Flow Risk to the extent determined and find no requirement of making provision in the accounts for impairment loss as per Accounting Standard – 28 specified under the Companies Act, 2013.

NOTE “40”

Trade Payables, Trade Receivables, Loans & Advances and Deposits are subject to confirmation and reconciliation. During the year, letters for confirmation of balances have been sent to various trade payable and trade receivable parties by the Company and the same are under reconciliation wherever replies have been received. The management, however, does not expect any material changes on reconciliation.

NOTE “41”

The company has made a provision of ₹ 440 lakhs for self lease of staffs and officers from 26/11/2008 to 31/03/2011 on estimated basis, pending final working and also the requirement to enter into individual agreements between the company and each of the eligible employees with retrospective effect.

NOTE “42”

The company has not accounted for interest amounting to ₹ 17.89 crores due as per contractual terms on the advance of US\$ 13.32 million paid to M/s Jiangsu Eastern Heavy Industries Company Limited, China against bank guarantee in view of the arbitration proceedings, initiated by the shipyard against the rescindment of contract by the company.

NOTE “43”

The figures of previous year have been regrouped or rearranged wherever necessary/practicable to conform to current year's presentation as per Schedule III to the Companies Act 2013.

NOTE “44”

The figures are rounded off to the nearest lakh rupees.

1. (a) ACCOUNTING CONVENTION

The financial statements are prepared to comply in all material aspects under the Historical Cost convention and in accordance with generally accepted accounting principles in India and the mandatory Accounting Standards prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule- 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and current practices prevailing within the Shipping Industries in India.

(b) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent liabilities at that date of the financial statements and the result of operations during the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognised in the period in which results are crystallised.

2. FIXED ASSETS

(a) Tangible Assets

Fixed Assets are stated at historical cost less accumulated depreciation. Cost includes acquisition cost and directly attributable cost of bringing the assets to its working condition for its intended use and in case of vessels, acquisition cost and directly attributable cost till completion of maiden voyage.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation. The cost comprises purchase price, borrowing costs and directly attributable costs of bringing the asset to its working condition for the intended use.

3. DEPRECIATION/ AMORTISATION/ IMPAIRMENT

- a) Depreciation on all tangible assets is charged on "Straight Line Method" according to the useful life mentioned in Schedule II to the Companies Act, 2013. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding prescribed life specified in Schedule II of the Companies Act, 2013.
- b) Intangible assets including software is amortised over the useful life not exceeding five years.
- c) Assets costing individually ₹ 5000/- and below are fully depreciated in the year of addition.
- d) Leasehold land is amortised over the period of lease.
- e) The carrying amount of assets are reviewed at each Balance Sheet date for impairment so as to determine the provision for impairment loss, if any, required, or the reversal, if any, required of impairment loss recognised in previous periods.

4. RETIREMENT AND DISPOSAL OF SHIP

- a) Ships which have been retired from operations for eventual disposal are withdrawn from the fixed assets and exhibited separately in the Note No. 10- Tangible Assets under the head "Assets held for disposal".
- b) Anticipated loss, if any, in the disposal of such ships is provided in the accounts for the year in which these have been retired. For the purpose of determining the loss, the sale price is recognised, if contract for sale is concluded. In other cases, assessment of the realisable value is made on the basis of the prevailing market conditions. Losses on such ships are provided for after taking into account the expenses such as customs duty, sales tax / value added tax, etc. in connection with the disposal, as well as estimated expenses in maintaining the ship, till its sale. Wherever the exact amount under each item of expenses is not known, an assessment is done on the best estimate basis.
- c) Profits on sale of ships are accounted for only upon completion of sale thereof.

5. MAJOR REPAIRS AND RENEWALS OF SHIP

- a) Advances given towards repairs/renewals of capital/revenue nature, are adjusted only on completion of the entire work duly certified by the concerned Authority.
- b) Dry-dock expenditure is recognised in the Statement of Profit & Loss to the extent of percentage completion, based on technical assessment.

6. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which these are incurred.

7. INVENTORIES

- a) Inventories are valued at cost as determined on 'Moving Average Price' method or net realisable value, whichever is lower, unless otherwise stated.
- b) Fuel oil purchases are initially booked as stock. The value of year-end stock is arrived at after charging consumption on 'moving average price' method.

Significant Accounting Policies

- c) As regards provisions purchased for victualling on board the ships, where catering is under departmental catering system, all purchases are treated as consumed.
- d) The Company maintain godowns for keeping certain limited items of stores pending issue to the ships. Store/Spares including paints, etc. are charged to revenue as consumed when delivered to ships.

8. ACCOUNTING OF FOREIGN CURRENCY TRANSACTIONS

- a) All foreign currency transactions for each month are recorded at the closing exchange rate of the second last Friday of the preceding month published in Financial Times London upto February, 2015 and from March, 2015 the rates hosted on xe.com website.
- b) Liner freight is booked at rates referred to in (a) above relevant to the months in which the sailing fall.
- c) The foreign currency balances other than in US Dollars appearing in the books of account at the period end are translated into US Dollars at the closing exchange rate of the second last Friday of preceding month published in Financial Times London upto February, 2015 and from March, 2015, the rates hosted on xe.com website. Thereafter, the monetary assets and monetary liabilities as well as the Long Term Loans are translated into rupees at SBI Mean Rate prevailing at the period end.
- d) Exchange difference arising on repayment of liabilities and conversion of foreign currency closing balances pertaining to long term loans for acquiring ships / containers / other depreciable assets and asset under construction is adjusted in the carrying cost of respective assets.
- e) The exchange differences arising on translation of other monetary assets and liabilities are recognised in the Statement of profit and loss.

9. RECOGNITION OF REVENUE AND EXPENDITURE

- a) The Statement of Profit & Loss reflects,
 - i) The Earnings and Direct Operating Expenses (Voyage related variable costs) in respect of all Finished Voyages on accrual basis.
 - ii) Standing Charges (Vessel related Fixed Costs) for all the vessels for the year on accrual basis.
 - iii) Income and Expenditure in respect of the customs penalty claims and container demurrage & detention income which are accounted for on payment/ realisation.
 - iv) In respect of slot sharing agreement with other shipping lines, the earnings and expenses are accounted for on accrual basis based on completed voyage cycle during the year.
 - v) In respect of time charter arrangements, income and expenses are booked on accrual basis.
 - vi) Vessel Demurrage income due as per contractual terms is recognised after deduction on estimated basis, based on past experience of settlements.
- b) The criteria followed for the purpose of determining the Finished Voyages are as under:
 - (i) Passenger cum Cargo Vessels: - Disembarkation of passengers and discharge of cargo should be completed on or before the last date of the period.
 - (ii) Cargo Vessels (other than those serviced by Feeder or Daughter Vessels): - Discharge of cargo should be completed on or before the last date of the period.
 - (iii) Cargo vessels serviced by Daughter vessels: - The ultimate discharge of cargo by all daughter vessels should be completed on or before the last date of the period.
 - (iv) Cargo vessels serviced by feeder vessels: - The discharge of cargo at the transshipment port by the mainline and own feeder vessels should be completed on or before the last date of the period. Transshipment port is the point of commencement and completion of both the services. The completion of the mainline and feeder voyage is determined independent of each other.
 - (v) Cellular Liner Service: - On completion of round voyage
- c) Unfinished Voyages:

Any voyage, which does not fulfil the above mentioned criteria, is treated as an unfinished voyage. Amount received on account of freight earning and other charges in respect of such voyages are carried forward as Unfinished Voyage Earnings. Direct operating expenses incurred for such voyages including hire and freight for vessels chartered-in are carried forward as Unfinished Voyage Expenses except in case of time charter.



d) Allocation of Container Expenses:

Expenses relating to container activities such as stevedoring, stuffing and destuffing, transportation, etc. are identified with the relevant voyage and classified as direct operating expenses. Expenses such as container hire, kobi charges, ground rent and handling of empty containers, etc., which are not directly identifiable with any particular voyage are allocated to all voyages on the basis of unit days for each voyage. The sum so allocated to unfinished voyages is carried forward as Unfinished Voyage Expenses.

10. EMPLOYEE BENEFITS

- a) All short- term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- b) Employee benefits under defined contribution plans comprising of post- retirement medical benefits (w.e.f 01.01.2007) and pension contribution are recognized based on the undiscounted amount of obligations of the company to contribute to the plan. The contribution to fund in the nature of defined contribution is a defined benefit plan due to the requirement of the employer making good deficiency, if any, in the interest rate earned vis-a-vis statutory rate. This contribution is recognised based on its undiscounted amount and paid to a fund administered through a separate trust.
- c) Employee benefits under defined benefit plans comprising of gratuity, leave encashment and post- retirement medical benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial Liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses are recognized in the Statement of Profit & Loss during the period in which they occur.

11. INSURANCE, P&I AND OTHER CLAIMS

- a) Provision in respect of claims against the Company and covered by Hull and P&I insurance is made as under:-
 - i) In respect of collision claims and P & I claims (other than cargo claims), to the extent of deductible limit based on the assessment provided by the surveyors.
 - ii) In case of Cargo claims, on the basis of the actual claims registered and/or paid pertaining to the relevant year's voyages as ascertained at the period end as reduced by the amounts recoverable from the insurers.
 - iii) Expenses on account of general average claims/ damages to ships are written off in the period in which they are incurred. Claims against the underwriters are accounted on submission of the Adjuster's report to the underwriters.
- b) Claims made by the Company against other parties not covered under insurance including ship repair yards, ship owners, ship charterers, customs and others, etc. are accounted for on realisation, due to uncertainty in the amounts of their ultimate recovery.

12. INVESTMENTS

- a) Long Term Investments are stated at cost. Provision for diminution is made to recognize a decline, other than temporary, in the value of such investments.
- b) Current Investments are stated at lower of cost and fair value.

13. TAXES ON INCOME

Provision for income tax liability is made as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company. Provision for Income Tax on non- shipping income is made as per the provisions of the Income Tax Act 1961.

14. LEASES

In respect of assets acquired on lease prior to 1st April 2001, lease rentals are accounted on accrual basis over the period of the lease and in respect of assets acquired on or after 1st April 2001, lease rentals are accounted in accordance with AS-19 "Accounting for Leases".

15. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits.

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The company discloses the existence of contingent liabilities in financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.



Glossary

Aboard	Referring to cargo being put, or laden, onto a means of conveyance.
Act of God	An act beyond human control, such as lightning, flood or earthquake.
ATD	Actual Time of Departure.
Ad Valorem	In proportion to the value: A phrase applied to certain freight or customs duties levied on goods, property, etc. set as a percentage of their value.
Aircraft Container	A unit load device (ULD) which links directly with the airplane cargo handling and restraint system.
Aframax Tanker	A vessel of 70,000 to 120,000 DWT capacity. The largest tanker size in the AFRA (average freight rate assessment) tanker rate system.
Afreightment, oncontract of	An agreement by an ocean carrier to provide cargo space on a vessel at a specified time and for a specified price to accommodate an exporter or importer.
Aft	Movement toward the stern (back end) of a ship.
Agency Tariff	A tariff published by an agent on behalf of several carriers.
Agent	A person authorized to transact business for and in the name of another person or company. Types of agents are:(1) brokers,(2) commission merchants,(3) resident buyers,(4) sales agents,(5) manufacturer's representatives.
AFRA	<p>Average Freight Rate Assessment</p> <p>AFRA was commissioned originally by one of the oil majors as a sophisticated indicator of freighting values for its affiliated companies, AFRA results have been published by the London Tanker Brokers' Panel continuously since 1954. They are unique in being the only assessments of their kind to be recognised by taxation authorities as an acceptable method of charging freight between affiliated companies of multi-national groups. AFRA results are also used by oil traders and government agencies to assess the freight element in various types of oil sale agreements. AFRA results are published on the first business day of each month and cover five deadweight groups:</p> <p>Medium range- 25,000 - 44,999 (long) tons dwt Large range 1- 45,000 - 79,999 (long) tons dwt Large range 2- 80,000 - 159,999 (long) tons dwt VLCC- 160,000 - 319,999 (long) tons dwt ULCC- 320,000-549,999 (long) tons dwt</p> <p>In each of the five groups, tonnage is divided into three categories:</p> <ul style="list-style-type: none"> • Long term charters • Short term charters • Single voyage charters
AHTSV	Anchor Handling, Towing & Supply Vessel AHTSV's are mainly built to handle anchors for oil rigs, tow them to location, anchor them up and, in a few cases, serve as an Emergency Rescue and Recovery Vessel (ERRV). They are also used to transport supplies to and from offshore drilling rigs.
All In	The total price to move cargo from origin to destination, inclusive of all charges.
Alongside	A phrase referring to the side of a ship. Goods delivered "alongside" are to be placed on the dock or barge within reach of the transport ship's tackle so that they can be loaded.
All Risk	All Risks Coverage, a type of marine insurance, is the broadest kind of standard coverage, but excludes damage caused by war, strikes, and riots.
Allotment	A term used to describe blocked space by airlines on behalf of forwarders/shippers.
Assignment	A term commonly used in connection with a bill of lading. It involves the transfer of rights, title and interest in order to assign goods by endorsing the bill of lading.
Astern	Behind a vessel- Move in a reverse direction.
ATDNSHINC	Any time Day or Night Sundays & Holidays Included. A chartering term referring to when a vessel will work.
Athwartships	A direction across the width of a vessel.
Automated Identification System (AIS)	It is a system used by ships and Vessel Traffic Service (VTS) principally for the identification and the locating of vessels. AIS provides a means for ships to electronically exchange ship data including: identification, position, course, and speed, with other nearby ships and VTS stations.
BAF (Bunker Adjustment Factor)	An adjustment in shipping charges to offset price fluctuations in the cost of bunker fuel.
Bill of Lading (B/L)	Bills of lading are contracts between the owner of the goods and the carrier. There are two types. A straight bill of lading is non-negotiable. A negotiable or shipper's order bill of lading can be bought, sold, or traded while goods are in transit and is used for many types of financing transactions. The customer usually needs the original or a copy as proof of ownership to take possession of the goods.
Barrel (BBL)	A term of measure referring to 42 gallons of liquid at 600 degrees.
Baltic Dry Index	The Baltic Dry Index (BDI) is a number (in USD) issued daily by the London-based Baltic Exchange. Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time charter basis, the index covers Handysize, Supramax, Panamax and Capesize bulk carriers carrying a range of commodities including coal, iron ore and grain.
Beam	The width of a ship.
BIMCO	The Baltic and International Maritime Council, the world's largest private shipping organization.
Bonded Warehouse	The Customs Service authorizes bonded warehouses for storage or manufacture of goods on which payment of duties is deferred until the goods enter the Customs Territory. The goods are not subject to duties if re-shipped to foreign points.
Bow	The front of a vessel.
Break Bulk (B/B)	For consolidated air freight, it is moved under one MAWB and each consignment designated to specific consignee or recipient is under one HAWB. When freight forwarder receives the consolidated cargo from carrier, they will break the consolidation apart per HAWB then proceed customs clearance along with associated shipping and import documents. Such Break-Bulk is normally handled by airlines or their contracted ground handling agent.

Breakbulk Vessel	A general cargo vessel designed to efficiently handle un-containerised cargo. Vessels are usually self-sustaining in that they have their own loading and unloading machinery.
Bulker	A bulk carrier, bulk freighter, or bulker is a merchant ship specially designed to transport unpackaged bulk cargo, such as grains, coal, and cement, in its cargo holds.
Bunkering	The act or process of supplying a ship with fuel. Bunker quality is highly variable across the world and LR provides ship operators and managers with independent verification of fuel quality.
Cabotage	Water transportation term applicable to shipments between ports of a nation; commonly refers to coastwise or intercoastal navigation or trade. Many nations, including the United States, have cabotage laws which require national flag vessels to provide domestic interport service.
CAF (Currency Adjustment Factor)	A freight surcharge or adjustment factor imposed by an international carrier to offset foreign currency fluctuations. In some cases an emergency currency adjustment factor (ECAAF) may be applied when a charge or rate has been originally published in a currency that is experiencing sustained or rapid decline. The CAF is charged as a percentage of the freight.
Capesize Vessel	A dry bulk vessel above 80,000 dwt or whose beam precludes passage via the Panama Canal and thus forces them to pass around Cape Horn or the Cape of Good Hope.
Clean Bill of Lading	A receipt for goods issued by a carrier with an indication that the goods were received in apparent good order and condition, without damages or other irregularities.
Classification	The development, implementation and maintenance of standards (Rules) for the design, construction and operation of ships and offshore units. Compliance with these standards ensures assignment and maintenance of class.
Classification Society	An organization maintained for the surveying and classing of ships so that insurance underwriters and others may know the quality and condition of the vessels offered for insurance or employment.
Commercial Invoice	The commercial invoice is a bill for the goods from the seller to the buyer. These invoices are often used by governments to determine the true value of goods for the assessment of customs duties and are also used to prepare consular documentation. Governments using the commercial invoice to control imports often specify its form, content, number of copies, language to be used, and other characteristics.
Consignee	The person or firm named in a freight contract to whom goods have been consigned or turned over. For export control purposes, the documentation differentiates between an intermediate consignee and an ultimate consignee.
Consignment	Delivery of merchandise from an exporter (the consignor) to an agent (the consignee) under agreement that the agent sell the merchandise for the account of the exporter. The consignor retains title to the goods until sold. The consignee sells the goods for commission and remits the net proceeds to the consignor.
Consolidation	In order to handle small lot of consignment efficiently and competitively, freight forwarder usually put many consignments into one lot then tender to carrier for forwarding. In this case, each consignment will be shipped with one HAWB respectively and all of them will be under one master AWB.
Container	A truck trailer body that can be detached from the chassis for loading into a vessel, a rail car or stacked in a container depot. Containers may be ventilated, insulated, refrigerated, flat rack, vehicle rack, open top, bulk liquid or equipped with interior devices. A container may be 20 feet, 40 feet, 45 feet, 48 feet or 53 feet in length, 8'0" or 8'6" in width, and 8'6" or 9'6" in height
Cost and Freight (C&F)	Cost and Freight (CFR) to a named overseas port of import. Under this term, the seller quotes a price for the goods that includes the cost of transportation to the named point of debarkation. The cost of insurance is left to the buyer's account. (Typically used for ocean shipments only. CPT, or carriage paid to, is a term used for shipment by modes other than water.) Also, a method of import valuation that includes insurance and freight charges with the merchandise values.
Cost, Insurance and Freight (CIF)	Cost, insurance, and freight (CIF) to a named overseas port of import. Under this term, the seller quotes a price for the goods (including insurance), all transportation, and miscellaneous charges to the point of debarkation for the vessel. (Typically used for ocean shipments only. CIP, or carriage and insurance paid to, is a term used for shipment by modes other than water.)
Dangerous Goods	Commodities classified by IATA according to its nature and characteristic in terms of the effect of its danger to carrier's flying safety.
*Deadweight Tonnage (DWT)	The maximum weight of cargo and stores that a ship can carry.
Deadweight Tonnage (DWT)	The number of tons of 2,240 pounds that a vessel can transport of cargo, stores and bunker fuel. It is the difference between the number of tons of water a vessel displaces "light" and the number of tons it displaces when submerged to the "load line." An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.
Demurrage	A penalty charge against shippers or consignees for delaying the carrier's equipment or vessel beyond the allowed free time. The free time and demurrage charges are set forth in the charter party or freight tariff.
Despatch	An incentive payment paid by the vessel to the charterer for loading and unloading the cargo faster than agreed. Usually negotiated only in charter parties. Also called "dispatch."
Directorate General of Shipping (DGS)	The role of Indian Maritime Administration has been well brought out in the Indian Merchant Shipping 1958. The Merchant Shipping Act is the legislation in India for maritime development and effective enforcement of standards. The Directorate General of Shipping as the executive arm fully administers this legislation.
Dimensional Weight	Also called measurement weight. This is the size of consignment calculated by total square feet by 6000. Carrier charge for freight based on the dimensional weight or actual gross weight whichever is higher.
Direct Ship	Ship without consolidation and under one MAWB i.e. non-consolidation.
D.O.E : Direct Operating Expenses:	Direct Operating Expenses are voyage related expenses. Whenever a vessel undertakes a voyage, steaming from one port to another port, expenses incurred such as Bunker (fuel), Port Dues, Fresh water, Stevedoring Charges, Agency fees and other voyage related expenses are called Direct Operating Expenses. G.O.P. (Gross Operating Profit) G.O.P. = Earnings/(Freight) – D.O.E N.O.P. (Net Operating Profit) = G.O.P. – I.O.E.
EDI	EDI, Electronic Data Interchange for Administration, Commerce, and Transportation, is an international syntax used in the interchange of electronic data. Customs uses EDI to interchange data with the importing trade community.
ETA	Estimated Time of Arrival. Then, It normally takes 3 hours for carriers to Break Bulk then ready to be picked up by forwarders along with customs release notification.
ETD	Estimated Time of Departure. The cut-off time for carriers' cargo ramp handling is normally two hours ahead of ETD. However, the freight forwarders' consolidation cut-off time may vary depending on each forwarder's operations respectively.



Glossary

FCL or CY	Full Container Load, also known as CY. CY is the abbreviation of Container Yard. When the term CY to CY, it means full container load all the way from origin to destination.
Federal Maritime Commission	The FMC is an independent agency which regulates oceanborne transportation in the foreign commerce and in the domestic offshore trade of the United States.
Flat Rack Containers	Especially for heavy loads and over-dimensional cargo. Containers do not have sides or a top. This allows easy fork-lift and crane access.
Fore and Aft	The direction on a vessel parallel to the center line.
Forty-Foot Equivalent Unit (FEU)	FEU is a measure of a ship's cargo-carrying capacity. One FEU measures forty feet by eight feet by eight feet -- the dimensions of a standard forty-foot container. An FEU equals two TEUs.
Free Alongside Ship	Free Alongside Ship, FAS, at a named port of export. Under FAS, the seller quotes a price for the goods that includes charges for delivery of the goods alongside a vessel at the port of departure. The seller handles the cost of unloading and wharfrage; loading, ocean transportation, and insurance are left to the buyer. FAS is also a method of export and import valuation.
Free Carrier (FCA)	Free Carrier, FCA, to a named place. This term replaces the former "FOB named inland port" to designate the seller's responsibility for the cost of loading goods at the named shipping point. It may be used for multimodal transport, container stations, and any mode of transport, including air.
Free On Board (FOB)	Common price term used in international trade meaning seller's responsible for the cost of goods is to the point of loading it to the vessel deck or aircraft loading deck. The risk of loss of or damage to the goods is transferred from the seller to the buyer when the goods have been so delivered. FOB normally comes with port of loading either airport or sea port.
Freight Carriage ... and Insurance paid to	This term is the same as "Freight/Carriage Paid to ..." but with the addition that the seller has to procure transport insurance against the risk of loss of damage to the goods during the carriage. The seller contracts with the insurer and pays the insurance premium.
Freight Carriage ... paid to	Like C & F, "Freight/Carriage paid to ..." means that the seller pays the freight for the carriage of the goods to the named destination. However, the risk of loss of or damage to the goods, as well as of any cost increases, is transferred from the seller to the buyer when the goods have been delivered into the custody of the first carrier and not at the ship's rail. The term can be used for all modes of transport including multimodal operations and container or "roll on-roll off" traffic by trailer and ferries. When the seller has to furnish a bill of lading, waybill or carrier's receipt, he duly fulfills this obligation by presenting such a document issued by the person with whom he has contracted for carriage to the named destination. (Also see incoterms)
*Gross Tonnage (GT)	Gross tonnage is a function of the moulded volume of all enclosed spaces of the ship. It forms the basis on which manning rules and safety regulations are applied, and registration fees determined.
Gross Tonnage (GT)	Applies to vessels, not to cargo, $(0.2+0.02 \log_{10}V)$ where V is the volume in cubic meters of all enclosed spaces on the vessel. Since 1994, it replaces "Gross Registered Tonnage." An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.
Handysize	Most usually refers to a dry bulk vessel with deadweight of up to 50,000 tonnes. This allows the ships to enter smaller ports to pick up cargoes. Vessels of deadweight of above 35,000 tonnes are referred to as Handymax bulkers (typically 35,000 - 50,000 tons deadweight). Handymax and Supramax are naval architecture terms for a bulk carrier, in a series that is called Handysize class. Handysize class consists of Supramax (50,000 to 60,000 DWT), Handymax (40,000 to 50,000 DWT), and Handy (<40,000 DWT). The ships are used for less voluminous cargoes, even allowing for combining different cargoes in different holds.
I.M.D.G. Code	International Maritime Dangerous Goods Code. The regulations published by the IMO for transporting hazardous materials internationally.
Incoterms	Maintained by the International Chamber of Commerce (ICC), this codification of terms is used in foreign trade contracts to define which parties incur the costs and at what specific point the costs are incurred. (also see incoterm section)
I.O.E : Indirect Operating Expenses	Indirect Operating Expenses are those expenses incurred by the owner of the vessel towards and includes maintenance, stores, spares, repairs, insurance, victualling and other management overheads.
Indian Register of Shipping (IRS)	The Indian Register of Shipping (IRS) is an internationally recognized, independent ship classification society which was founded in India in 1975. In 1991, the IRS was admitted as an Associate Member of the International Association of Classification Societies (IACS) which is the major international body of classification societies. It is managed by a Committee of Management which has representatives from each of the industry segments that use its services. These include representatives from the maritime industries, underwriters, general engineering, government agencies and defense services. They are further supported by sub-committees such as the Technical Committee, the Classification Sub-committee, the Quality Sub-committee and the Research Advisory Sub-committee for all operational aspects of IRS which cover marine, offshore and industrial services.
Intermediate Consignee	An intermediate consignee is the bank, forwarding agent, or other intermediary (if any) that acts in a foreign country as an agent for the exporter, the purchaser, or the ultimate consignee, for the purpose of effecting delivery of the export to the ultimate consignee.
Intermodal	Movement of goods by more than one mode of transport, ie. airplane, truck, railroad and ship.
International Association of Classification Societies (IACS)	A membership organisation that contributes to maritime safety and regulation through technical support, compliance verification and research and development. More than 90% of the world's cargo-carrying tonnage is covered by the classification rules and standards set by the 13 member societies of IACS.
International Maritime Organisation (IMO)	The specialised agency of the United Nations with responsibility for safety and security at sea and the prevention of marine pollution from ships. Established in 1948, IMO first met in 1959 and is the only United Nations agency with its headquarters in London.
International Ship and Port Security Code (ISPS)	It is an amendment to the Safety of Life at Sea (SOLAS) Convention (1974/1988) on minimum security arrangements for ships, ports and government agencies. Having come into force in 2004, it prescribes responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade."
Irrevocable Letter of Credit	A letter of credit in which the specified payment is guaranteed by the issuing bank if all terms and conditions are met by the drawee. It is as good as the issuing bank.
ISO (International Organization for Standardization)	An independent, non-governmental standard-setting body composed of representatives from 165 national standards organisations. International standards give world-class specifications for products, services and systems to ensure quality, safety and efficiency. They are instrumental in facilitating international trade.
ISO 9001	The international management systems standard concerned with quality management – what an organisation does to ensure customer need and expectations and applicable regulatory requirements, and continually to improve its quality performance.
Kamsarmax	A Kamsarmax type bulk carrier is basically a 82,000 dwt Panamax with an increased LOA = 229 m (for Port Kamsar in Equatorial Guinea).
LCL	Less than Container Load, consolidated container load.

LDT (Light Displacement Tonnage)	Light Displacement Ton (Tonnage). It is also called Displacement Light Weight of the vessel without stores, bunker, fresh water, cargo and passengers. Usually used for vessels for scrapping.
*LNG (Liquefied Natural Gas)	Natural gas changes to a liquid at -162° , creating LNG. When liquefied, the gas is reduced to 1/600th of its original volume making it economic to transport in specially designed LNG (Liquefied Natural Gas) Natural gas will liquefy at a temperature of approximately -259 F or -160 C at atmospheric pressure. One cubic foot of liquefied gas will expand to approximately 600 cubic feet of gas at atmospheric pressure. LNGC (LNG Carrier) An ocean-going ship specially constructed to carry LNG in tanks at -160 C . Current average carrying capacity of LNGs is 125,000 cubic metres. Many LNGCs presently under construction or on order are in the 210,000 – 215,000 cubic metre range.
Liquefied petroleum gas (LPG)	Not to be confused with LNG, LPG is often called 'propane' as it is made of various mixtures of propane and other similar types of hydrocarbon gases. These hydrocarbons are gases at room temperature, but turn to liquid when they are compressed. LPG is stored in special tanks that keep it under pressure, so it stays a liquid. While the distribution of LNG requires heavy infrastructure investments, LPG is more easily transported.
Load Line	The waterline corresponding to the maximum draft to which a vessel is permitted to load, either by freeboard regulations, the conditions of classification, or the conditions of service. LR1 : Long Range 1, mostly refers to the product tanker with DWT in the range between 55000 to 79999 tons. LR2 : Long Range 2, mostly refers to the product tanker with DWT in the range between 80000-159999 tons
Marine Cargo Insurance	Broadly, insurance covering loss of, or damage to, goods at sea. Marine insurance typically compensates the owner of merchandise for losses in excess of those which can be legally recovered from the carrier that are sustained from fire, shipwreck, piracy, and various other causes. Three of the most common types of marine insurance coverage are "free of particular average" (f.p.a.), "with average" (w.a.), and "All Risks Coverage."
Maritime Labour Convention	The international Labour Organization's Convention, known as 'MLC, 2006' came into force in August 2013, effectively becoming binding in international law. It is currently ratified by 56 ILO member states responsible for regulating conditions for seafarers on more than 80% of the world's gross tonnage of ships. It establishes minimum working and living standards on those ships. MR : Medium Range Tanker, mostly refers to the product tanker with DWT in the range between 25000-54999 tons.
Net Tonnage (NT)	The replacement, since 1994, for "Net Register Tonnage." Theoretically the cargo capacity of the ship. Sometimes used to charge fees or taxes on a vessel. The formula is $(0.2+0.02 \log_{10}(V_c)) V_c (4d/3D)^2$, where V_c is the volume of cargo holds, D is the distance between ship's bottom and the uppermost deck, d is the draught) "Ton" is figured as a 100 cubic foot ton. An approximate conversion ratio is 1NT = 1.7GT and 1GT = 1.5DWT.
Non-Vessel Operating Common Carrier (NVOCC)	A cargo consolidator in ocean trades who will buy space from a carrier and sub-sell it to smaller ship-pers. The NVOCC issues bills of lading, publishes tariffs and otherwise conducts itself as an ocean common carrier, except that it will not provide the actual ocean or intermodal service.
O.E.C.D.	Organization of Economic Cooperation and Development, headquartered in Paris with membership consisting of the world's developed nations.
On Board	A notation on a bill of lading that cargo has been loaded on board a vessel. Used to satisfy the requirements of a letter of credit, in the absence of an express requirement to the contrary.
On Deck	A notation on a bill of lading that the cargo has been stowed on the open deck of the ship.
P&I	Abbreviation for "Protection and Indemnity," an insurance term.
Panamax Vessel	The largest size vessel that can traverse the Panama Canal. Current maximum dimensions are: Length 294.1 meters (965 feet); width 32.3 meters (106 feet); draft 12.0 meters (39.5 feet) in tropical fresh water; height 57.91 meters (190 feet) above the water.
POD	Proof Of Delivery, or a cargo/package receipt with the signature of recipient. This term has been widely used in courier and express industry and also gaining more attention and implementation at air cargo industry
Packing List	A shipping document issued by shipper to carrier, Customs and consignee serving the purposes of identifying detail information of package count, products count, measurement of each package, weight of each package, etc.
Port	– Harbor with piers or docks. – Left side of a ship when facing forward
Port state control	The inspection of foreign ships in national ports to verify that the condition of the ship and its equipment complies with the requirements of international conventions and that the ship is manned and operated in compliance with these rules.
Pro Forma Invoice	An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, and similar characteristics). When an importer applies for Letter of Credit as the means of payment, a Pro Forma Invoice from the beneficiary of such Letter of Credit, usually the exporter, is required by the L/C issuing bank.
Project Cargo	This is a term normal referred to when shipping cargo by air or sea, which does not fall within standard methods. i.e. over-height, or oversize cargo which requires special equipment and handle.
PSV	A Platform supply vessel (often abbreviated as PSV) is a ship specially designed to supply offshore oil platforms. These ships range from 20 to 100 meters in length and accomplish a variety of tasks. The primary function for most of these vessels is transportation of goods and personnel to and from offshore oil platforms and other offshore structures
Roll-on, Roll-off (RORO)	A type of ship designed to load and discharge cargo which rolls on wheels or tracks.
Shipping Mark	The letters, numbers or other symbols placed on the outside of cargo to facilitate identification.
Shipping Weight	Shipping weight represents the gross weight in kilograms of shipments, including the weight of moisture content, wrappings, crates, boxes, and containers (other than cargo vans and similar substantial outer containers).
Starboard	The right side of a ship when facing the bow.
Stern	The end of a vessel. Opposite of bow.
Stevedore	Individual or firm that employs longshoremen and who contracts to load or unload the ship.

Glossary

Suezmax Tanker	Suezmax is a naval architecture term for the largest ship measurements capable of transiting the Suez canal in a laden condition, and is almost exclusively used in reference to tankers. Since the canal has no locks, the only serious limiting factors are draft (maximum depth below waterline) and height due to the Suez Canal Bridge. The current channel depth of the canal allows for a maximum of 20.1 m (66 ft.) of draft. The typical deadweight of a Suezmax ship is about 160,000 tons.
Supramax	Bulk carriers with a capacity between 50,000 and 60,000 dwt. These 'bulklers' are well suited for small ports with length and draught restrictions, or ports lacking transshipment infrastructure.
Tare Weight	The weight of a ULD and tie down materials without the weight of the goods it contains.
Through Bill of Lading	A single bill of lading covering receipt of the cargo at the point of origin for delivery to the ultimate consignee, using two or more modes of transportation.
Time Charter (TC)	A time charter is the hiring of a vessel for a specific period of time; the owner still manages the vessel but the charterer selects the ports and directs the vessel where to go. The charterer pays for all fuel the vessel consumes, port charges, commissions, and a daily hire to the owner of the vessel.
Transshipment	Transshipment refers to the act of sending an exported product through an intermediate country before routing it to the country intended to be its final destination.
*Twenty-Foot Equivalent Unit (TEU)	The measure used for container capacity, a TEU is a volume measurement equal to one standard 20 ft. (length 6.1 meter; approximately 39 cubic meters) container.
Twenty-Foot Equivalent Unit (TEU)	TEU is a measure of a ship's cargo-carrying capacity. One TEU measures twenty feet by eight feet by eight feet -- the dimensions of a standard twenty-foot container. An FEU equals two TEUs.
Ultimate Consignee	The ultimate consignee is the person located abroad who is the true party in interest, receiving the export for the designated end-use.
ULCC	Ultra Large Crude Carrier. A tanker in excess of 320,000 dwt.
VLCC	Very Large Crude Carrier. A tanker of 200,000 to 319,000 dwt. It can carry about 2 million barrels of crude oil.
Wharfage	A charge assessed by a pier or dock owner for handling incoming or outgoing cargo.
Worldscale	Worldscale is a unified system of establishing payment of freight rate for a given oil tanker's cargo. Worldscale was established in November 1952 by London Tanker Brokers' Panel on the request of British Petroleum and Shell as an average total cost of shipping oil from one port to another by ship. A large table was created for this purpose.



Indian Register Quality Systems

(A Department of Indian Register of Shipping)

52A, Adi Shankaracharya Marg, Opp. Powai Lake, Powai, Mumbai - 400 072. India.

ACCREDITED BY THE RvA

Certificate Of Approval



© INDIAN REGISTER
OF SHIPPING 1993



This is to certify that the Quality Management System of

The Shipping Corporation of India Ltd. *"Shipping House"*

245, Madame Cama Road, Nariman Point, Mumbai - 400 021

*has been found to conform
to the requirements of the Standard:*

ISO 9001 : 2008

with respect to the following scope:

- *Owning, Managing & Chartering of Ships
for Transportation of Goods and Passengers*
- *Offshore and Marine Advisory Services*

This Approval is subject to continued satisfactory maintenance of the Quality Management System of the Organization to the above Standard, which will be monitored by IRQS

Certificate No.: *IRQS/1310218* granted on: 16th April 2013

Initial Approval Date: 8th May 2007 for ISO 9001:2000

Current Certification Effective Date: 8th May 2013

Current Certificate Expiry: 7th May 2016

S. Bharat
S. Bharat

Senior Vice President



The Shipping Corporation Of India Ltd.

(A GOVERNMENT OF INDIA ENTERPRISE)

Shipping House, 245, Madame Cama Road, Mumbai 400 021
CIN No. L63030MH1950GOI008033 Website : www.shipindia.com



FORM MGT-11

PROXY FORM

65th ANNUAL GENERAL MEETING ON 22.09.2015

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): _____
Registered address : _____

Email-id: _____ Folio No./ Client ID: _____ DP ID: _____

I / We, being the member(s) of _____ shares of The Shipping Corporation of India Ltd. , hereby appoint:

1) Name : _____ Address : _____
Email ID : _____ Signature : _____, or failing him
2) Name : _____ Address : _____
Email ID : _____ Signature : _____, or failing him
3) Name : _____ Address : _____
Email ID : _____ Signature : _____, or failing him

As my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 65th Annual General Meeting of the company, to be held on the 22nd day of September at 15:30 PM at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Description	For*	Against*
Ordinary Business			
1.	Adoption of Financial Statements for the year ended 31.03.2015		
2.	Re-appointment of Capt. B.B.Sinha, who retires by rotation		
3.	Re-appointment of Capt. S.Narula , who retires by rotation		
4.	Fixation of remuneration of statutory auditors		
Special Business			
5.	Appointment of Capt. K.Devadas as Whole Time Director		
6.	Appointment of Smt H.K.Joshi as Whole Time Director		

Signed this _____ day of _____ 2015, Signature of shareholder _____,
Signature of Proxy holder _____



Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 65th Annual General Meeting.
- (4) Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with rule 19 of the Companies (Management and Administration) Rules, 2014 , a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- *(5) It is optional to put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- (6) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.



Andhra Pradesh



West Bengal



Karnataka



एक कदम स्वच्छता की ओर

The Swachh Vidyalaya Abhiyaan is a national mission cum initiative of Ministry of Human Resource Development, Government of India. A key feature of the campaign is to ensure that every school in India has a set of functioning and well maintained water, sanitation and hygiene facilities.

SCI has been instrumental in this mission and has taken the responsibility for construction of toilets at three states which includes construction of a block of six Girls' toilets in Kolkata, West Bengal; two toilets (one each for boys and girls) at Belgaum in Karnataka and two toilets for girls at Vizag in Andhra Pradesh.

The construction of toilets blocks structure at Govt. Jr. College, Ravikamatham in Visakhapatnam, Govt. PU College, Handigund, Belgaum and at "Santhoshpur Shikshayatan" School in Kolkata has been completed.

In addition to the above, as part of the Swachh Bharat Abhiyaan, SCI has undertaken the responsibility for construction of a block of 20 toilets (ten each for gents and ladies) at Ghansoli ward, Navi Mumbai.





भारतीय नौवहन निगम लिमिटेड
The Shipping Corporation Of India Ltd.

शिपिंग हाउस, २४५, मैडम कामा रोड, मुंबई-४०००२९
Shipping House, 245, Madame Cama Road, Mumbai - 400 021.

