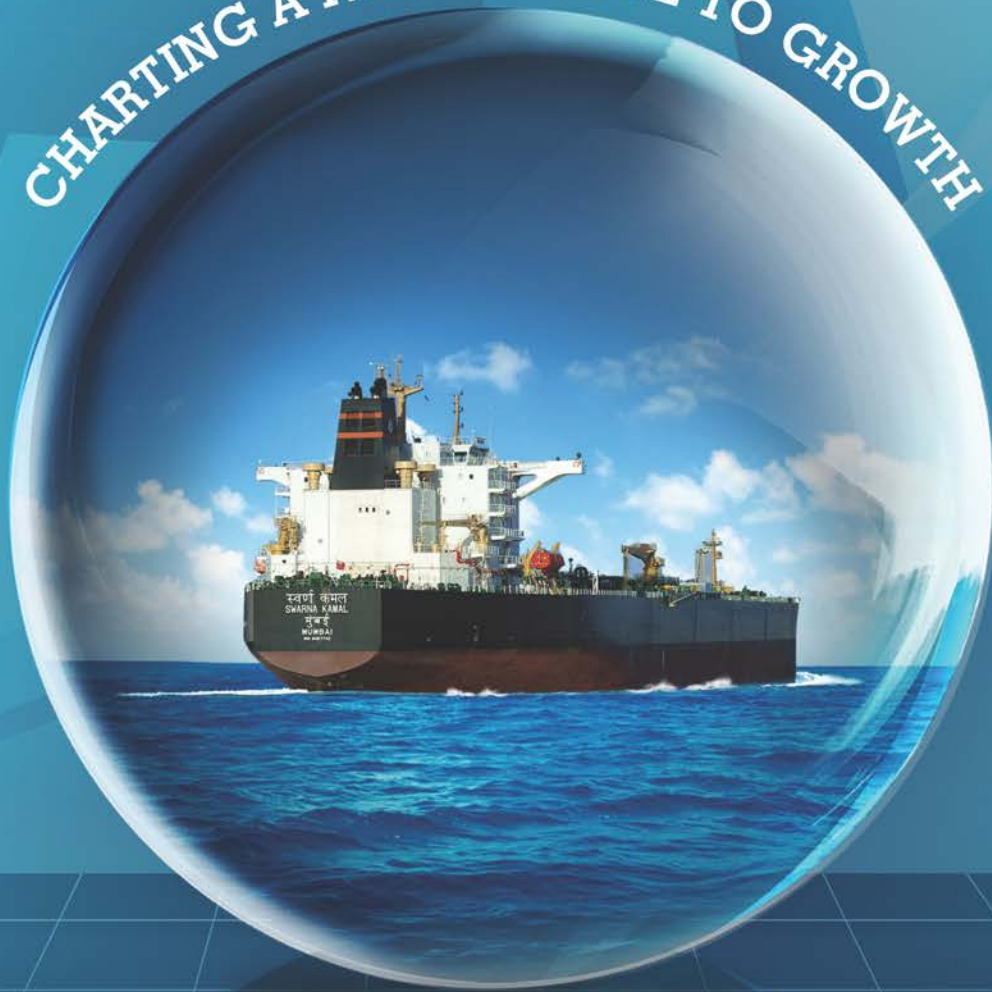




CHARTING A NEW COURSE TO GROWTH



भारतीय नौवहन निगम लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय: शिपिंग हाउस, 245, मादाम कामा रोड, मुंबई-400 021.

कार्गो मंजिल तक पहुंचाए. जीवन को राह दिखाए.



SCI

Navratna Company
ISO 9001 - 2008 Company

The Shipping Corporation Of India Ltd.

(A Government of India Enterprise)

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

Transporting Goods. Transforming Lives.

Exploring New Vistas, Scaling New Heights SCI @ Maritime India Summit - 2016



Hon' PM Shri Narendra Modi releasing National Perspective Plan on Sagarmala Project



Hon' Home Minister Shri Rajnath Singh addressing the gathering



Capt. B B Sinha, CMD, SCI signing MOU with Mr Amitabh Verma, Chairman, IWAI.



Capt. B B Sinha, CMD, SCI signing MOU with Mr Yaduvendra Mathur, CMD, EXIM Bank.

The Maritime India Summit, a maiden flagship initiative of the Ministry of Shipping, Government of India, was held in Mumbai from 14th April to 16th April. It was inaugurated by the Hon'ble Prime Minister Shri Narendra Modi. It provided a unique platform for participation, engagement and interaction to explore potential business opportunities in Indian Maritime Sector. The Shipping Corporation of India participated in the summit in a big way and explored the opportunities by signing various MoUs with different organisations including IWAI.

The summit resulted in generating business agreements for ₹ 82,905 crore investments and signing of a total of 141 MoUs, besides playing a key role in highlighting the role of port led development for faster and sustainable economic growth. The National Perspective Plan of Sagarmala project was also released at the summit by the Hon'ble Prime Minister. The plan underlined Government's seriousness & commitment in boosting port led infrastructure development. An exclusive CEOs' Forum of select industry leaders, chaired by Hon'ble Minister for Shipping, Road, Transport and Highways, Shri Nitin Gadkari, was also held. The Minister interacted with over 100 foreign delegates and assured them the ease of doing business in India.

The Maritime India Summit saw more than 5000 delegates around the globe. It saw the participation of 197 exhibitors including 81 international companies, 80 Indian private sector companies and 36 Government owned entities. It also featured 13 thematic sessions and 3 special sessions on various aspects of maritime. Around 240 projects with an investment potential of ₹ 4.34 lakh crores were also showcased. The Maritime Heritage Museum, built in the form of a container ship with interiors resembling a Spanish Galleon was an added attraction. The museum depicted the 5000 years rich maritime heritage of India, right from the earliest port at Lothal to the modern days of shipping in the form of artifacts, replicas, photographs, maps and navigation equipments.

The Shipping Corporation of India was established on October 2nd, 1961. For the last fifty four 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 37% 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.



SCI

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Capt. B.B. Sinha

Chairman & Managing Director and
Director (P&A)

Shri Sanjeev Ranjan

Government Director

Shri Barun Mitra

Government Director

Shri Arun Balakrishnan

Director

Shri Sukamal Chandra Basu

Director

Capt. K. Devadas

Director

Smt. H.K. Joshi

Director

Shri S.V. Kher

Director

Capt. S. Narula

Director

Shri Dipankar Haldar

Executive Director (Legal Affairs) &
Company Secretary

STATUTORY AUDITORS

Messrs. MKPS & Associates, Mumbai

Messrs. GMJ & Co., Mumbai

Messrs. G.D. Apte & Co., 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. Bigshare Services Pvt Ltd

E-2, Ansa Industrial Estate, Sakivihar

Road, Saki Naka, Andheri (E),

Mumbai – 400 072

Email : investor@bigshareonline.com

Telephone 022 40430200

upto Financial Year 2015-16

For Financial Year 2016-17



Chairman's Message

Ladies and Gentlemen,

I have great pleasure to place before our esteemed shareholders, the 66th Annual Report of the Company for the financial year 2015-16. The said report describes in detail the working of your Company for the financial year ended 31st March 2016. I would like to briefly apprise you about the performance of your Company during the aforesaid year.

Financials:

It is a matter of pride to state that despite extremely challenging times and unfavourable market conditions, we reported a consolidated net profit of Rs. 389.4 crores despite an impairment loss of Rs. 136 crores for the year ended 31st March 2016 against a net profit of Rs. 200.93 crores for the year ended 31st March 2015. The losses due to unprecedented downturn in the dry bulk markets have been partially offset by the rally in the tanker markets.

While the net income from operations has almost remained flat, the appreciable decrease in various expenses including bunkers, steady tanker freights and change in depreciation policy have contributed to the positive results. The overall financial health of the company has improved & our borrowings are reduced.

Global Shipping Scenario:

Shipping industry has always been known to be cyclical however the prevailing downward cycle has prolonged making it the worst shipping downturns in living memory. 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 3.1% 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.

The shipping business has been a victim of excess supply of ships hitting the market, putting pressures on freight rates. The dry bulk and container markets have been the worst affected, with no signs of recovery in the near future. Our industry is largely driven by the market forces i.e. supply of tonnage & demand of the world trade. World trade is dominated by the developed and the developing economies. However a slowdown in China's growth and fall in demand in Europe & US have contributed to the subdued business environment. Leading exporters Russia and Brazil have been in recession for over a year now.

Recently, the fear of UK's exit from Eurozone has also been causing anxiety to the world trade especially the financial markets. The UK's imports account for an estimated 2% of global seaborne trade and its exports 1%. In fleet ownership or trade terms, the UK alone is not so significant (though the EU as a whole is accounting for an estimated 16% of seaborne imports and 12% of exports.). The more important impact might be the wider fallout of uncertainty surrounding the 'Brexit' which will play out in the next few months.

Operations:

The shale gas revolution in the North American continent has drastically changed the dynamics of the crude tanker trade. The OPEC countries have maintained their production levels despite the falling crude oil prices, triggering a price war with non-OPEC nations. Lower world crude oil prices have translated to lower bunker prices which have in turn contributed to the reduction in direct operating expenses of ships. SCI's fleet has also benefitted to that extent. Iran is back in business and is coming to the market in a big way. Oil and petrochemical products constitute a major part of Iranian exports and India is one of the major buyers of Iranian oil. On 16th January 2016, EU & UN lifted sanctions on Iran, US also lifted the secondary sanctions however the primary US sanctions remain in place. After lifting of sanctions, after a gap of almost four years, SCI has resumed shipment of Crude Oil from Iran. SCI's Suezmax tanker MT 'Ankleshwar' loaded Crude Oil from Kharg Island for discharging at Visakhapatnam. The voyage was performed under COA with M/s. HPCL. We also have COAs with M/s. BPCL and M/s. MRPL which will require us to lift crude from Iran.

India's appetite for import of crude is ever increasing. Based on EIA estimates, imports supplied 75% of the India's total liquid fuels demand, as India's total liquid fuels consumption in 2015. Presently SCI carries about 50% of Indian crude imports by Indian fleet. SCI carries almost 100% of crude oil on the Indian coast for PSU refineries on its tankers.

The dry bulk trade during the last year has seen unprecedented lows bankrupting many companies in the dry bulk business. The Baltic Dry Index (BDI) touched an all time low of 290 on 10th February, 2016 and continues to hover at 700 levels. At this rate the owners / operators of dry bulk carriers do not recover their daily standing charges. Presently around 14.2% of world dry bulk fleet is on order which makes a revival in the dry bulk market in near term very difficult. However during the last quarter of FY16 scrapping of dry bulk tonnage has touched an all time high (14 million DWT scrapped in Q4 FY16) which makes the outlook relatively promising as the tonnage growth would be arrested. The global dry bulk trade is expected to grow at an average of over 2% during the next 3-4 years. This will only augment the freight to opex levels indicating an uninspiring modest recovery. China is a key player and much will depend upon its domestic steel demand and production.

In the Container segment losses have been piling up as liner freights have dipped below even 2009 global financial crisis levels. The industry is reeling under the impact of larger mega ships entering the market with cascading effects on freight rates which are in a free fall. However newbuilding orders have come to a virtual stop which is a respite for now. The liner business is suffering from negative operating results. In the current market a Panamax size vessel of approx 4300 TEU has negative earnings of about USD 2000 per day. Liner companies have been reshuffling their partnerships to form global alliances with an aim to achieve cost savings and enhance profitability through operational collaboration and network optimization. Barring few companies, the performance of the liner companies during the fiscal has been dismal primarily due to fast deteriorating market conditions and low load factors. SCI's liner fleet though small has not been able to shield itself from such adverse conditions.

Ship Acquisition Programme:

SCI prides in having a diversified fleet of 69 vessels of 5.89 mn DWT with an average age about 9 years. The present downturn in world shipping has also resulted in the decline in the prices of certain asset classes especially Bulk Carriers and Offshore assets which presents us with an opportunity to strategically place orders and increase our fleet size. With the CAPEX plan for FY2016-17, SCI has ambitious plans to augment its tanker and offshore tonnage through acquisition of secondhand vessels.

Other Corporate Developments:

To remain in business, organizations have to constantly think of newer ideas. We have restructured our SMILE service synergizing SCI's services with M/s. Shreyas's services to seamlessly link the Persian Gulf with East Coast of India and West Coast of India, thereby, further strengthening and expanding SCI's presence in the Coastal Shipping Sector. We have also resumed the India Myanmar Liner service and talks are on for extending the service to certain South East Asian Ports. I am also happy to share that ONGC has entrusted the management of its MODUs 'Sagar Vijay' & 'Sagar Bhushan' for a period of six years. I am also happy to share with you that SCI has been entrusted with the technical management of 17 Foreshore vessels belonging to the Andaman & Nicobar Administration. These vessels will be managed from our Port Blair Office thus taking the total number of ships being managed from Port Blair to 28. To take advantage of the increasing opportunities in Inland Waterways, SCI has signed an MOU with Inland Waterways Authority of India during the Maritime India Summit 2016 and is in the process of forming a wholly owned subsidiary to undertake 'Inland Waterways' transportation on National Waterways-1, 2 & 5. This new company will be headquartered at Kolkata.

Way Forward:

India's GDP grew by 7.9% during the last quarter of FY 2015-16 aggregating to 7.6% growth for the whole of FY 2015-16. If the current rate of growth is sustained, India is projected to clock 8% growth for FY 2016-17, thus reinforcing its position as the fastest growing major economy as predicted by the World Bank.

However, the global shipping sector continues to sail in stormy waters and it is time that we explored hitherto unchartered waters for our survival. We have also increased our attention to the 'Inland Waterways' and 'Coastal Shipping'.

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, Minister of State for Shipping & Shri Mansukhlal Mandaviya, 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:

As the adage goes, a smooth sea never made a skillful sailor, your Company has also learnt immensely during the last few years surviving through the tough times and adverse market conditions. Your company has served the nation for about 55 years and continues to remain fundamentally strong and operationally dynamic aspiring to achieve greater success. I seek continued support and patronage of all stakeholders in the company's efforts to march forward with a renewed vigour.

Captain B. B. Sinha
Chairman & Managing Director

The Shipping Corporation Of India Ltd.



SCI
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VISION

To emerge as a team of inspired performers in the field of maritime logistics, Offshore, Port and Terminal Management, serving Indian and global trade.

MISSION

To serve India's overseas and coastal seaborne trade as its primary flag carrier, and be an important player in the field of global maritime logistics with focus on:

- Maintaining its 'Numero Uno' position in Indian Shipping.
- Establishing a major global presence in energy-related, dry bulk and niche container shipping markets.
- Evolving reliable and cost-effective business models to exploit emerging opportunities in maritime and allied industries.
- Achieving excellence in Quality, Occupational Health, Safety and Environmental Management Systems.

OBJECTIVES

The Shipping Corporation of India Ltd. works to fulfil its objectives as mentioned below:

- To provide its clientele safe, environmentally sustainable, reliable, efficient and quality shipping services, complying with all legal and other requirements.
- To be an optimally profitable, viable, ethical and socially responsible commercial organization contributing to the national economy by securing a reasonable return on capital and serving the nation's needs.
- To own or acquire an adequate, well designed and efficient fleet to cater to the demand of global maritime trade through options like leasing, demise charter, joint ventures and other innovative financial measures.
- To be a major player in India's offshore and other marine activities and to continue to explore opportunities for diversification for steady growth of the Company.
- To enhance competency and professionalism among its fleet and shore personnel through effective and dynamic Human Resource Management.
- To continually improve its efficiency in process and technology, adopting various measures including E-governance and optimum use of Information Technology.
- To minimize risks and environmental impacts for achieving Safety, Health and Environmental performance.

BOARD OF DIRECTORS



Capt. B.B. Sinha, Chairman & Managing Director / Director (Personnel & Administration)

Capt. B. B. Sinha has been entrusted with the additional charge of C&MD of SCI w.e.f. 01.01.2016 consequent to the superannuation of Shri A.K.Gupta, Ex-CMD. Capt. B. B. Sinha is the Director of Personnel & Administration since 01.01.2013. Capt. Sinha has served around 38 years at responsible executive levels in Shipping Industry consisting of 16 years of sea service and 22 years of shore service at SCI in shipping management, bulk carriers, tankers, chemicals, LPG & LNG operations. Capt. Sinha is a Director of Baltic & International Maritime Council (BIMCO), Director of Steamship Mutual Underwriting Association (Bermuda) Ltd and a Director of Indian Register of Shipping,. He is also the Chairman of the Governing Council of the prestigious Narottam Morarjee Institute of Shipping (NMIS) at Mumbai



Shri Sanjeev Ranjan, Government Director

Shri Sanjeev Ranjan, was appointed ex officio part time Director on the Board of Directors in September 2015. Shri Sanjeev Ranjan serves as Additional Secretary and Financial Adviser in the Ministry of Shipping and is also on the Boards of ITDC, IPRCL, MPT and IWAI.

Shri Ranjan specializes in information technology, energy, transport; infrastructure development and finance and has worked in these areas as Managing Director, Road Transport Corporation; Principal Secretary, Department of Power; Secretary, Border Roads Development Board and Joint Secretary (Border infrastructure), Ministry of Defence. He also has been a Director on the Boards of NEEPCO, OTPC, NEPTC, MECL, CCI and the NDDB.

Shri Ranjan is a BTech (Electrical Engineering) from IIT Kanpur; MBA(Finance), FMS Delhi; M Phil (Economics), Glasgow; MPhil (Strategic Studies); MPM, NUS Singapore and PhD with thesis on ICT use and firm efficiency from IIT Delhi. He is an alumnus of the National Defence College and was a Lee Kuan Yew Fellow at the Harvard University.



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 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 Postgraduate 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.



Shri Arun Balakrishnan

Shri Arun Balakrishnan superannuated as Chairman & Managing Director of Hindustan Petroleum Corporation Ltd (HPCL), a Fortune 500 Company, in 2010 after having joined the company as a Management Trainee in 1976.

A Chemical Engineer, with a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore, he has held functions such as Marketing, Operations, Import-Export, Human Resources, etc. at HPCL. He is also the Founder Chairman of HPCL-Mittal Energy Ltd.(HMEL),a Joint Venture Company of HPCL and L.N. Mittal Investments, and is currently an Independent Director of the Board.

Additionally, Shri Balakrishnan is Non Executive Independent Director on the Boards of a number of prestigious companies in the Oil & Gas, Power, Real Estate, Space, Trading, Commodities Exchange, etc. He is the recipient of "The Distinguished Alumni Award 2008" from his alma mater, the Indian Institute of Management, Bangalore amongst others.

BOARD OF DIRECTORS



Shri Sukamal Chandra Basu

Shri Sukamal Chandra Basu was the Chairman and Managing Director of Bank of Maharashtra from the year 2000 to 2006. He has rich corporate experience with Price Waterhouse, United Bank of India, Bank of Baroda and Bank of Maharashtra. He was the Director on Board of EXIM Bank, Chairman of Audit Committee of EXIM Bank, Governing Council member of the Board of National Institute of Bank Management, Executive Council Member of Maharashtra Chamber of Commerce, Pune, Dy. Chairman of Indian Banks' Association, Permanent Member of FICCI Arbitration Board (Domestic & International) and Ex-Invitee Member of Peer Review Board of ICAI.

Shri Basu has been a guest faculty to National Institute of Bank Management, Pune and various management institutes. He is currently a Member of the Board of a pharmaceutical organization.



Capt. K. Devadas, Director

Capt. K. Devadas has rendered four decades of dedicated services to SCI. The experiences gathered by him at sea from 1976 onwards onboard SCI ships, groomed him to carry forward the real time exposure & experiences at sea, as he got absorbed ashore in SCI from 1993 onwards.

His journey ashore was initially in Bulk Carrier & Tanker Division and later he was elevated to take wider responsibilities in the Offshore Department in 2005. This gave him an opportunity to excel in Oil and gas segment. This stint continued and thereafter, he assumed the charge of Director (Technical and Offshore Services Division) in 2014. This segment under his leadership has been a steady contributor towards the growth of the organization.

Capt. K. Devadas is a Master Mariner and a fellow of the Company of Master Mariners of India. He holds an MBA degree in Shipping and Logistics management and is a member of the Institute of Chartered Shipbrokers, London. He is a member in the technical committees of the prominent classification societies of IACS. He has excelled in various Indian and global shipping conferences and seminars as a speaker and a panelist.



Smt. H.K. Joshi, Director

Smt. H.K. Joshi joined SCI as Director (Finance) on 5th February, 2015. 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. She started her career as a Lecturer in Delhi University and joined the corporate world in 1984.

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.

She has been the recipient of "The Most Influential CFOs of India Award" from Chartered Institute of Management Accounts, UK for two successive years, 2015 and 2016. She has also been awarded with "The Tenth India CFO Awards – Excellence in Finance to enable a Turnaround" hosted by International Market Assessment India Private Limited in proud association with Pierian Services in May 2016. In July 2015, she was honoured with "CMA CFO Award 2014" from The Institute of Cost Accountants of India.

She believes in team work and has received various group awards in her previous assignments with ONGC.



Shri Shrikant V. Kher

Shri Shrikant V. Kher has taken over as Director of Bulk Carriers and Tankers from 1st October 2015 upon superannuation of Capt Sunil Thapar on 30th September 2015.

Shri Kher joined the Shipping Corporation in 1985 as a Management Trainee and has served in various Divisions of the Corporation. He is a holder of MBA in Marketing and has completed his M.Sc (Shipping Management) from the World Maritime University, Malmo Sweden.

Shri Kher has vast experience in Off Shore Services, Business Development and Commercial operations of Bulk Carriers & LNG Tankers. He has been closely involved in the LNG project development activities from inception and formation of the joint ventures. With Mr. Kher's expertise in project development, SCI will make its presence felt in niche markets.

BOARD OF DIRECTORS



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 01 May 2014. Capt. Sarveen Narula has more than 36 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.

EXECUTIVE DIRECTORS AND SENIOR VICE PRESIDENTS

S. No	NAME	Title	DES	LOCATION	DIVN.	SUB DIV
1	DIPANKAR HALDAR	Mr.	ED	MUM	BRD SECTT	ED (LA) & CS
2	JEJURIKAR USHA D.	Ms.	Sr. VP	MUM	T&OS	BPC
3	SARAIYA NAISHAD R.	Mr.	Sr. VP	MUM	F&A	IA & FS Account
4	MANDAL SHILADITYA	Mr.	Sr. VP	KOL	KOL	RSVP Kol
5	SADAWARTI SHANKAR G.	Mr.	Sr. VP	MUM	IT	ERP
6	MAJI SWAPAN K.	Mr.	Sr. VP	MUM	L&PS	Freight & Port Operation
7	MITRA PRANAB K.	Mr.	Sr. VP	MUM	B&T	BC-Comm
8	DHINGRA SURJIT S.	Dr.	Sr. VP	MUM	L&PS	FE-C
9	MESHARAM BALA V.	Mr.	Sr. VP	KOL	KOL	Port Blair
10	BORKAR MAIRE R.	Capt.	Sr. VP	MUM	B&T	Tanker Technical
11	BARAI ASHOKE K.	Mr.	Sr. VP	MUM	B&T	RBC/DD/PEC
12	MATHEWS PHILIP	Capt.	Sr. VP	MUM	ISM & ISPS	ISM & ISPS
13	PATEL ASHWIN V.	Mr.	Sr. VP	MUM	F&A	Bills & Tax
14	UBALE ATUL L.	Mr.	Sr. VP	MUM	B&T	TC-CR -CH
15	SRIVASTAVA CHANDRA M.	Capt.	Sr. VP	MUM	P&A	FP
16	YADAV SURENDRA K.	Capt.	Sr. VP	MUM	L&PS	L&PS-Operations
17	SOOD RAJESH	Mr.	Sr. VP	MUM	B&T	B&T-Bulk Carrier Technical
18	SHARMA SANGEETA A.	Ms.	Sr. VP	MUM	B&T	TC-PR
19	SUNDERAJAN SUMATHI	Ms.	Sr. VP	MUM	F&A	Finance & Treasury
20	S.SASIKUMAR	Mr.	Sr. VP	MUM	T&OS	Technical Fleet Services

NOTICE OF MEETING

NOTICE is hereby given that the 66th 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 1530 hrs. on Monday, the 26th day of September 2016 to transact the following as:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements as on 31.03.2016 and Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Capt. K.Devadas (DIN: 06887951) who retires at this meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt H.K.Joshi (DIN: 07085755) who retires at this meeting and being eligible, offers herself for re-appointment.
4. To fix remuneration of auditors.

SPECIAL BUSINESS BY ORDINARY RESOLUTION

5. To appoint a Director in place Shri S V Kher (DIN: 7286348) who under Article 125 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 holds office only upto the date of this Annual General Meeting and being eligible for appointment, the Company has received a notice in writing from his goodself signifying his intention to propose appointment of himself as Director of the Company.

"RESOLVED THAT Shri S V Kher (DIN: 7286348), 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 Shri Arun Balakrishnan (DIN: 00130241) who under Article 125 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 holds office only upto the date of this Annual General Meeting and being eligible for appointment, the Company has received a notice in writing from his goodself signifying his intention to propose appointment of himself as Director of the Company.

"RESOLVED THAT Shri Arun Balakrishnan (DIN: 00130241), 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."

7. To appoint a Director in place of Shri Sukamal Chandra Basu (DIN: 1735626) who under Article 125 of the Articles of Association of the Company and Section 161 of the Companies Act, 2013 holds office only upto the date of this Annual General Meeting and being eligible for appointment, the Company has received a notice in writing from his goodself signifying his intention to propose appointment of himself as Director of the Company.

"RESOLVED THAT Shri Sukamal Chandra Basu (DIN: 1735626), 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."

Registered Office:

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

Dated : 18th August, 2016

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 20.09.2016 to 26.09.2016.
- 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. Bigshare Services Pvt Ltd

E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai – 400 072

Email: investor@bigshareonline.com

Telephone: 022 40430200

- 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 dividend declared by the Company for the year 2008-2009 and onward. The investor may also visit www.shipindia.com. The dividend paid for the year 2007 -2008 (Final) 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 Regulation 44 of SEBI (LODR) Regulations, 2015 the Company is pleased to provide its Members the facility of remote 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 scrutinizers report and submit it to the Chairman. The results declared along with the Scrutinizers 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 shareholders voting electronically are as under:

- (i) The voting period begins on 23.09.2016 at 9AM and ends on 25.09.2016 at 5PM. 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 19.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.

NOTICE OF MEETING

(vii) If you are a first time user follow the steps given below:

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 (refer serial no. printed on the name & address sticker/attendance slip/ email/postal ballot form) 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for The Shipping Corporation of India Ltd on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (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.
- (xx) 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**.

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, Item No. 6 and Item No 7 of the accompanying Notice dated 18th August, 2016, convening the 66th 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, Shri S V Kher as an Additional Director of the Company with effect from 01.10.2015.

In terms of the provisions of Section 161(1) of the Act, Shri Kher 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 Shri Kher 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 of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 6 of the Notice

Pursuant to letter dated 21.03.2016 from the Ministry of Shipping, the Board of Directors of the Company appointed, under Section 161(1) of the Act and Article 125 of the Articles of Association of the Company, Shri Arun Balakrishnan as an Additional Director of the Company with effect from 30.03.2016

In terms of the provisions of Section 161(1) of the Act, Shri Balakrishnan 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 as Director of the Company.

A brief profile of Shri Balakrishnan 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.

Item No. 7 of the Notice

Pursuant to letter dated 21.03.2016 from the Ministry of Shipping, The Board of Directors of the Company appointed, under Section 161(1) of the Act and Article 125 of the Articles of Association of the Company, Shri Sukamal Chandra Basu as an Additional Director of the Company with effect from 26.05.2016.

In terms of the provisions of Section 161(1) of the Act, Shri Basu 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 as Director of the Company.

A brief profile of Shri Basu is given at 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.

Dated : 18th August, 2016

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. 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 Mariner • Master (FG) • MBA (Shipping & Logistic Management) 	<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 experience in the Shipping industry, Bulk and Tanker and Off-shore divisions.	Over 31 years of rich exposure in handling all facets of Finance & Accounts in the Oil sector and in Joint Venture assignments
Directorship held in other public companies (excluding Foreign ,Private and Section 8 companies)	NIL	NIL
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Number of shares held in SCI	NIL	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report	
Relationships between directors inter-se	NIL	
Name of Directors	Shri S V Kher	Shri Arun Balakrishnan
Date of Birth	23.09.1959	25.07.1950
Date of Appointment	01.10.2015	30.03.2016
Qualifications	<ul style="list-style-type: none"> • MBA(Marketing) • M. Sc. (Shipping Management) from World Maritime university , Malmo (Sweden) 	<ul style="list-style-type: none"> • B.E.(Chemical) • PG Diploma in Management (IIM – Bangalore)
Expertise in Specific functional areas	More than 31 years of experience in various facets of shipping industry especially offshore , bulk carriers and LNG tankers, including business development and commercial operations of the same.	Around 40 years of experience in Oil & Gas industry and allied sectors
Directorship held in other public companies (excluding Foreign ,Private and Section 8 companies)	NIL	<ol style="list-style-type: none"> 1. HPCL-Mittal Energy Ltd. 2. NCDEX- E Markets Ltd. 3. Mahanagar Gas Ltd. 4. Linde India Ltd. 5. Jaypee Infratech Ltd. 6. Antrix Corporation Ltd. 7. HPCL-Mittal Pipe Lines Ltd. 8. Jaiprakash Power Ventures Ltd.
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	NIL	Audit Committee Memberships <ol style="list-style-type: none"> 1. Mahanagar Gas Ltd 2. Linde India Ltd. Audit Committee Chairmanships <ol style="list-style-type: none"> 1. HPCL-Mittal Energy Ltd. 2. NCDEX- E Markets Ltd. 3. HPCL-Mittal Pipe Lines Ltd.
Number of shares held in SCI	NIL	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report	
Relationships between directors inter-se	NIL	

ANNEXURE TO THE NOTICE

Name of Director	Shri Sukamal Chandra Basu
Date of Birth	15.12.1946
Date of Appointment	26.05.2016
Qualifications	<ul style="list-style-type: none"> • M Com • LL B • Fellow Member of Institute of Chartered Accountants of India
Expertise in Specific functional areas	Around 40 years of Experience in various sectors of banking industry.
Directorship held in other public companies (excluding Foreign ,Private and Section 8 companies)	East India Pharmaceutical Works Limited.
Membership/Chairmanships of committees of other public companies (Includes only Audit Committee and Stakeholders Relationship Committee)	Audit Committee Membership East India Pharmaceutical Works Limited.
Number of shares held in SCI	NIL
Number of Board Meetings Attended	Please refer Corporate Governance Report
Relationships between directors inter-se	NIL



SALIENT STATISTICS 2015-16

Authorised Capital	₹ 1000.00 Crores
Subscribed and Paid- up Capital	₹ 465.80 Crores
Depreciation Provision	₹ 579.95 Crores
Gross Earnings	₹ 4277.19 Crores
Gross Investment on Fleet	₹ 17977.62 Crores
No. of Passengers carried (including managed vessels)	277614
No. of Employees (including crew) (As on 1st July,2016)	2315
Vessels Owned (As on1st July, 2016)	
• Number	69
• Tonnage	5.89 million DWT 3.29 million GT
Vessels on Order (As on 1st July , 2016)	NIL



DECADE AT GLANCE OPERATIONAL STATISTICS

(Figures in Crores of ₹)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Operating Earnings	3703.4	3726.9	4166.6	3463.1	3543.4	3820.8	4152.5	4155.2	4153.8	4078.3
Interest Income	219.7	227.7	272.7	218.2	191.4	183.4	107.3	103.3	145.9	113.2
Other Income	287.2	129.8	125.2	215.0	285.0	495.9	236.4	280.5	288.0	85.7
Total Earnings	4210.3	4084.4	4564.5	3896.3	4019.8	4500.1	4496.2	4539.0	4587.6	4277.2
Operating Expenses	2567.7	2594.4	2815.7	2771.0	2254.5	3328.4	3273.7	3112.3	2794.2	2339.6
Other Expenses	149.4	221.3	266.5	216.7	576.7	515.7	668.4	585.6	567.8	636.9
Interest Expenses	80.1	61.6	64.7	52.5	66.9	387.3	161.8	206.1	179.3	160.6
Depreciation	303.1	303.2	323.9	380.1	465.1	608.7	760.5	856.4	770.2	580.0
Impairment	-	-	-	-	-	-	-	-	-	136.4
Exceptional items	-	-	39.1	-	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	(299.7)	-	-	-
Tax Liability	95.5	90.0	113.9	99.1	89.3	88.2	45.8	53.3	75.2	46.5
Deferred Tax Provision written back	-	-	-	-	-	-	-	-	-	-
Total Expenses	3195.8	3270.5	3623.8	3519.4	3452.5	4928.3	4610.5	4813.7	4386.7	3899.9
Profit after Tax	1014.5	813.9	940.7	376.9	567.3	(428.2)	(114.3)	(274.7)	200.9	377.3

FINANCIAL HIGHLIGHTS:

(Figures in Crores of ₹)

	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	31-03-16
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WHAT THE COMPANY OWED

Fixed Assets										
Gross Block	6705.4	6737.1	8161.9	8893.2	11841.3	13334.4	16556.8	17486.3	17,297.9	18,154.4
Less: Depreciation (Cum) & Impairment	3744.2	4047.2	4333.9	4386.4	4472.1	4421.6	5017.0	5551.6	5,853.4	6,551.0
Net Block	2961.2	2689.9	3828.0	4506.8	7369.2	8912.8	11540.3	11934.7	11,444.5	11,603.4
Assets under Construction	762.5	2007.2	2099.9	1854.7	1790.4	1833.3	1572.5	710.9	490.9	-
Working Capital	2596.7	2347.7	2640.9	2505.7	2431.0	2036.6	1550.1	1837.6	1,341.3	1139.6
Investments	24.0	41.5	111.5	166.7	292.7	274.6	117.7	113.5	90.1	65.3
	6344.4	7086.3	8,680.3	9033.9	11883.3	13057.3	14780.6	14,596.7	13,366.8	12,808.3

WHAT THE COMPANY OWED

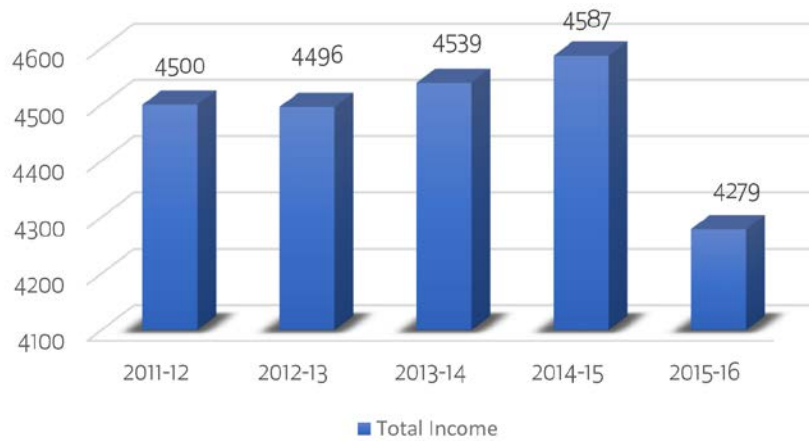
Bank Loans	1244.7	1454.2	2471.7	2696.9	4715.2	6323.0	7707.4	8000.5	6,833.2	5897.9
Unsecured Loans	-	-	-	-	-	-	457.0	256.4	-	-
	1244.7	1454.2	2471.7	2696.9	4715.2	6323.0	8164.4	8256.9	6,833.2	5,897.9
Deferred Tax Liability	-	-	-	-	-	-	-	-	-	-

NET WORTH OF THE COMPANY

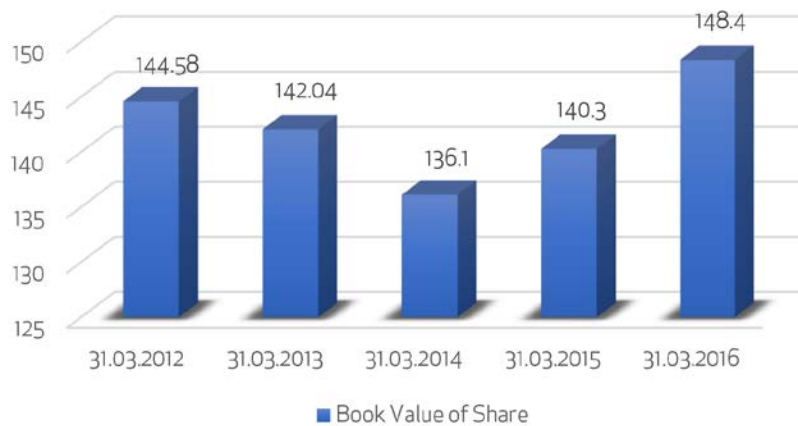
Share Capital	282.3	282.3	423.5	423.5	465.8	465.8	465.8	465.8	465.8	465.8
Reserves & Surplus	4817.4	5349.8	5785.0	5913.5	6702.3	6268.5	6150.4	5874.0	6,067.8	6444.6
Deferred Revenue Expenditure	-	-	-	-	-	-	-	-	-	-
	5099.7	5632.1	6208.5	6337.0	7168.1	6734.3	6616.2	6339.8	6,533.6	6,910.4
Dividend paid	239.9	239.9	275.2	211.7	256.2	-	-	-	-	-
Dividend %	85.0	85.0	65.0	50.0	55.0	-	-	-	-	-

GRAPHS

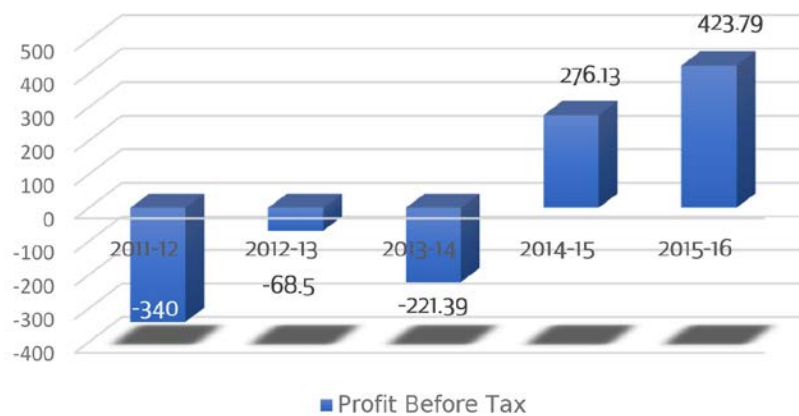
Total Income (Amt. in ₹ Crores)



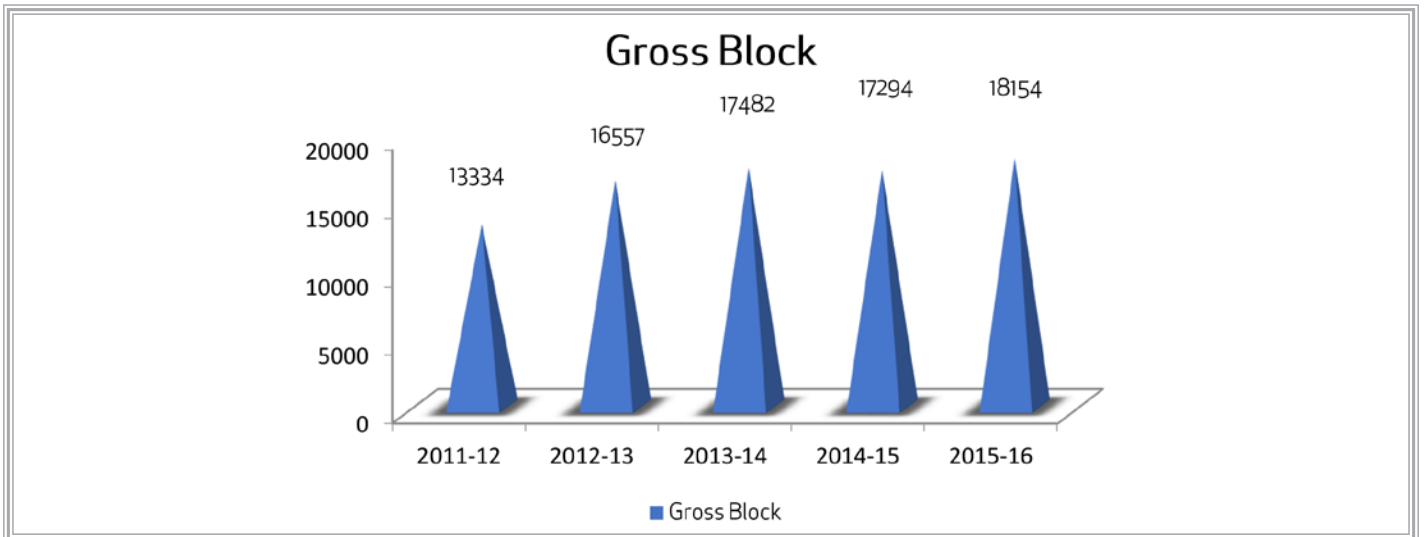
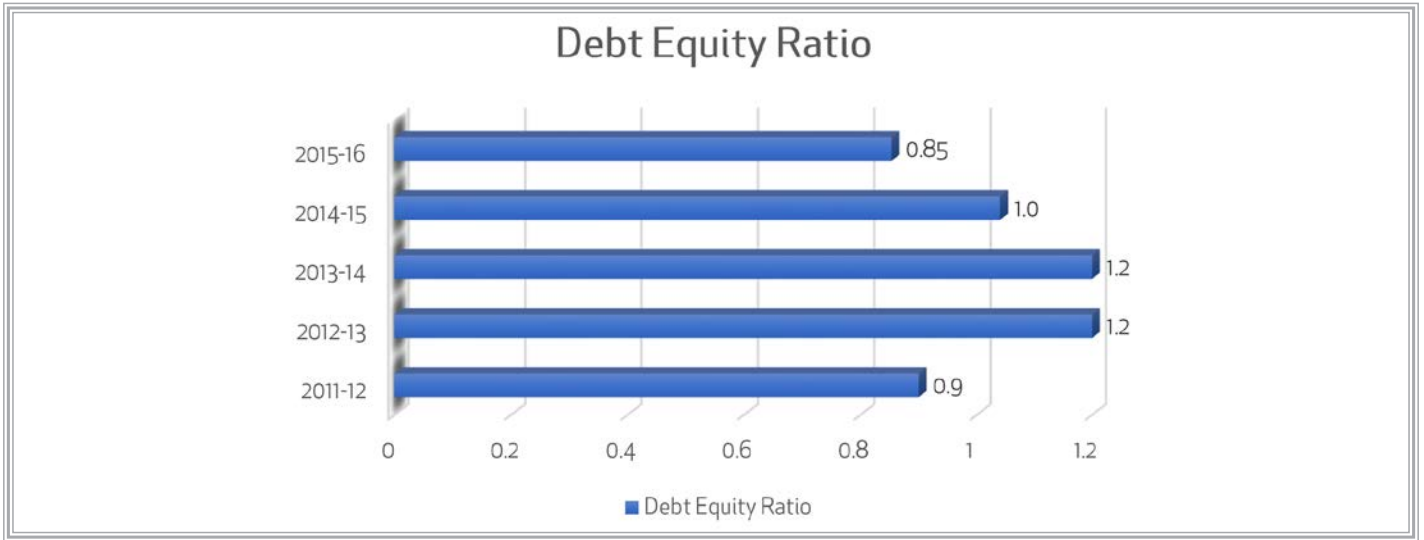
Book Value of Share (Value in ₹)



Profit Before Tax (Amt. in ₹ crores)



GRAPHS



DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 66th Annual Report on the working of your Company for the financial year ended 31st March, 2016.

Accounting Year

The year under report covers a period of 12 months ended on 31st March, 2016.

FINANCIAL PERFORMANCE

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

		(₹ in Crores)	
		2015-16	2014-15
Gross Earnings		4277	4588
Gross Profit (before interest, depreciation, items relating to earlier years, exceptional items & tax)		1299	1239
Less : Interest	161		179
Depreciation and Impairment	716	877	770
Profit before items relating to earlier years, exceptional items & tax		422	290
Prior year's adjustments		2	(14)
Profit before Extraordinary items & tax		424	276
Extraordinary items		-	-
Provision for Indian Taxation		(47)	(75)
Net Profit		377	201

Appropriations :

The working results for your company for the year 2015-16 after considering prior period adjustments show a profit of ₹ 377.29 crores.

An amount of ₹90.0 crores has been transferred to Tonnage Tax Reserve u/s 115VT of the Income Tax Act, 1961.

Your Directors propose to make appropriations of ₹ 1.4 crores for FY 2015-16 Under Staff Welfare Fund.

After adjusting an opening debit balance of ₹ 34.72 crores (being balance profit and loss account brought forward from previous year), there is a credit balance in Profit & Loss A/c of ₹ 251.17 crores.

Brief Analysis of Financial Performance

SCI has reported net profit of ₹377.29 Crores for financial year 2015-16. The shrinkage in Bulk carriers and Liner freight rates was offset by increase in Tanker freight rates. Due to steep fall in Market Prices and Freight rates of some of the vessels, the company had to make provision for impairment loss of ₹136 crores. Reduction in depreciation due to change in useful life of Tankers and Offshore vessels coupled with reduction in bunker cost have contributed positively to the current year profit. The consolidated Net Profit of the company for the Financial year 2015 - 16 was ₹ 389.40 Crores.

Performance and Financial positions of joint ventures included in consolidated financial statements:

As on 31.12.2015 Fig (₹ in lacs)

Particulars	ILT 1	ILT 2	ILT 3	ILT 4
Total Income	15463	16795	17809	-
PAT	3976	5207	248	(158)
Equity capital	15	15	7	10853
Number of equity shares	10,000	10,000	10,000	123,62,500
EPS	.40	.52	.25	-
Dividend	0	0	0	0
Net worth	9532	9629	(10156)	10636

- ILT 4 is yet to start its operations as the vessel is still under construction.
- Net Impact on Consolidated profits is increase of Rs 1211 lacs upon proportionate consolidation of above joint ventures and on Net worth is decline of Rs 203 lacs.

DIRECTORS' REPORT

1.0 Fleet Position during the Year:

During the year under report, there has been no addition or deletion of vessels to SCI's fleet. Thus the overall fleet of SCI remained steady at 69 vessels of 5.89 million DWT at the end of the year.

Fleet Profile during the Year

Particulars		As on 1.4.2015		Additions		Deletions		As on 31.3.2016	
		No.	DWT	No.	DWT	No.	DWT	No.	DWT
1.	(a) Crude Oil Tanker	21	3,608,001	-	-	-	-	21	3,608,001
	(b) Product Tankers	14	908,059	-	-	-	-	14	908,059
	(c) 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 Vsls.	9	20,150	-	-	-	-	9	20,150
5.	Passenger-Cum-Cargo Vessels	1	5,140	-	-	-	-	1	5,140
Total		69	5,892,854	-	-	-	-	69	5,892,854

2.0 During the period under report, no vessel was inducted in SCI fleet:

2.1 During the same period, the no vessels were disposed off from SCI fleet:

2.2 At the end of the year 2015-16, the Company had NIL vessels on order.

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, 2016 is appended to the Directors' Report.

Subsidiaries and Associates

Your company has no subsidiary Company and has six 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 to 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

(₹ in crores)

Particulars	2015-2016	2014-2015
Foreign exchange earned and saved including deemed earned and saved	3,771.57	4,103.73
Foreign exchange used including deemed used	3,678.42	4,183.32

Expenses on Entertainment, Foreign tours etc. – FY 2015-16

During the year under report your Company spent ₹ 42 lakhs on entertainment, ₹246 lakhs on publicity & advertisements and ₹386 lakhs on foreign tours of Company's executives.

DIRECTORS' REPORT

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

i) Global Scenario

The year 2015 was marked by subdued economic activity. In terms of a rebound, the global recovery vehicle is still far away from its destination. Although the major chunk (around 70%) of global growth is still attributed to economic growths of developing and emerging nations, their share in global growth appears to be gradually subdued and waning for the fifth consecutive year. The major factors influencing global outlook were Chinese slowdown in the infrastructure, manufacturing & capital investment sectors, marginal tightening of monetary policy by US on the backdrop of their strengthening economy, prices for energy & power commodities continuing to remain lower. Oil prices declined significantly from September 2015 onwards, which benefitted the importers, while straining the economies of exporters. The US economy remained solid with firm housing & labor markets & is expected to hold its position in 2017. Europe, Japan, India and other emerging economies of Asia reaped the benefits of lower oil prices. As per analysts, the Chinese economy is shifting from import-export focus to internal consumption & services. After a stellar performance in the FY15-16, the Indian economy is expected to outperform China again in 16-17 in terms of growth rate.

ii) Global GDP

The world GDP grew by an average of 3.1% in 2015, with growth estimates for 2016 and 2017 at 3.4% and 3.6% respectively. The growth in US is expected to be 2.6% in 2016-17. Meanwhile, Europe & other advanced economies are expected to show moderate to slow recovery. China continues to face slowdown in its import-export & capital-intensive sectors. Though a paradigm shift towards internal consumption & services is expected to balance the Chinese economy to some extent, still many analysts predict a medium-to-sharp slowdown in Chinese economy, which is expected to grow at 6.3% per annum. On the other hand India is expected to again surpass China with a growth rate of 7.5% driven mainly by a stable government & lower oil import costs.

The IMF report forecasts global trade to grow from 2.6% in 2015 to 3.4% and 4.1% in 2016 and 2017 respectively, owing to steady trade volumes of advanced economies, while a significant growth in trade within emerging economies. Emerging economies are riding on the lower energy prices, which should reduce overall business costs, while having the advantage of growing domestic demand. The global GDP growth directly impacts the international trade (export and imports) and a higher GDP in turn would have a positive impact on the shipping industry as about 80% of the international trade by volume is carried by shipping.

iii) Seaborne Trade, Fleet & Market

Globally, the oil trade (i.e. 'Crude Oil' and 'Products' segments) growth rose by 2.91% compared to 0.5% growth in 2014. In the oil seaborne trade development, the 'Crude oil' trade increased by 2.81% at 2,085 million tons in 2015, whereas 'Products' trade was 806 million tons in 2015, increasing by 3.20%. The tanker fleet expanded by 16.68% in 2015 as compared to 0.56% during the previous year. Overall for most crude tanker owners, 2015 was a very optimistic year as steady demand growth & lag in plugging of demand-supply gap saw freight rates reaching very healthy levels.

The dry bulk trade stood still with nominal increase of 0.08% in volume over the course of the year 2015, but oversupply of tonnage continued to plague the markets and earnings. Consequently, the time charter rates took a heavy beating, falling in the range of 21% to 30% across all vessel types, with similar sharp declines in spot rates and trip charter rates too. Although there is deceleration in fleet growth, with total fleet growing at about 2.78% from 5.3% in 2014, and the fleet actually shrinking in 2016; the fleet growth is projected at an average 1.5% annually during 2016-18, thus limiting the prospects for a reversal in the supply demand gap. Most of the gains in demand during 2015 came from the coal, and minor bulk trades. China, Japan in iron ore trade & India in coal trade were the key drivers of the demand.

Irregular and extreme circumstances, specifically the sharp decline in commodity and oil prices and the steep devaluation of currencies against the USD, weighed disproportionately on economic growth and import demand of export-oriented emerging markets. They also negatively impacted trade growth in developing Asian economies, while limiting global investment and curtailing trade demand in advanced economies, particularly in Europe. A combination of slow global demand and tumbling commodity prices led to the drastic decline in world trade value. Containerized trade was not immune to the events in commodity markets and the ensuing tightness in financial markets which affected the purchasing power of both emerging and advanced economies. Containerized trade growth 1.7% pace in 2015 is the second lowest-expansion of trade, second only to 2009 when trade contracted during the crisis. Container-capable fleet growth (cellular and non-cellular ships trading in container trades) accelerated to 7.5% in 2015, up from a much more moderate 5.2% annual expansion during the previous two years. Scrapping developments slowed down in 2015 though the activity surged by year end as charter markets collapsed. Newbuilding slippages increased towards the year end due to deteriorating market conditions. Average liner operating profitability, after three long years, had become positive in 2014; however, after showing the best 6 month long operating performance beginning 2015, the freight rates started falling thereafter and collapsed to historical lows in November, bringing liner operating profitability down.

iv) INDIAN SCENARIO

As per Central Statistics Office (CSO), Indian economy grew by a robust 7.6% (estimated) in 2015-16, compared to 7.2% growth in 2014-15 on the backdrop of improvement in both services and manufacturing sector marked by confidence in the markets owing to a

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pro-reform government & significant decrease in oil import costs. India overtook China in GDP growth this year. According to sources from Ministry of Commerce, India's exports in value terms fell by 15.57% to US\$ 262.03 billion in 2015-16, while imports also fell by 15.04% to US\$ 380.67 billion. As per Press Information Bureau & Indian Port Association (IPA), the quantum of Cargo Traffic at India's 12 major ports rose by 3.13% in first three quarters of 2015-16 i.e. from around 433.5 million tons in April-December 2014 to 447.05 million tons in April-December 2015. The largest commodity group in the total traffic was P.O.L. (Petroleum, Oil & Lubricants) with around 32% share, followed by Container traffic and Coal (21.5% each), 'Other Cargo' (21%), Fertilizers and Iron Ore 2% 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.

v] STRENGTHS

Years of experience in Shipping together with diversified fleet across all major segments gives SCI 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 10 years presently. Longstanding COA relationships with major Indian Oil Refineries offer cargo security. A strong presence in the crude and Petroleum sector provided good returns in the year, which featured higher cargo demand on a moderate tonnage growth.

vi] OUTLOOK

As the prospects for global economy point to improved growth at about 3.4%-3.6% in 2016-17, 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. One of the major shifts in oil tonnage will be due to waning production of crude oil in US, thus increasing imports of the country & shifting a lot of tonnage towards the region. While this would allow the tanker market to remain buoyant over the coming year, but with a marked increase in tanker supply & only marginal increase in demand, rates and prices for both crude and product tankers are estimated to dip downwards, on average compared to 2015. Most indicators are likely to stabilize in 2017 and from 2018-20, product tanker indicators would hold steady over this period, while crude tanker rates and prices may come under some pressure due to increasing demand-supply gap. In the dry bulk segment freight rates are expected to undergo severe volatility over the course of next two years. More specifically, freight rates for Supramax, Panamax, and small bulkers are projected to decrease in 2016 before going up in 2017-19 due to surge in the demand.

In the container segment, all containerized trades suffered lower growth in 2015 with several lanes seeing outright contraction in volumes. Liftings to commodity export regions like Russia, Latin America, West and South Africa fell lower than 2014 figures as they were negatively affected by developments in commodity prices. Slowdown in Chinese economy weighed on economic growth of its Asia-Pacific trade partners which depend on China for their exports. Sharp depreciation of several Asian currencies against US Dollar negatively impacted their purchasing power. Containerized trade is however expected to accelerate in 2016 as commodity prices resume positive growth, financial liquidity returns to the markets, investment gains new momentum and economic growth in emerging markets bounces back. Effective liner fleet utilization is expected to average 79% in 2016 up from 78% in 2015. Market fundamentals are expected to improve in 2017. Charter market conditions are expected to become better in 2016. Charter fleet utilization is expected to average 73% in 2016 modestly higher than 72.3% in 2015 and improve to 74% in 2017. The return of Iran to the global markets and a possible lifting of European sanctions on Russia could also help buttress demand for feeder capacity

vii] OPPORTUNITIES & THREATS

The developing Asia region is expected to perform better in 2016 as compared to 2015 with India surpassing 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 6.3 % in 2016, slightly down from 6.6% growth in 2015 with India poised to grow at 7.5%. The European economy is expected to show modest growth of 1.7% in 2016 with growth coming in primarily from the recovering Euro economies & stronger private consumption due to monetary easing. The Japanese economy is expected to grow at a modest rate of about 1% in 2016.

As far as the container segment is concerned, sharp changes in the factors leading to downsizing of trades in 2015 viz. low oil and commodity prices and consequent subdued commodity demand are expected to abate which in turn would favourably impact the containerized trade. Euro and Europe-Russia transshipments are expected to stabilize with an improving Eurozone economy. A projected strong cyclical economic rebound combined with a revival in global investment, as commodity prices move higher would help propel trade growth. Containerized trade growth is projected to increase from 1.7% pace in 2015 to 4.4% in 2016 and 6.5% in 2017. Container-capable fleet growth is expected to moderate to 5.5% in 2016 and ease further to 4.7% in 2017, a pace considerably lower than the 7.5% annual growth of 2015.

viii] RISKS & CONCERNS

Geopolitical tensions, the US monetary policy tightening, declining industry output and falling demand in China remain the major macro risks. The gradually deteriorating political & economic situation in Brazil is becoming a cause for concern. The low crude oil prices have strained 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. Falling oil prices, along with western sanctions continue to keep the Russian economy in recession. 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. In the

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event these negative trends strengthen, the crude tankers rates are likely 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 Chinese economy remains a matter of concern. One more solid driver of coal trade, Japan, is also planning to reduce its dependency on coal, thus likely to hamper the corresponding maritime trade.

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 2.7% to 96.30 million barrels per day over the previous year. It is forecasted that the demand growth is expected to come from developing & advanced countries of Asia such as India, Thailand and Korea while demand is forecasted to shrink for OECD-Americas & OECD-Asia Oceania. Due to a dip in US production, US imports of crude oil from Middle East & West Africa are predicted to be on the rise, helping to boost ton-mile demand. However, the net flow of global crude trade is forecasted to shift eastwards, due to ongoing buildup of strategic reserves by China & other Asian countries. These countries are supposed to continue their trend of taking advantage of the low crude prices. This surge in strategic reserves is likely to engage some of the tonnage in floating storage mode, hence straining the supply-side of tanker tonnage. There were deliveries of 7.6 million dwt and 3.0 million dwt of newly built crude oil tanker and product tankers respectively in 2015. For Crude oil tankers, the deliveries expected are 22.2 million dwt and 20.0 million dwt in 2016 and 2017 respectively. For Product tankers, the respective figures are 5.7 million dwt and 5.0 million dwt each. New building prices for tankers largely remained steady in 2015, nominally rising by about 0.1% in 2015 and continuing the stabilization from the early part of 2015. In ton-mile terms, it is estimated that crude trade increased by 3.26% 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\$ 68,600/day in 2015. The future market in this segment seems to be in the range of US\$ 50,000-60,000/day, slightly affected by the supply surge. One Year TC rate for VLCC was about US\$ 46,542/day in 2015, 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\$ 48,658/day in 2015 which is expected to decrease by about 20% per year over the next 2 years. For Aframax, the spot rate on AG/Far East route was US\$35,650/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\$ 21,700/day in 2015 and expected to decrease significantly in 2016. One year TC rate for LR1 was US\$ 24,700/day. In MR tankers on Caribs/US route the spot rate was US\$ 20,400/day in 2015. One Year TC rate for MR was US\$ 18,600/day in 2015 and expected to be around US\$ 17,800/day for the next year.

Your company has five VLCCs. 2 of these units were employed under long term time charter business with Indian Oil, with the other three units mainly employed in the spot market on Voyage Charter during FY 2015-16. 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. The COA earnings are based on market-linked indices.

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

The two MR product tankers in the Swarna series were gainfully employed with Indian charterers and their earnings compare well with the market. MT Swarna Mala was deployed with foreign charterers for short periods during the financial year. The MR product tanker MT BC Chatterjee was employed with Indian charterers and the earnings compare well with the market averages.

The two LR-II tankers MT Swarna Jayanti and MT Swarna Kamal gave stable returns on time charter with foreign charterers for a good part of the financial year and are currently employed on spot charter.

Earnings of your coiled / double hull Aframax tankers were in line with 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 Aframaxes mainly performed India centric / Far East / Red Sea voyages.

Out of your company's 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 were in line with the market averages.

i) Opportunities

With US oil production exhibiting downward trend & European economies trudging on their road to recovery showing signs of stabilizing, growth in global oil demand is expected to ride heavily on the Asian nations. It is projected that many Asian economies will show remarkable growth in the next year. Hence there will be a lot of tonnage present in the southern Asian region. Additionally, Middle East is likely to become a major growth hub for the oil trade. Since the company has much of the trade going on in this region, this scenario will be beneficial to our company.

Net global crude trade flow is expected to shift eastwards. Due to increasing floating storage, increase in refinery capacities and policy of building up strategic reserves, China is likely to increase its imports leading to an import spike. Many Asian nations are still keen on building up their strategic reserves. Although this trend is declining, this still presents some useful tonnage in the Asian region.

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The constancy in the recent trend of floating oil storage in Asian region is supposed to boost the tonne-miles demand, especially in the south-east Asia & Chinese waters. This, along with increase in the US imports is likely to create a temporary supply vacuum which could positively trigger freight rates in the Middle East region. 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. The demand generated by US imports is to be met mostly by OPEC countries. This is expected to increase demand for crude oil tankers majorly in the West Asia Gulf to North America route. The tonnage vacuum thus generated will boost for West Asia Gulf to South East & Far East Asia trades where your tankers mainly operate and are well positioned to exploit the trade opportunities.

Overall expansion in global refinery outputs as well as notable increases in refinery capacities in Middle East on backdrop of lower oil prices, could render support to the oil products trade. Though the rates may face some pressure, these attractive refinery margins are estimated to boost the products trade & expected to ensure moderate clean tanker markets and your clean tankers will stand to get gainful trades.

ii) Risks and Concerns

As per some recent trends, few countries seem to be focusing inwards for economic impetus, which may result in an adverse impact on global trade. Further, with a renewed focus on renewable energy in the emerging economies there may be reduction in use of fossil fuels, which may slow down the global oil trade. One more reasons for this is the fact that most of the countries have accumulated significant inventories & at some point are likely to draw from it, instead of importing oil from abroad, if their economies do not grow substantially. The oil consumption is likely to decline, however the fleet growth of dirty tankers may not follow suit. The increase in fleet in the face of declining consumption is likely to put the pressure on rates. A dwindling political & economic situation of Brazil and parts of South America may make a dent the South American trade. Also, the price of crude oil is linked to the international monetary exchange rates and countries adversely positioned with depreciating currencies would find it difficult to import in larger quantities.

Weakness in oil products demand combined with high oil reserves created by many countries is likely to put pressure on oil products trade. The freight rates may dip in the coming year due to higher tanker supply over possible reduction in demand.

b) Dry Bulk

The benchmark, the Baltic Dry Index (BDI) fell to an average of 655 in 2015-16 from 915 in 2014-15 registering a steep 28% decrease, reaching its lowest level ever by touching 290 points on 10.02.2016 and is now hovering around 600.

The global imports of dry bulk stood at 3798 million tons and grew by only 0.1% over previous year 2015. When compared to 2015, dry bulk trade is estimated to remain fairly constant in 2016, with tonne-mile demand growing by an estimated 1.3%. The dry bulk global trade is expected to grow on an average of 2.4% for subsequent 3 years.

The dry market remains inundated with tonnage supply with very volatile demand. A longer wait for recovery is expected with dry bulk fleet growth projected at 0.5% in 2016 and an average 2.5% over the next 5 years. Steel & Coal, which are the key drivers of dry bulk trade continue to be affected due to slowdowns & changes in consumption patterns. Although the BDI rose somewhat from the abyss in month of March, the recovery is expected to be short lived with market fundamentals still not in place. Hence, medium to long term outlook of the market still remains bleak. Even though there has been a contraction in the dry bulk fleet after a long time, it would take quite a while for the contraction ripples to genuinely impact the markets. 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. The slowdown in Chinese economy is a major factor likely to weigh down the dry bulk trade. 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 13.1 mmt in 2014-15 compared to 15.4 mmt exported in 2013-14. With regard to Thermal Coal, India is set to see a considerable increase in its imports, rising from 161.5 million tons in 2015 up to a forecast of around 167million tons for 2016.

India's urea imports fell by 3.14% to 84.74 lakh tons last fiscal on stagnant 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 8.47 million mt of urea in fiscal 2015-2016, of this, 4.24million mt came from China and 2.32 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.

Grain trade is likely to provide a temporary boost to dry segment during the first quarter of FY15-16. Grain trade is estimated to provide much needed relief to Panamaxes, with exporters of Argentina, Australia, France, Germany, Kazakhstan & Eastern Europe likely to step up the exports.

Global steel production declined by 6.8% in the Q1 of 2016 with reduced demand from Europe and Asia, whereas Chinese steel production, which hit rock-bottom in 2014, projected to slump even lower due to high number of loss making steel companies within the country. Fresh anti-dumping duties have been imposed by US & Europe on Chinese steel, with US levying duties as high as 266%. One more reason for suppressed steel market is policy shift in many countries such as Vietnam, Germany & UK to boost domestic steel production & curtailing imports.

So far, this year, 142 dry bulk ships are sold for demolition as against 407 dry bulkers for the entire last year. So far already 48 Panamax

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bulk carriers have been sold for scrapping in 2016 as compared to 83 in the whole of 2015. Additionally, number of ships, are out of play and possibly heading for hot or cold lay-ups. As mentioned above, dry bulk fleet contracted due to three factors:

- 1) Increase in demolitions/scrappings as companies fight for their survival or to exit the segment while minimizing the losses.
- 2) Conversion of vessels into tankers by many owners, in quest for a more profitable trade.
- 3) Drastic increase in lay-ups (almost 250 vessels were laid up, accounting for tonnage of 12 million dwt).

Even so, the dry bulk fleet registered nominal growth in Q1 of 2016, as it increased by a mere 0.29% from the year-end fleet and stood at 778 million dwt. It is obvious that this growth is on the basis of deliveries of vessels ordered previously before the dramatic fall in market fortunes.

It is estimated that demolitions will increase by approximately 5.65% in 2016 from last year because of the weak freight market.

Your Company owns two older Handymax bulk carriers (average age 17 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, 2016. The bulk carriers fleet is very young with an average age of about 5 years. The dismal state of dry bulk charter market in the year was the cause of soft earning levels of our fleet. In order to maintain a healthy cash flow your company preferred fixing the bulk carriers on trip time charter and short-to-medium term time charters and minimize long-term period charters at low charter rates.

i) 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 2% per year over this period as against the average expected trade growth of 2.97% in terms of volume and 3.5% 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 country's increase in steel demand derived from focus on investment and infrastructure, plus projected import of thermal coal by 167 MMT would boost shipping activity. A robust coastal movement of coal owing to increased domestic production would strongly support tonnage demand.

India's coal import trade is gradually shifting the focus from Indonesia to South Africa. This is a welcome development for our dry bulk ships, hauling most of the import coal cargoes of India on a longer route, thereby increasing ton-miles. The coking coal markets seem quite favourable for the trade, since shipping costs for the trade have declined & coking coal prices have endured substantial softening. India's prime source of coking coal is Australia, and hence this route may see handsome dividends, particularly with decrease in tonnage supply.

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.

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.

ii) Risks & Concerns

The fresh anti-dumping duties imposed on Chinese steel will further fuel the slowdown being experienced by the country. This will create a notable drop in iron ore imports by China. With policies to boost domestic steel production, there may be sharp decline in the steel imports of UK, France & Vietnam. This will free up a lot of tonnage, thereby increasing the oversupply situation.

In parallel, coal trade may show signs of nervousness owing to greater concerns on environmental impact of coal. Both India & China, the top importers of coal worldwide, are introducing policies to reduce the dependence on imported coal. China is shifting focus towards renewable energy, while India has plans set to increase domestic coal production.

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. They are also driven by catastrophic imbalances in weather, which is unpredictable. The global grain trade is likely to be a drag on the dry bulk market through 2016. After growing at a striking 9% pace in 2014, it is expected to grow by just 0.95% in 2016-17, based on the latest forecast from the International Grains Council.

SCI with critical mass in Panamaxes is catering to transportation of two major commodities i.e. Iron ore and coal. In view slowdown in these major trades globally the earnings of Panamaxes may continue to suffer. SCI is exploring options in grain trade basis opportunities opening up in South America and NOPAC region.

The concerns of oversupply may remain strong as due to recent deliveries, the supply of Supramax tonnage increased to 181 million dwt by March 2016, the highest Supramax tonnage ever. This could not come at a worst possible time & even though supply corrections are present in the pipeline, the medium term outlook for the market does not bode well for this sector.

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

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The scope for growth of LNG transportation is high considering that LNG annually accounts for 8% of the total energy mix and is projected to grow up to 20% by 2030. India is the 4th largest importer of LNG accounting for 6.06% of the total global trade. India's LNG demand is projected to soar from 64 million cubic meters (mcm) per day in 2015 to over 306 mcm per day by 2021. The expected compound annual growth rate (CAGR) is at 16.89% for the period between 2015- 2021. The lowering of gas prices has led to a surge in demand for gas in India.

The LNG terminal at Kochi became the 4th operational terminal in India, while new terminals are planned at Mangalore, Mundra, Pipapav, Ennore and Haldia and further capacity additions at Hazira and Dahej. There is optimism about India's LNG demand, taking into account the drive to increase the share of gas in the power industry.

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 LNG tankers would be built in Indian Shipyards in line with the "Make in India" campaign while the further tankers would be built in foreign shipyards. SCI will take up a stake in all the LNG tankers for the project.

The Gorgon LNG plant and Gladstone LNG project (Train 2) in Australia is commissioned and has commenced export of LNG. Your company has acquired 26% stake in LNG tanker M.T "Prachi", being built in S.Korea, which will be on charter for 19 years with Petronet LNG Ltd. This vessel will ship LNG from Gorgon Terminal to Kochi or Dahej in India.

Your Company has developed 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 advantage to your company to expand its LNG Ship Management expertise.

d) Ratnagiri Gas Power Pvt Ltd (RGPPL) – Port and Marine Services

Upon successful completion of first 3-yearly contract with RGPPL for providing port and marine services at its Dabhol port, RGPPL has renewed the contract for a further period of 3 years which will earn a revenue of about ₹116 Crores .

e) 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 good earnings on the VLCC, Suezmax and Aframax segments where SCI has had a mix of cross trade charters, Contracts of Affreightment and Time charter businesses to effectively hedge employment and earnings risks. On 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. Although some relief was offered by coal cargoes & minor bulks, earnings remained depressed due to low freight markets. 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. INDUSTRY STRUCTURE AND DEVELOPMENTS

i) Global Scenario:

Record-low rates, falling volumes and dismal load factors (vessel utilization), all combined to push down the liner industry operating profitability. For the year as a whole, the liner industry EBIT margins averaged around zero level with several carriers suffering operating losses. Liner freight rates fell to all-time lows and operating losses increased. Containership charter rates also tumbled below 2012-13 levels for medium and large-size vessels with Panamax and over-Panamax ships rates falling below operating costs. Market fundamentals weakened steadily during the course of 2015. Ocean carriers resorted to routine undercutting competition in an effort to lure more business. While falling fuel prices allowed some buffer for freight rates to adjust lower, rate declines were excessive and widespread across all markets. Lackluster trade demand with accelerating fleet growth brought down the liner fleet utilization. Fleet utilization in Asia-Europe WB (west bound), its main arterial lane, collapsed due to contracting trade volumes and a deluge of mega-ship deliveries, despite cascading of the vessels to other markets. It held much better in the Transpacific EB (East bound) the other major arterial lane though it fell during the year end as trade growth weakened with robust capacity expansion. Fleet utilization worsened in other trades outside premier arterial haul-ways as cascading tonnage overpowered demand gains. In all, effective liner utilization fell sharply and averaged 78% in 2015 down from 82% in 2014. Charter rates having surged to new highs in May/June 2015 with the liner operators' expectations of fast-rising intra-Asia demand tumbled to near all-time lows by year end as the trade growth remained weak in the second half of 2015. Charter fleet utilization fell from 74.8% in 2014 to 72.3% in 2015, an all-time low level seen during the crisis of 2009.

ii) Indian Scenario

The volume of export and import containers handled at major ports in India rose by 2.98% in 2015-16 from the year ago levels and

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total cargo tonnage inched up 4.31%, according to the tentative estimates of Indian Ports Association. Cumulative yearly traffic totaled nearly 8.2 million TEUs in April 2015 through March 2016 period, up from 7.9 million TEUs in the previous year. Jawaharlal Nehru port, India's busiest container gateway located near Mumbai, handled 4.49 million TEUs and 64.02 million tons of cargo in the year 2015-16 as compared to 4.46 million TEUs and 63.80 million tons in 2014-15.

iii) Opportunities & Threats

Aggressive monetary easing in Europe, China and Japan are expected to underpin consumer demand in these regions in late 2016 and 2017. Commodity prices are also expected to get a boost and economic recovery in emerging markets and the US is expected to accelerate. These would result in containerized trade volumes enjoying strong gains with trade growth notching 5.6% in 2016 and rising to 7.8% in 2017 and average charter rates climbing up steadily in 2016 and rapidly in 2017 to approach highs last seen during the market peak of 2010 in early 2018. Fleet growth is set to moderate in 2016 and significant gains in trade demand are expected in main trade-lanes. Market conditions are likely to remain weak in the major arterial haul-ways particularly in the Asia-Europe WB trade. Trans-Pacific EB fleet utilization is expected to average to 91.2% in 2016 which in turn is expected to allow for a significant rate restoration, especially to cargoes heading to the US East Coast via the new Panama Canal.

Competition in the industry is expected to subside after the three global alliances commence operations in late March 2017. This, coming at a time of an expected economic and trade rebound and combined with continuous moderation in fleet growth is indicative of a freight rate rebound next year. The liner operators, however, have to survive three challenges this year:

- (1) weak trade growth;
- (2) the persistent rate undercutting resorted to by shipowners' which deprives carriers the capacity to sustain rates at higher levels after general rate increases (GRIs) and
- (3) the relentless pressure from regulators on the liner industry to refrain from improving their bottom line, rather than on fleet expansion and the accumulation of more debt.

B SEGMENT-WISE PERFORMANCE

1 Liner Vessels:

Your Company's owned liner fleet having total container carrying capacity of 14,407 TEU.

As on 31.03.2016, an in-chartered container vessel having total dwt. of 90414 mt. was operated by your Company. In addition to the above owned and in-chartered vessel, your Company also has cargo loading rights on 19 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, Wan Hai of Taiwan and Simatech Shipping, Singapore. Your Company continued to deploy its owned / operated Container vessels in the following sectors.

2 Container Services

i) ISE Service

The UK-C Cellular Container Service 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. Since Feb 2016, the consortia contribution has been changed to one SCI vessel. This strategic reduction has been done to improve profitability of the service. The service is operated on a round voyage of 56 days.

ii) 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 slots allotted to MSC on the ISE service.

iii) India / Far East Cellular Service (INDFEX 1)

This service commenced in June, 2001. Presently, it is operated with 5 vessels (1 vessel each by three partners viz. K line, PIL, Simatech and SCI; and 2 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.

iv) SCI Middle East India Liner Express (SMILE) Service

The new restructured SMILE Service synergizes SCI's services with Shreyas's services and seamlessly links up Persian Gulf with East Coast of India and West Coast of India, thereby, strengthening and expanding SCI's presence in the Coastal Shipping Sector. The joint operation on this route will be a force multiplier for SCI which will provide a high quality of Coastal Services on fixed day fixed window basis with potential for even bigger expansion in Coastal and near Coastal trades with special emphasis on the East Coast of India ports. Two services viz. SMILE and PIX2 with their service rotations makes it feasible to connect pan-Indian ports with an improved transit time. SCI seeks to cooperate with other Indian companies to work out the best transportation solutions for the trading community vis-à-vis commercially, economically viable and environmentally feasible options. SCI is also strengthening their position in the trade by offering services to and from Yangon while connecting all the Indian Sub-continent ports as well as Middle East ports

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v) India Myanmar Service (IMS Service)

SCI launched the India Myanmar Service (IMS) in October 2014 in chartering mv "SCI Kamal" a 1200 teu capacity vessel which linked the East Coast and West Coast of India to Myanmar. The service had been initiated at the instance of the Government of India in line with the Look East Policy and the Ministry of External Affairs had granted a subsidy for operation of this service for 6 months. The service was temporarily suspended on 6th Nov 2015 on expiry of Charter Hire agreement of the vessel deployed then after the subsidy amount was exhausted. An adhoc call was however made during February 2016. SCI was granted additional subsidy for operation of the service for another three months.

vi) Feeder Operations

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

vii) Slot swap arrangements

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

viii) Break-Bulk Services

SCI arranges carriage of breakbulk 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.

ix) Coastal Operations

Domestic Passenger-Cum-Cargo Service

In addition to International operations, SCI with its one owned Passenger-cum-Cargo vessel and ten (11) 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.

x) 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 and one vessel of DGLL.

3 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 31.03.2015			Additions Nos.	Scrap/ Redelivered (Nos.)	As on 31.03.2016		
	Nos.	Pax. Cap.	Cargo Cap. (m.t)			Nos.	Pax. Cap.	Cargo Cap. (m.t)
Pax-Cum-Cargo Ships	11	7066	6200	0	0	10	7066	6200
Cargo barge						1		500
Other vessels	11	-	-	0	1	10	-	-
Total	22	7066	6200	0	0	21	7066	6700

The pattern of deployment of these vessels is as follows:

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

C. 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 trade meets at important locations in India.

Your Company has obtained Freight Forwarding and Multimodal Transport Operator (MTO) licences and continues to use its vast experience and large agency network to render 3PL (Third Party Logistics) services to the customers. This helps your Company to retain the clients while generating additional revenue.

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D. OUTLOOK

The gap between demand and supply of container capable fleet is expected to close in 2016, as global containerized trade volumes resume a 4.4% growth while capacity expansion moderates to 5.5%. Accordingly, liner markets are expected to enjoy a reprieve in the second half of 2016 and would set the stage for a market upturn in 2017 when the trade growth is expected to outpace corresponding fleet expansion. Major arterial trades are expected to see higher fleet utilization climbing to 90% once the market fundamentals improve in the second half of 2016 which will allow for rate improvements. Liner idle capacity is expected to be limited, as liner operators compete for market share ahead of the reshaping of global alliances at the start of 2017. Slow-steaming practices are expected to remain firmly in place with slow-steaming capacity absorbing 10% of the cellular fleet capacity providing a respite to the market. With market fundamentals expected to improve in 2017, liner fleet utilization is projected to climb to about 81% in 2017 and 80% in 2018 prior to moderating to 79% in 2019-2020 as the cyclical upturn in trade growth abates and fleet growth accelerates.

E. RISKS & CONCERNS

Oil and commodity-exporting economies suffered a big blow in 2015 consequent to the slowdown in the Chinese economy and glut of oil supply and aggressive Saudi pricing policies resulting in tightening of financial markets and stalling of investments. Currencies in Europe and Asia weakened significantly against the US Dollar and the trade value collapsed. Economic uncertainty remains and a lower drift in the commodity prices could result in continuous turmoil in global financial markets leading to several emerging economies sinking deeper into recession. These factors would then lead to muted global containerized trade growth limited to 0.8% in 2016 which would adversely impact the freight rates and charter rates which would average to near 2009 low levels falling just below operating costs level.

F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Your Company's liner segment registered a loss of ₹159 crores in FY 2015-16. The Operating Income reduced in the current year as compared to the previous year. Your Company adopted cost-saving measures to mitigate losses accruing to the liner services viz. saving considerably on feeder and transshipment costs 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.

3. TECHNICAL & OFFSHORE SERVICES

I) Global Scenario

The offshore industry is dependent on utilization of rigs, oil fields and crude oil E&P activities, which in turn depends upon strategic decisions of energy security by oil and gas producers, shifts in Government policies, demand-supply trends in crude oil trade, country's import – export of crude oil 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 2015-16, Brent crude price fell below US\$30/barrel level, for the first time in 13 years. After touching new low, during quarter four of FY 2015-16, oil prices showed some bounce with an upward move towards US\$40/barrel level in Q4 of FY2015-16. It is observed from the rig data that out of the total available rigs worldwide only about 60% were contractually operational during FY 2015-16. In line with the same, the worldwide AHTS utilization declined from about 66% at the start of FY 2015-16 to 60% during end of FY 2015-16 and PSV utilization declined from 75% at the start of FY 2015-16 to 60% during end of FY 2015-16.

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. Further, though there were some signs of recovery in oil prices during last quarter of FY 2015-16, towards a mark of \$50/barrel, the improvement on global front on both consumption and storage side, seems too slow to prompt a sustained oil price rally in the near-term. There's still a risk of downward price adjustment in 2H 2016. The industry estimate is that around 30% of current supply comes with a break-even price above \$50/barrel and remaining not much below \$50/barrel level.

Due to the sudden downward movements in oil prices post Q3 of FY 2015-16, non-operation of rigs and diminishing E&P activities, there was a sudden fall in both asset prices and freight rates for offshore vessels worldwide, the assets prices and freight rates fall roughly around 1/3rd compared with 2 years ago. Considering under utilization of fleet, worldwide many offshore asset owners have reduced their offered rates below breakeven cost or close to breakeven with minimal profit margins in order to avoid loss in terms of DOE and minimize expenses on IOE front.

II) 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. Further fall in international Crude Oil price during 2015-16, as compared to FY 2014-15, has substantially reduced the burden of importing crude oil by over 43% in terms of value in our country. Taking help of global decline in prices of crude oil, India has imported about 202.1 million tons of crude oil during FY 2015-16 for US\$ 64.4 billion as compared to 189.4 million tons during FY 2014-15 for US\$112.7 billion. Over the years, average per barrel rate of Indian crude oil import has fallen from US\$ 105.52 per barrel in 2013-14 to US\$ 84.16 per barrel in 2014-15 to US\$ 46.17 per barrel in 2015-16. This has not only resulted in savings on import bill but the quantity imported was increased over the years and hence the fall in Indigenous crude oil production. Indigenous crude oil production during end of FY 2015-16 was lower by 5.1 per cent (3.1 million tonnes) than in the previous year.

During 2014-15, though there was global decline in prices of crude oil, however the same had not significantly impacted the performance

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of Indian E&P industry and the activities of this sector during 2014-15 were more or less similar to that of the previous year. However, FY 2015-16, has seen the drastic fall in freight rates for the offshore vessels, one major reason being that average per barrel import rate for crude oil during 2015-16 of US\$ 46.17 is at par with cost of production. Taking benefit of low assets prices worldwide, many Indian players are going for asset acquisitions at low prices and so as to secure firm business they are breaking earlier lows of freight rates in almost all categories of offshore vessels.

III) Strengths and Opportunities:

SCI has always focused and succeeded in employing its vessels on long term basis with ONGC, which is the largest E&P company in India. Your company also has experience in successfully offering its offshore services to reputed private sector companies in India and abroad. SCI is now concentrating on expansion of its clientele with various other national and international offshore operators.

IV) Weaknesses and Threats:

Long term charters of two offshore vessels of SCI with ONGC has already come to an end in 2016. Although SCI is confident to deploy these vessels on long term basis, in the mean time your company will have to face the volatility of the spot market. All offshore vessels were employed on long term charter with ONGC during the current year. Hence, there was no risk of idling / un-employment for these vessels. However, by the end of the year, two vessels had already completed their long term charter. Hence re-employment of them on long term charter is a concern.

V) OUTLOOK:

a) Global Outlook:

The crude oil prices are showing downward trend and are expected to remain under pressure during FY 2016-17. Though there was some upward movement in first quarter of FY 2016-17, but same is not sustainable. Further, with end of Iran's sanctions, global oil oversupply is expected to be there for at least next 1-2 years and hence the pressure on global oil prices is expected to remain during FY 2016-17 also. Though the sustained level of \$60/barrel is not looking possible in FY 2016-17, but with the present energy scenario, industry experts expect sustained \$60/barrel level anytime during FY 2017-18. Industry expectations are that the exploration and production activity worldwide will pick up once the oil prices rebound towards \$60/barrel.

However, considering the sluggish demand and the present over supply of offshore supply vessels, the exploration activities are not expected to pick up during 2016-17 and hence the international freight / charter hire market for offshore vessels is expected to be under pressure during 2016-17 also. Further, the low asset prices have created opportunities for established players to buy new assets and employ them initially with lower freight rates but with gainful returns from balance life of these vessels.

b) Indian Outlook

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. With entry of many low priced assets in Indian market, your company expects that during 2016-17, the domestic fixtures for offshore vessels would be on lower side at tight margins. .

The competitive market environment has however provided an opportunity to invest into the offshore fleet as the newbuilding / secondhand 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. Your company 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

VI) OFFSHORE ACTIVITIES:

i. SCI owned Offshore vessels:

SCI's owned offshore fleet comprises of 3 nos. 80T AHTSVs, 4 nos. 120T AHTSVs and 2 nos. PSVs. All these 9 vessels were on long term charter with M/s ONGC during the year. Out of these 9 vessels, two of the 80T AHTSVs viz, SCI Panna and SCI Mukta completed their long term charter by the end of the year, i.e. SCI Panna on 18.03.2016 and SCI Mukta on 29.02.2016. Thereafter, both the vessels were offered in Spot market to various clients, for gainful employment opportunities.

ii. O&M of ONGC owned vessels:

Samudrika series OSVs:

Your company has continued to Operate, Man & Manage ONGC owned Samudrika series OSVs. At the beginning of the year, 8 nos. Samudrika series vessels were under O&M contract with SCI, after disposal of 3 vessels during the previous year. Thereafter during the year 2015-16, 4 more vessels have been disposed off by ONGC. The O&M contract of remaining 4 vessels is valid till their disposal, which is due in 2016.

iii. 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

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'Cost plus' arrangement. The contracts for O&M of MSVs have now been extended upto 31.12.2016. The O&M contract for GTV is valid till 31.03.2018.

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 valid till 31.03.2017.

iv. ONGC owned Offshore vessels built at M/s. PDOEC shipyard:

ONGC had placed orders for 12 new built OSVs at M/s Pipavav Defence and Offshore Engineering Company Ltd (PDOEC). The O&M of these 12 vessels have contracted to SCI. Your company has successfully included seven ONGC owned vessels under its fleet of managed vessels till date of which two were taken over in FY 2015-16. Pipavav shipyard. Balance 5 vessels will also be handed over to SCI under O&M contract as per their respective construction & delivery schedule.

v. Emergency Towing Vessel (ETV) 2014:

On request of Directorate General of Shipping (DGS), your company had arranged for services of Emergency Towing Vessel (ETV) during the monsoon period of year 2015.

The vessel "ETV Nand Krishna" was in-chartered by SCI on behalf of DGS for providing emergency services in the monsoon period on West Coast of India for about 31 days from 15.08.2015 to 15.09.2015.

vi. 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 w.e.f. 27.03.2012 and 05.04.2012. The contract for these vessels has now come to an end. The contract for 1st vessel expired on 18.03.2016 and 2nd vessel on 25.03.2016.

Your company is now in the process of acquisition of suitable offshore vessels which would be provided on long term charter to DRDO, for their above requirement of national importance.

VII) DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Offshore segment recorded revenue of ₹ 339.55 crores in 2015-16 as against ₹348.91 crores in 2014-15. The profit before tax stood at ₹ 104.01 crores in 2015-16 as against ₹ 113.10 crores in 2014-15.

Your company had 9 offshore vessels at the start of the year 2015-16 as against 11 vessels (9 new + 2 old) at the start of 2014-15. However, there was no significant impact on revenue due to better operational efficiency of new vessels during FY 2015-16. Capacity utilization of offshore vessels for FY 2015-16 was at 89.38% as against 87.92% during FY 2014-15.

VIII) Technical Services:

i. Technical Consultancy Services:

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.

ii. Tonnage Acquisition Programme:

The year under report is the fourth year of the country's 12th Five Year Plan. SCI had indicated an outlay availability of ₹5,686 crores during the 12th Five Year Plan period, which has been approved by the Government.

During the year under report, your company had proposed an outlay of ₹711.54 crore towards acquisition of vessels and investment in JVs. Your company had envisaged acquisition of secondhand / resale offshore vessels and LPG carriers and also investment in LNG JV. Tenders were floated for acquisition of these vessels and by the end of the year, these tenders are in various stages of processing. However, pending finalization of the tenders, the outlay for the year could not be utilised and the same has been carried forward to the year 2016-17.

Presently, the asset prices are comparatively at low levels, hence looking at the favourable market for secondhand / resale vessels, your company is endeavouring to buy secondhand / resale vessels to increase the Indian/SCI tonnage and for immediate deployment in the market. Your company is optimistic to acquire offshore vessels and oil tankers/gas carriers at this opportune time, with low asset prices so as to expand its fleet size.

iii. Eco-Friendly and Conservation of Energy :

As a policy, your Company remained committed to environmental protection as per International Convention for the Prevention of Pollution from Ships. Necessary steps have been taken to minimize air pollution and oil pollution from ships.

For the existing vessels, your company had developed a Ship Specific energy efficiency management plan to further improve and monitor energy efficiency in ship operations. Your company has decided to implement turbocharger cut out device on some of the Container vessels for optimizing fuel consumption and improved low load propulsion engine efficiency. Further trim optimization has been implemented on some of the Aframax tankers to reduce fuel consumption and improve operational efficiency.

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Your company had used combustion catalyst in the fuel oil system for fuel savings on one of the Container vessels.

All engines being fitted on board are meeting latest requirement of NOx compliance, Installation of Ballast Water Treatment plants, Silt Water Management, usage of eco-friendly refrigerants, usage of TBT free paints, ship recycling plan, etc are some of the measures showing your company's commitment to Eco-friendly policies and conservation of energy.

iv. Technology Absorption, Adoption and Innovation :

The SCI 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 also equipped 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.

Various technological solutions such as turbocharger cut out devices, trim optimization and use of combustion catalyst in the fuel oil system are being adopted to reduce the fuel consumption of the vessels thereby savings on fuel cost and total emissions from the vessels.

v. Situation in Coastal operation and Offshore areas:

The international crude oil prices remained softened during the period under review. The North Sea region had witnessed softening of rates in 2014-15. Similarly, Indian offshore market also experienced slight softening of rates in year 2015-16.

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 1-2 years.

In the ONGC's ongoing tender for in-chartering offshore vessels of various categories, substantial number of foreign flag vessels have shown interest. To sustain the competition, your company is planning to acquire additional assets at low prices through the secondhand/ resale market, which can immediately be deployed and leading to increase in revenue for your company.

vi. Measures taken to improve services and operations :

Most of the offshore vessels of your 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 2015-16. 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.

Further, your Company is in advance stage of taking over ONGC owned two Mobile Offshore Drilling Units (MODUs) under marine man management and maintenance contract. The addition of these MODUs will boost earnings and also meet Company's larger technical and commercial objective.

4. International Safety Management Cell

The SCI has 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 recognising 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.

5. 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 & Gas Carriers
- ⇒ Passenger Ships
- ⇒ Other Cargo Ships

Under Phase I (Bulk Carriers, Oil Tankers, Gas Carriers & Passenger Ships), the DOC was endorsed on 21.01.2016 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 renewed and issued new DOC on 07.03.2016 and is valid till 14.03.2021.

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LNG Ships DOC endorsed by BV on 18.08.2015 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.

Also, the requirements of various amendments to ISM Code and Statutory regulations from IMO/Flag are also complied with.

6. ISPS Cell

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.

The SCI has complied with ISPS Code on all its coastal ships including small passenger ships less than 500 GT (M S notice 19 of 2011), which are registered in India.

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.

7. Integrated Management System (IMS)

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

The SCI had set a target for compliance of IMS (QMS 9001:2008, EMS 14001:2004 and OHSAS 18001: 2007) in SCI for all establishments and ships by way of IMS Certification audit before 25th February, 2016. SCI implemented the same and was awarded the IMS certification on 23rd December, 2015, well before the deadline.

8. PERSONNEL & ADMINISTRATION

i) 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 culture of safety on your ships, your company continued to felicitate your ships with "Fleet Safety Awards". The award function for the year 2015 was organized on 08th July, 2016 at our institute, Maritime Training Institute, Powai. The awards were conferred under eleven categories evaluated on various criteria of safety and performance wherein the safest ships from amongst the company's varied fleet of vessels were felicitated.

ii) Maritime Training Institute

Your Company's Training Centre at the Maritime Training Institute at Powai, Mumbai has conducted 429 Courses for 9288 participants and the total man-days trained during this year is 94499. These included 81247 man-days for SCI's personnel and 13253 man-days for personnel from other companies. In addition to this, 134 of SCI's personnel were trained outside MTI and the additional man-days of training are 602. 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, in order to enhance capacity building in maritime education, has increased the intake in its Graduate Marine Engineers (GME) Course from 40 to 80 and in its Diploma in Nautical Science (DNS) Course from 200 to 280. Your company also commenced training of seafaring officers in Electronic Chart Display and Information System (ECDIS), a geographic information system used for nautical navigation.

iii) Shore Personnel

The total manpower as on 01.07.2016 is 778 excluding CMD, Four Functional Directors and CVO, out of which 672 are officers and 106 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.

iv) 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

DIRECTORS' REPORT

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, 23 second/third officers and one Fourth Engineer 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 "Best Enterprise Award (Consolation)" under Mahanavratna – Navratna Category.

v) Implementation of Official Language Policy

Your Company constantly made all-out efforts during the year towards the spread of Official Language Hindi in its offices. Your Company not only complied with the Hindi implementation guidelines issued by the Government of India, but also organized Hindi competitions, viz. Noting & Drafting, Extempore Speech, Sulekhan, Crossword competitions at a regular interval to create a conducive ambience. A half-day Hindi Unicode computer workshops on a monthly basis were also conducted to give confidence to the employees to work progressively in Hindi.

With a view to promote and popularize the Hindi language amongst employees, two issues of a bi-annual Hindi e-magazine, viz. "E-Jagriti" were circulated in soft copy via email and also placed on SCI Employees web portal during the year. Out of these, one issue was fully dedicated to the cleanliness drives conducted by your Company pursuing the "Swachh Bharat Mission" of the country. Your Company has already introduced a Quarterly Incentive Scheme for doing Hindi correspondence for its employees so as to achieve the target set for the purpose.

Your Company also organized a Hindi Seminar on "Commercialization of Languages in the wake of Globalization" for the employees of Town Official Language Implementation Committee (TOLIC) member organisations in Mumbai. On the occasion of "Hindi Day", a Linguistic Harmony Cultural Programme was also staged. Your Company also participated in TOLIC meetings during the year under report.

vi) Reservation Policy

Your company is complying with all government guidelines as applicable from time to time in respect of reservation policy.

vii) SC/ST/OBC REPORT

Annual Statement showing the representation of SCs, STs and OBCs as on 31st March 2016 and number of appointments made during the preceding calendar year:

Name of the Public Enterprise: The Shipping Corporation of India Ltd.															
Groups	Representation of SCs/STs/OBCs (As on 31.3.2016)				Number of appointments made during the calendar year 2015										
					By Direct Recruitment				By Promotion			By Deputation/Absorption			
	Total no. of employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Executives A	680	137	54	87	61	16	1	7	50	10	5	4	2	0	
Non Executives B	85	28	4	3	0	0	0	0	0	0	0	0	0	0	
C	24	7	1	0	0	0	0	0	0	0	0	0	0	0	
D	1	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total (Executives in Grade 'A' plus Non - executives)	790	172	59	90	61	16	1	7	50	10	5	4	2	0	

viii) Corporate Social Responsibility

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 Companies (CSR Policy) Rules, 2014 notified therein". However, your company could not constitute CSR Committee required under section 135 of Companies Act 2013 due to unavailability of Independent Directors. Since your Company made profit of Rs.200.9 Crores only in 2014-15 of the last three preceding financial years, contribution towards CSR could not be made within the meaning of the Companies Act.

The CSR Policy is available on our website: www.shipindia.com

DIRECTORS' REPORT

ix) AWARDS & ACCOLADES

Your company is happy to report that its efforts have been recognised at various National and International Levels. Your company has been awarded with following prestigious awards during the year for its initiatives, commitment and pioneering work.

1. Special Jury Award presented to SCI on 21st August 2015 at The Gateway Awards 2015 in recognition of the efforts in evacuation of Indian from strife torn Yemen.
2. Winner of 'Shipowner of the Year - Indian' presented to SCI at the 6th All India Maritime and Logistics Awards 2015 on 04th September 2015.
3. 'Most Compassionate Employer of Indian Seafarers' Award presented to SCI at National Maritime Day Celebrations on 05th April 2016.
4. 'The Indian Shipping Company with Highest Growth of Indian Flag vessels' Award presented to SCI at National Maritime Day Celebrations on 05th April 2016.
5. Award by Ministry of Shipping presented to SCI for Outstanding work in the implementation of Official language, 2016.
6. 'Organisation with Innovative HR practices' Award presented to SCI by Asia Pacific HRM Congress Awards.

9. 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 31.03.2016, your Company has disposed off most of the applications and appeals received from the parties.

10. 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 2016.

11. JOINT VENTURE COMPANIES

i) 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.

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 ship 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 PLL The Tanker is expected to be delivered in November 2016 and is likely to be operated to transport LNG from Gorgon Terminal Australia to Kochi & Dahej in India on account of PLL. Keel laying of the fourth LNG JV Tanker LNGC "Prachi" was held at Hyundai Heavy Industries, South Korea on 20.07.2015. The launching of the vessel was held on 27 November, 2015. The vessel is planned to conduct sea and gas trials from end June to 1st week of September, 2016.

ii) SAIL SCI Shipping Co. Pvt. Ltd.

SAIL SCI Shipping Co. Pvt. Ltd (SSSPL), a JVC between SCI and SAIL was incorporated with the 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.

Owing to the depressed bulk carrier freight levels, the JVC is unable to acquire vessels. Further view is being taken with regard to voluntary dissolution of the Joint Venture Company.

iii) 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 Project). As per the Government directive, this project is to be funded by way of equity contributions from various PSUs including the SCI. As on FY 2015-16,

DIRECTORS' REPORT

SCI had invested Rs. 50 crore in the project. Work suspended since 17.9.2007 consequent to an interim stay by the Hon'ble Supreme Court for carrying out dredging operations in Adam's bridge area. Pending a final decision on alternative alignment, all the dredgers were withdrawn since 27.07.2009. SSCP case was posted for hearing on 26.11.2015 but the case was adjourned. The argument on both sides is yet to be commenced. The next hearing date on the above cases is yet to be announced.

iv) Irano Hind Shipping Co.:

With the lifting of UN sanctions imposed on Iran, the feasibility & revival of JVC is being considered based on viable operations of the vessels owned by the company

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 "Very Good" for the year 2014-15. SCI has finalized the MOU for FY 2016-17 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 and signed the MOU for FY 2016-17 with the Ministry of Shipping on 2nd August 2016.

12. Details of shares 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 01.04.2015	4	436
2	Number of shareholders who approached for transfer of shares from suspense account till 31.03.2016	0	0
3	Number of shareholders to whom shares were transferred from suspense account till 31.03.2016	0	0
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2016	4	436
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 30.06.2016	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.

13. 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 ₹ 330.65 crores. Your Company has till date received back ₹ 330.65 crores of these funds from the shipyards. The shareholders vide the resolution passed through postal ballot process on 14.01.2015 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. Your Company proposes to invest the proceeds judiciously at the appropriate juncture during FY 2016-17.

14. 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 (Standalone) for the year ended 31st March 2016, which is forming part of the Annual Accounts.

15. Internal Control System

"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 / Finance Committee of the Board. Internal Audits are carried out by an independent firm of Chartered Accountants, viz., M/s. T.R. Chadha & Co. LLP on concurrent basis. The Internal Audit Reports are submitted on quarterly basis together with comments, recommendations and its compliance, which are being constantly reviewed and deliberated by a Finance Committee appointed by the Board in the absence of Audit Committee."

16. Dividend Distribution Policy

The Dividend Distribution Policy of SCI seeks to reward its shareholders for their trust & investment in Company's business objectives. The declaration and payment of dividend will be regulated by the Companies Act 2013 & Govt. of India's guidelines as amended from time to time. The quantum of dividend payments will depend on annual consolidated Profits, fund requirement for company's expansion plans, present and anticipated future business environment with special reference to Shipping Industry and various other factors impacting company's

DIRECTORS' REPORT

performance. The dividend distribution will also be subjected to restrictions / conditions if any, imposed by lenders, orders of Courts and / or statutory bodies.

17. ROLE OF VIGILANCE DIVISION IN SCI

During the year under review, the Chief Vigilance Officer continued to ensure the integration of preventive vigilance initiatives in the business process thus striving towards higher ethical standards and improved corporate governance standards towards achieving 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 and for eliminating systemic weaknesses through implemented and ongoing initiatives such as e-payments, promoting online registration of complaints via the Vigilance Webpage contained in the SCI website; migration to Supplier Relationship Management platform for all procurements; dissemination of important circulars/guidelines on the webpage etc. This was the first year in which the employees submitted their Annual Property Return online.

Vigilance Division has been propagating the culture of lodging of complaints under the Public Interest Disclosure and Protection of Informers' Resolutions (PIDPR- popularly known as Whistle Blowers Resolution) whereby the identity of the complainant would be kept secret and he/she would be protected from victimization.

Vigilance Division continued to interact with various employees of SCI as well as various stake holders including Suppliers, Ship Repair Workshops, Vendors, Contractors etc. which has helped in understanding the issues from their perspective as well.

i) Activities of the Vigilance Division carried out in 2015-16:

The important activities that were carried out in 2015-16 by the Vigilance Division were as follows:-

- Investigations into complaints of corruption/malpractice were conducted.
- Random scrutiny of Annual Property Returns (APRs)
- Active monitoring of the implementation of Integrity Pact in SCI with the scope expanded from coverage of domestic procurement and services contracts to coverage of procurement of goods and services from foreign vendors and foreign dry-docks.
- Acted as a catalyst in the implementation of preventive vigilance measures by your Management such as e-payments, bill tracking systems, phased transfers of employees posted in sensitive areas etc.
- Conducting surprise and periodic inspections, CTE type inspections, conducting Systems Studies and recommending systemic improvements.
- Selective scrutiny of Voyage Repairs Bills, major works, dry-docking bills, various accounts.
- Ensuring training of Vigilance Officers both on vigilance related subjects as well as general management.
- Imparting training to fresh recruits on vigilance issues.
- For the annual Vigilance Awareness Programme, apart from in-house programmes, major emphasis was placed on reaching out to youth through various programmes in schools and colleges as desired by the Central Vigilance Commission.
- 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 employees.

ii) Vigilance Study Circle Mumbai Chapter:

The Vigilance Study Circle Mumbai Chapter was started on the initiative of SCI Vigilance Division on 16-08-2010. It continues to spread Vigilance awareness and develop the knowledge and skills of Vigilance Professionals and provides an ideal platform for the Chief Vigilance Officers of Mumbai based PSUs, Banks etc. to meet and exchange their views/ experiences, etc. on a regular basis.

iii) IMS Certification for Vigilance Division of SCI as a part of corporate IMS:

Your company decided to implement Integrated Management System in 2015. As a part of SCI's corporate assessment for IMS, the Vigilance Division was also audited by IRQS. Vigilance Division is thus a part of the corporate Integrated Management System for the Quality standard ISO 9001:2008, for the Environmental standard ISO 14001:2004 and Occupational Health and Safety standard OHSAS 18001:2007.

iv) Integrity Pact in The Shipping Corporation of India Ltd.:

SCI has 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 domestic 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 a panel of 2 eminent Independent External Monitors (IEM)s. Meetings were held periodically with the IEMs to review the progress of implementation of Integrity Pact in SCI.

18. UNGC compliance

Your company is a signatory to UN Global Compact initiative which signifies our commitment to uphold the ten principles of Global Compact on protection of human rights, prevention of child labour, protection of environment & anti corruption initiatives. Your company is an equal opportunity employer and does not discriminate on grounds of sex, religion, caste, creed, color etc. The freedom of association is

DIRECTORS' REPORT

recognised and various FORAs are encouraged to effectively participate on issues pertaining to welfare of employees. Fair labour practices are followed and it is ensured that no child labor is directly/indirectly employed. Your company is committed to do business consciously and responsibly setting sustainable systems to protect the environment. Your company ensures transparency, equity and competitiveness in public procurement through various inbuilt mechanism and anti corruption initiatives.

19. 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.

20. 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.

21. Board of Directors

Dr. (Ms.)T. Kumar, Special Secretary and Financial Advisor (Ministry of Shipping) ceased to be a Director on the Board of SCI due to superannuation with effect from 31.08.2015 and Shri Sanjeev Ranjan, Additional Secretary & Financial Advisor (Shipping) was appointed as Director on the Board of SCI with effect from 21.09.2015.

Capt. Sunil Thapar, Director (Bulk Carrier and Tanker) ceased to be a Director on the Board of SCI due to superannuation on 30.09.2015, subsequent to which Shri S.V.Kher was appointed as Director (Bulk Carrier and Tanker), on 01.10.2015.

Shri A.K.Gupta ceased to be the Chairman & Managing Director on the Board of The Shipping Corporation of India Ltd on 31.12.2015 due to his superannuation. Capt.B.B.Sinha, Director (P&A) holds additional charge of Chairman and Managing Director w.e.f 01.01.2016.

Shri Arun Balakrishnan and Shri Sukamal Chandra Basu were appointed as Non Official Part Time Directors (Independent Directors) on 30.03.2016 and 26.05.2016 respectively.

22. Declaration of Independence

The Company has received Declaration from Independent Directors conforming that they meet the criteria of Independence as prescribed under Companies Act 2013, the SEBI (listing Obligations and Disclosure Requirements), Regulations 2015 & DPE guidelines.

23. Auditors Report

1. The auditors in their audit report for the year ended 31st March 2016 have brought out that;
 - a) The direct access of overseas foreign agents to fund collected on account of freight and other charges in the absence of adequate bank guarantees in comparison to net outstanding, any policy on fixation of credit limits based on various parameters & 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.
 - b) Vessel Desh Shobha acquired in the year 2012-13 was undercapitalized by 3.50 million USD and the provision for interest @2.5% pa on this amount has not been made in the accounts from the year 2012-13. This has resulted in understatement of fixed assets by ₹ 20.28 crores, overstatement of profits by ₹ 4.98 crores and understatement of liability of ₹ 25.25 Cr.

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

- a) The Bank Guarantees (BG) are taken from the Agents as per the defined Company Norms in order to mitigate risks in case of delays/default in non-payment of freight beyond stipulated period. BGs cannot cover entire business risk. These BGs are reviewed on annual basis to ensure their adequacy in terms of the company policy. SCI is a commercial organisation engaged in transportation of cargo and credit period given to the Agents for freight collections is as per local trade practices prevailing in respective countries. Further creditworthiness of the agents is reviewed every three years based on their audited financial statements. There is an online system for monitoring of the outstanding from the agents which provide system reports. These reports are used for regular follow up with the agents.
- b) Since the accounts for FY 2012-13 have already been audited by the statutory auditors as well as by the C & AG and approved by the Board; the issue of undercapitalization of Desh Shobha in 2012-13 is being referred to Board for its consideration. Depending on the Board decision, necessary accounting entries, if required, will be passed in the books in FY 2016-17. Pending Board decision, interest @2.5% pa till 31.03.2016 on USD 3.5 million amounting to ₹ 2 crores is shown as contingent liability. In view of foregoing, there is no impact on the profit, net worth, total assets and EPS of Company in the FY 2015-16 as the necessary accounting treatment, if required, will be given in the next financial year.

24. 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 Financial Years 2015-16 and 2016-17. The Secretarial Audit report for the FY 2015-16 is appended to the Director's Report. The secretarial auditor in his report for the year ended 31st March, 2016 has brought out that:

- ⇒ The Corporation has complied with the requirements of Corporate Governance as provided under Clause 49 of the Listing Agreement,

DIRECTORS' REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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."

- ⇒ The Board of Directors of the Company is constituted as per the Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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:

- ⇒ Pursuant to letter dated 21.03.2016 from The Ministry of Shipping Shri Arun Balakrishnan and Shri Sukamal Chandra Basu were appointed as Independent Directors on Board of SCI on 30.03.2016 and 26.05.2016, respectively. On appointment of Independent Directors, the statutory committees viz. Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee were constituted by the Board of Directors on 26.05.2016.

25. Corporate Governance

Pursuant to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, report on Corporate Governance is attached to this Report.

26. 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 annual accounts for the financial year ended 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material disclosures;
- ⇒ That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period.
- ⇒ 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 had prepared the accounts for the financial year ended 31st March 2016 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.

27. Acknowledgements

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

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, and 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.

For and on behalf of the Board of Directors
Capt. B.B. Sinha
Chairman & Managing Director

Place : Mumbai
Dated : 18th August, 2016

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies
(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- 022 22772213
vi	Whether listed company	Yes
	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Bigshare Services Pvt Ltd E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Email: investor@bigshareonline.com Telephone: 022 40430200

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI 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, Kolkatta – 700 001	U61100WB2010PTC148428	Associate	50%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt	296939920	0	296939920	63.75	296942977	0	296942977	63.75	0.00
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other..	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	296942977	0	296942977	63.75	296942977	0	296942977	63.75	0.00
(2) Foreign									
a) NRIs - 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	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	296942977	0	296942977	63.75	296942977	0	296942977	63.75	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	81500	2200	83700	0.02	2218648	2200	2220848	0.48	0.46
b) Banks/FI	7095581	300	7095881	1.52	6418717	300	6419017	1.38	-0.15
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	79739447	0	79739447	17.12	79739447	0	79739447	17.12	0
g) FIs	9001098	2700	9003798	1.93	7075145	2700	7077845	1.52	-0.41
h) Foreign Portfolio-Corp.	136754	0	136754	0.03	11860694	0	11860694	2.55	0
i) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	96054380	5200	96059580	20.62	107312651	5200	107317851	23.04	-0.10
2. Non-Institutions									
a) Bodies Corp.	12627112	15051	12642163	2.71	9907753	15051	9922804	2.13	-0.58
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	42420497	33524	42454021	9.11	36499627	32635	36532262	7.84	-1.27

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13210991	160150	13371141	2.87	11170788	160150	11330938	2.43	-0.44
c) Others (specify)									
Non Resident Indians	3569263	324250	3893513	0.84	2456530	324250	2780780	0.60	-0.24
Overseas Corporate Bodies	5250	0	5250	0.00	5250	0	5250	0.00	0
Foreign Nationals	100	0	100	0.00	300	0	300	0.00	0
NBFC	0	0	0	0	601617	0	601617	0.13	0
Trusts	430265	0	430265	0.09	364231	0	364231	0.08	-0.01
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	72263478	532975	72796453	15.63	61006096	532086	61538182	13.21	-2.55
Total Public Shareholding (B) = (B)(1) + (B)(2)	168317858	538175	168856033	36.25	168318747	537286	168856033	36.25	-2.65
TOTAL (A) + (B)	465260835	538175	465799010	100.00	465261724	537286	465799010	100.00	-2.65
C Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A) + (B) + (C)	465260835	538175	465799010	100.00	465261724	537286	465799010	100.00	-2.65

ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (as on 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			% 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	296942977	63.75	0.00	3057
	Total	296939920	63.75	0.00	296942977	63.75	0.00	3057

(iii) CHANGE IN PROMOTERS' SHAREHOLDING - Nil

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Life Insurance Corporation of India	37521052	8.06	1.04.2015	0	Nil movement during the year		
		37521052	8.06	31.03.2016			37521052	8.06

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of Shares	% of total shares of the Company
2.	Life Insurance Corporation Of India P & Gs Fund	10556843	2.27	1.04.2015	0	Nil movement during the year		
		10556843	2.27	31.03.2016			10556843	2.27
3.	LIC of India Market Plus 1 Growth Fund	9447019	2.03	1.04.2015	0	Nil movement during the year		
		9447019	2.03	31.03.2016			9447019	1.06
4.	General Insurance Corporation Of India	5246302	1.13	1.04.2015	0	Nil movement during the year		
		5246302	1.13	31.03.2016			5246302	1.13
5.	The New India Assurance Company Limited	4958095	1.06	1.04.2015	0	Nil movement during the year		
		4958095	1.06	31.03.2016			4958095	1.06
6.	Ashish Rameshkumar Goenka	3412095	0.73	01.04.2015				
				27.11.2015	-118813	sold	3293282	0.71
				08.01.2016	-100000	sold	3193282	0.69
		3193282	0.69	31.03.2016			3193282	0.69
7.	Life Insurance Corporation Of India - ULIF004200910LIC END+ GRW512	3000000	0.64	01.04.2015	0	Nil Movement during the year		
		3000000	0.64	31.03.2016			3000000	0.64
8.	LIC OF INDIA PROFIT PLUS GROWTH FUND	2698747	0.58	01.04.2015	0	Nil Movement during the year		
		2698747	0.58	31.03.2016			2698747	0.58
9.	DIMENSIONAL EMERGING MARKETS VALUE FUND	2519889	0.54	01.04.2015				
				10.04.2015	37445	bought	2557334	0.54
				17.04.2015	16694	bought	2574028	0.55
				26.06.2015	-41158	sold	2532870	0.54
				28.08.2015	71099	bought	2603969	0.56
				04.09.2015	149506	bought	2753475	0.59
				11.09.2015	65586	bought	2819061	0.60
				18.09.2015	38402	bought	2857463	0.61
				30.10.2015	14265	bought	2871728	0.62
				13.11.2015	18687	bought	2890415	0.62
				27.11.2015	23990	bought	2914405	0.62
				25.12.2015	101611	bought	3016016	0.65
				31.12.2015	54519	bought	3070535	0.66
				08.01.2016	28032	bought	3098567	0.66
				15.01.2016	56617	bought	3155184	0.68
				22.01.2016	6469	bought	3161653	0.68
				05.02.2016	13573	bought	3175226	0.68
		31.03.2016	3175226		3175226	0.68		
10.	LIC OF INDIA WEALTH PLUS FUND	2278015	0.49	01.04.2015	0	Nil Movement during the year		
		2278015	0.49	31.03.2016			2278015	0.49

(v) Shareholding of Directors & KMP:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (As on 01.04.2015)		Shareholding at the end of the year (As on 31.03.2016)		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	0	0.00	0	0.00
2.	Sunil Thapar	1	0.00	0	0.00	0	0.00
3.	Bipin Bihari Sinha	1	0.00	0	0.00	0	0.00
4.	Sarveen Narula	0	0.00	0	0.00	0	0.00
5.	H.K.Joshi	0	0.00	0	0.00	0	0.00
6.	K.Devadas	0	0.00	0	0.00	0	0.00
7.	S.V.Kher (w.e.f 01.10.2015)	NA	NA	0	0.00	0	0.00
8.	Dipankar Haldar	0	0.00	0	0.00	0	0.00

(V) INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	6,79,815.00	-	-	6,79,815.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,896.89	-	-	2,896.89
Total (i+ii+iii)	6,82,711.89	-	-	6,82,711.89
Change in Indebtedness during the financial year				
• Additions	-	-	-	-
• Reduction **	89,895.30	-	-	89,895.30
Net Change	89,895.30	-	-	89,895.30
Indebtedness at the end of the financial year				
i) Principal Amount	5,89,784.00	-	-	5,89,784.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,032.59	-	-	3,032.59
Total (i+ii+iii)	5,92,816.59	-	-	5,92,816.59

* 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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Arun Kumar Gupta *	Sunil Thapar*	Bipin Bihari Sinha	Sarveen Narula	K.Devadas	H.K.Joshi	S.V. Kher **	
1	Gross salary	44,19,014	29,53,527	24,19,895	24,73,777	23,07,139	21,01,368	10,59,156	1,77,33,877
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	3,19,162	2,29,989	3,79,488	3,68,079	3,38,806	3,96,691	3,24,046	23,56,261
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-	-	-	-	-
	(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)	47,38,176	31,83,516	27,99,383	28,41,857	26,45,946	24,98,059	13,83,202	2,00,90,138
	Ceiling as per the Act	-	-	-	-	-	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name			Total Amount
		T. Kumar #	Sanjeev Ranjan##	Barun Mitra	
1	Independent Directors	N.A.	N.A.	N.A.	
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL
	(c) Others, please specify.	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL
	Total (B) = (1 + 2)	0	0	0	0
	Total Managerial Remuneration	0	0	0	2,00,90,138
	Overall Ceiling as per the Act.	-	-	-	-

* Shri A.K. Gupta and Shri Sunil Thapar superannuated on 31.12.2015 and 30.09.2015 respectively

** Shri S.V. Kher has been holding the post of Director (BNT) w.e.f. 01.10.2015

Dr (Ms) T Kumar ceased to be on the Board w.e.f. 31.08.2015.

Shri Sanjeev Ranjan was appointed as a director on the Board of SCI w.e.f. 21.09.2015.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO ^s	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	19,61,804	21,01,368	40,63,172
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3,33,115	3,96,691	7,29,806
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission			
4	As % of Profit	-	-	-
	Others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total	22,94,919	24,98,059	47,92,978

\$ Smt H K Joshi is holding the position of CFO for which she does not receive a separate remuneration. The abovementioned components of her remuneration are the same as declared under Para VI (A) above.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no Penalties/ Punishment/ Compounding of Offences for the year ending 31st March, 2016.

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	31.12.2015 21.05.2001	31.12.2015 21.05.2001	31.12.2015 05.12.2006	31.12.2015 13.11.2013	19.03.2016 20.03.1975	31.03.2016 02.08.2010
2. Date on which the Associate or Joint Venture was associated or acquired						
3. Shares of Associate/Joint Ventures held by the company at the year end no.	2908	2908	2600	4268732	46060000	100000
Amount of Investment in Associates/ Joint Venture (₹ in lakhs)	3	3	1	2721	39	10
Extent of Holding	29.08%	29.08%	26%	26%	49%	50%
4. Description of how there is significant influence	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding	Shareholding
5. Reason why associate/ joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.	IHSC operated under severe long term restrictions on 31.03.2016 which impaired its ability to transfer funds to SCI	Shares in SAIL SCI JV are held for disposal in the near future
6. Networth attributable to shareholding as per latest audited Balance sheet (₹ in lakhs)	2,772	2,800	(2,641)	(2,765)	(4,239)	7
7. Profit / Loss for the year (₹ in lakhs)						
i. Considered in consolidation	1,156	1,515	64	(41)	NA	NA
ii. Not considered in consolidation	NA	NA	NA	NA	(5,033)	0

As per our report of even date attached hereto.

For MKPS & Associates, For GMJ & Co.,

Chartered Accountants
FR. No. 302014E
CA Nikhil K Agrawalla
Partner

Membership No. 157955
Mumbai, 27th July, 2016

For and on behalf of the Board of Directors

Dipankar Halder
ED (LA & Co. sec)

B B Sinha
Chairman & Managing Director
Mumbai, 27th July, 2016

Mrs. H. K. Joshi
Director (Finance)

FORM NO. 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 arm's length transactions under third proviso 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, 2016 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, 2016 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	0.55	13.11.2013 & 28.03.2014	No advances

*Tanker ILT No. 4 is in building phase and investment of SCI as on March 31st, 2016 is part of total investment committed by SCI.

Mumbai
Date : 18.08.2016

For and on behalf of the Board of Directors
Capt.B.B.Sinha,
Chairman & Managing Director

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies
(Appointment and Remuneration 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 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, 2016 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, 2016 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 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May, 2015).
- (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;
- (f) 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

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

- a) Secretarial Standards with regard to Meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of the Company Secretaries of India (effective from 1st July, 2015); and
- b) Listing Agreement entered into by the Company with the Stock Exchanges in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 1st December, 2015).

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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Corporation commensurate with the size and operation of the Corporation 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: 26.05.2016

(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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as the SEBI (LODR) Regulations 2015) 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 the 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 9 members with a mix of 5 executive (including Chairman & Managing Director) and 2 non-executive Directors (Government Directors who represent the promoters i.e. Government of India) and 2 Non Official Part Time Directors (Independent Directors). Regulation 17(1)(b) of the SEBI (LODR) Regulations, 2015 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. The composition of Board was not compliant to the Corporate Governance requirement. On the basis of Nomination received from Ministry of Shipping, the Board Appointed Shri Arun Balakrishnan and Shri Sukamal Chandra Basu as Independent Directors. The Appointment of other Independent Directors is in process.

(Dr.) Ms. T. Kumar, Special Secretary and Financial Advisor (Ministry of Shipping) ceased to be Director on Board of SCI due to superannuation with effect from 31.08.2015 and Shri Sanjeev Ranjan, Additional Secretary & Financial Advisor (Shipping) was appointed as Director on the Board of SCI with effect from 21.09.2015.

Capt. Sunil Thapar, Director (Bulk Carrier and Tanker) ceased to be Director on the Board of SCI due to superannuation on 01.10.2015, subsequent to which Shri S.V.Kher was appointed as Director (Bulk Carrier and Tanker) on 01.10.2015.

Shri A.K.Gupta ceased to be the Chairman & Managing Director on the Board of The Shipping Corporation of India Ltd on 01.01.2016 due to his superannuation.

Capt. B.B. Sinha, Director (P&A) holds Additional Charge of Chairman and Managing Director w.e.f .01.01.2016.

Shri Arun Balakrishnan and Shri Sukamal Chandra Basu were appointed as Non Official Part Time Directors (Independent Directors) on 30.03.2016 and 26.05.2016, 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 2016 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)				
Capt. B.B. Sinha	Chairman & Managing Director and Director (Personnel and Administration)	NIL	NIL	NIL
Capt. S. Narula	Director (Liner & Passenger Services)	1	NIL	NIL
Capt. K. Devadas	Director (Technical & Off-Shore Services)	NIL	NIL	NIL
Smt. H.K. Joshi	Director (Finance) & CFO	NIL	NIL	NIL
Shri S.V Kher	Director (Bulk Carrier and Tanker)	NIL	NIL	NIL
Non-Executive Directors (Part-Time Ex-Officio)				

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Name	Designation	No. of Directorships and committee memberships / chairmanships		
		Directorships in other public limited companies**	Committee memberships **	Committee chairmanships **
Shri Sanjeev Ranjan	Additional Secretary and Financial Advisor	02	01	NIL
Shri Barun Mitra	Joint Secretary	NIL	NIL	NIL
Non-Executive Directors (Part-Time Independent)				
Shri Arun Balakrishnan	Independent Director	08	02	03

**In accordance with Regulation 26(1) of the SEBI (LODR) Regulations, 2015 only directorships on public limited 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 2015-2016, 7 Board Meetings were held, the dates being, 21.05.2015, 12.08.2015, 29.09.2015, 13.11.2015, 30.12.2015, 10.02.2016 and 30.03.2016. The details about attendance of the Directors at the Board Meetings and at the 65th Annual General Meeting (AGM) held on 22.09.2015 are given below:

Name of the Director	No. of Meetings		Attendance at the last AGM held on 22.09.2015
	held during the tenure of Directors	attended	
Shri A. K. Gupta*	05	05	Yes
Dr. (Ms.) T. Kumar *	02	02	No
Shri Sanjeev Ranjan*	05	05	No
Shri Barun Mitra	07	06	No
Capt. B. B. Sinha**	07	07	Yes
Capt.S.Narula	07	07	Yes
Capt. K.Devadas	07	07	Yes
Smt. H.K.Joshi	07	07	Yes
Shri S.V.Kher *	04	04	-
Capt. S. Thapar*	03	03	Yes
Shri Arun Balakrishnan *	01	00	-

*The changes taken place in the constitution of the Board of Directors of SCI during the FY 2015-16 are as follows:-

Name of the Director	Date of Appointment	Date of Cessation	Reason for cessation
Shri A.K.Gupta	-	01.01.2016	Superannuation
Dr.(Ms.)T.Kumar	-	31.08.2015	Cessation subsequent to superannuation as Special Secretary & Financial Advisor (Ministry of Shipping)
Shri Sanjeev Ranjan	21.09.2015	-	-
Capt. S. Thapar	-	01.10.2015	Superannuation
Shri S.V.Kher	01.10.2015	-	-
Shri Arun Balakrishnan	30.03.2016	-	-

**Capt B B Sinha is holding additional Charge of the post of Chairman & Managing Director w.e.f. 01.01.2016.

Details of familiarization programme imparted to Independent Directors is disclosed on SCI website www.shipindia.com -> shareholder info -> Disclosures under Listing Regulations.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Directors Shareholding

None of the directors hold shares in SCI.

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 as required under Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee

The Board of Directors of the Company had constituted an Audit Committee in the year 2000.

Due to resignations from Independent Directors on the Board of SCI, the Audit committee had become non functional as a result no Audit committee meetings were held in Financial year 2015-2016. The Board had constituted an internal Finance Committee with Director (Finance) as Chairman and D(B&T), D(P&A) , D(L&PS) and D(T&OS) as its members to look into matters related to the Audit Committee. During the year 2015-16, six meetings were held on 26.05.2015, 22.06.2015, 03.08.2015, 15.09.2015, 05.11.2015 & 29.02.2016. The minutes of the meetings of Finance Committee have been placed before the Board from time to time.

On appointment of Independent Directors on Board of SCI, the committee was reconstituted on 26.05.2016 with Shri Sukamal Chandra Basu as Chairman and Shri Arun Balakrishnan and Capt.K.Devadas as its members. All the members of the Committee are 'financially literate' and have accounting and financial management expertise. The Company Secretary acts as Secretary to the Committee. The Director (Finance) and the Directors in charge of operations attend the meetings as invitees. The Statutory Auditors and Internal Auditors also attend meetings at which the audit reports / Company's financial statements are reviewed by the Committee. The terms of reference of Audit Committee include all matters specified in Section 177 of Companies Act 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015 and the DPE guidelines on Corporate Governance for CPSEs, 2010 and covers, inter-alia, overseeing Company's financial reporting process, adequacy of internal control systems, reviewing financial risks' management policies, compliance with Accounting Standards, etc.

Nomination and Remuneration Committee

Due to resignations from Independent Directors on the Board of SCI, the Nomination and Remuneration Committee had become non functional as a result no Nomination and Remuneration Committee meetings were held in Financial year 2015-2016. On 26.05.2016 the Board re-constituted the Nomination and Remuneration Committee with Shri Sukamal Chandra Basu as Chairman and Shri Arun Balakrishnan & Shri Barun Mitra as members. The terms of reference of Nomination and Remuneration committee are to take care of Compliances under Section 178 of Companies Act, 2013 and clause 5.1 of the DPE guidelines on Corporate Governance for CPSEs, 2010 and as specified in part D of Schedule II of SEBI (LODR) Regulations, 2015.

Corporate Social Responsibility Committee

Due to resignations from Independent Directors, the Committee had become non functional as a result no meetings were held during the financial year 2015-2016. However on appointment of Independent Directors, the Committee was re-constituted on 26.05.2016 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 Sukamal Chandra Basu and Capt.S.Narula as members. Shri Sukamal Chandra Basu is an Independent Director.

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 2015-16 on 22.07.2015, 04.09.2015 and 04.11.2015.

Stakeholders' Relationship Committee

Due to resignations from Independent Directors on the Board of SCI, the Stakeholders' Relationship Committee had become non functional as a result no Stakeholders Relationship Committee meetings were held in Financial Year 2015-2016. However on appointment of Independent Directors on Board of SCI, the Committee was re-constituted on 26.05.2016 with Shri Arun Balakrishnan as Chairman, and Shri Sukamal Chandra Basu and Smt H.K. Joshi as its members.

Grievances & their redressals: During the year under review, 4 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	03	03	NIL
Other	00	00	NIL
Total	04	04	NIL

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

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

Investors can lodge their complaints, if any, on investor@bigshareonline.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

Unpaid Dividend Details

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
2008-09 (Final)	30.09.2009	29.10.2016
2009-10 (Final)	29.09.2010	28.10.2017
2010-11 (Interim)	07.02.2011	02.04.2018
2010-11 (Final)	23.09.2011	22.10.2018

Unpaid/ unclaimed balance of the Final 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 details of special resolution passed thereat, are given below:

General Meetings	Date & Time	Venue	Special Resolutions passed thereat
63 rd AGM(FY 2012-13)	24.09.2013 15.30 hrs.	Registered Office of the Company, Mumbai	NIL
64 th AGM (FY 2013-14)	24.09.2014 15.30 hrs.		
65 th AGM (FY 2014-15)	22.09.2015 15.30 hrs		

Details of resolution passed by way of Postal Ballots during FY 2015-16:

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 the following special resolution:

Quote

“RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013 Article 150(2)(d) of the Articles of the Association of the Company be and is hereby amended to read as follows:

Existing	Proposed
disposal of property (other than ships which are economically not viable) having an original book value of Rs.1 crore (Rupees one crore) and above.	disposal of property (other than ships) which are economically not viable having an original book value of ₹1 crore (Rupees one crore) and above.

Unquote

Shri Upendra Shukla, Practising Company Secretary was appointed as scrutinizer. The announcement of result of the Postal Ballot took place on 1st March, 2016 when the Resolution was declared as passed with requisite majority. The details of voting are as follows:-

Particulars (Physical + Electronic)	No of Shares Held	No of Votes Cast	% of votes cast
Assent	38,60,59,733	38,59,02,768	99.99
Dissent	17,039	17,039	0.004

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Means of Communication

<p>Half-yearly Report sent to each household of shareholders</p>	<p>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.</p>
<p>Quarterly Results published in newspapers</p>	<p>Yes, the newspapers being:</p> <p>For Quarter ended June 2015</p> <p>a. Financial Express – Mumbai, Ahmedabad, Delhi, Kolkata, Hyderabad, Chennai, Bangalore, Pune, Chandigarh, Lucknow, Kochi</p> <p>b. Jansatta – Kolkata, Chandigarh, Delhi, Lucknow</p> <p>c. Loksatta – Mumbai</p> <p>For Quarter ended September 2015</p> <p>a. Financial Express – Mumbai, Ahmedabad, Delhi, Kolkata, Hyderabad, Chennai, Bangalore, Pune, Chandigarh, Lucknow, Kochi.</p> <p>b. Jansatta – Delhi, Chandigarh, Kolkata, Lucknow.</p> <p>c. Loksatta - Mumbai</p> <p>For Quarter ended December 2015</p> <p>a. Financial Express – Mumbai, Ahmedabad, Bangalore, Kolkata, Chennai, Kochi, Delhi, Hyderabad, Lucknow, Chandigarh, Pune.</p> <p>b. Jansatta – Delhi, Chandigarh, Kolkata, Lucknow.</p> <p>c. Loksatta - Mumbai</p> <p>For Year and Quarter ended March 2016</p> <p>a. Financial Express – Mumbai, Pune, Ahmedabad, Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bangalore, Hyderabad.</p> <p>b. Jansatta – Kolkata, Chandigarh, Delhi, Lucknow</p> <p>c. Loksatta – Mumbai</p>
<p>Website, where results and/or official news are displayed</p>	<p>On the Company's Website www.shipindia.com</p>
<p>The presentation made to Institutional Investors or to the Analysts</p>	<p>The following con-calls were held by the Company for investors :-</p> <p>For the Q1 results of FY 2015-16 - on 13.08.2015.</p> <p>For the Q2 results of FY 2015-16 – on 16.11.2015.</p> <p>For the Q3 results of FY 2015-16 – on 12.02.2016.</p> <p>For the Q4 results of FY 2015-16 – on 27.05.2016.</p>
<p>Whether Management Discussion and Analysis is a part of Annual Report or not</p>	<p>Yes.</p>

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

General Shareholder Information

Annual General Meeting – Date, Time & Venue	26 th September, 2016 at 1530 hrs. at the Registered Office of the Company, “Shipping House”, 245, Madame Cama Road, Mumbai – 400 021.
Financial Year	01.04.2015 to 31.03.2016
Date of Book Closure	20.09.2016 to 26.09.2016
Proposed Dividend	The Board of Directors has not recommended dividend for this financial year.
Listing on Stock Exchanges	<p>Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.</p> <p>National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai – 400 051.</p> <p>The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata – 700 001.</p>
Payment of Listing Fees	The Company has paid the annual listing fees for the year 2015 -2016 to the aforesaid Stock Exchanges within the stipulated time.
Stock Code	<p>Bombay Stock Exchange Ltd. – 523598</p> <p>National Stock Exchange of India Limited – SCI</p> <p>Demat-ISIN Number – INE 109 A 01011</p>
Address for Correspondence/ Registrar and Transfer Agents	<p>Shareholders’ correspondences should be addressed to the Company’s Share Transfer Agents, M/s. Bigshare Services Pvt Ltd at their addresses mentioned below:</p> <p style="text-align: center;">M/s. Bigshare Services Pvt Ltd</p> <p style="text-align: center;">Regd. office E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072</p> <p style="text-align: center;">Tel: 022 40430200 Fax: 022 28475207 E-mail: investor@bigshareonline.com Website: www.bigshareonline.com</p>
Share Transfer System	Processing of share transfer 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 31st March 2016.
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 31st March 2016, 99.88 % of the paid-up equity share capital, representing 465261724 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.
Foreign Exchange Risk & Hedging Activities	In the course of our business activities, financial risks may arise from changes in interest rates and exchange rates. Foreign currency risk is considered to be nominal in view of the natural hedge that the Company has. A majority of our receipts are either in foreign currency or are denominated in foreign currency and accordingly no specific hedging activities have been undertaken. The Company maintains a Risk Register to closely monitor the financial risks. The approved Risk Management Policy is also undergoing review for keeping the same updated based on economic / business environment.
Your Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments.	
Your Company has no Plant	

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

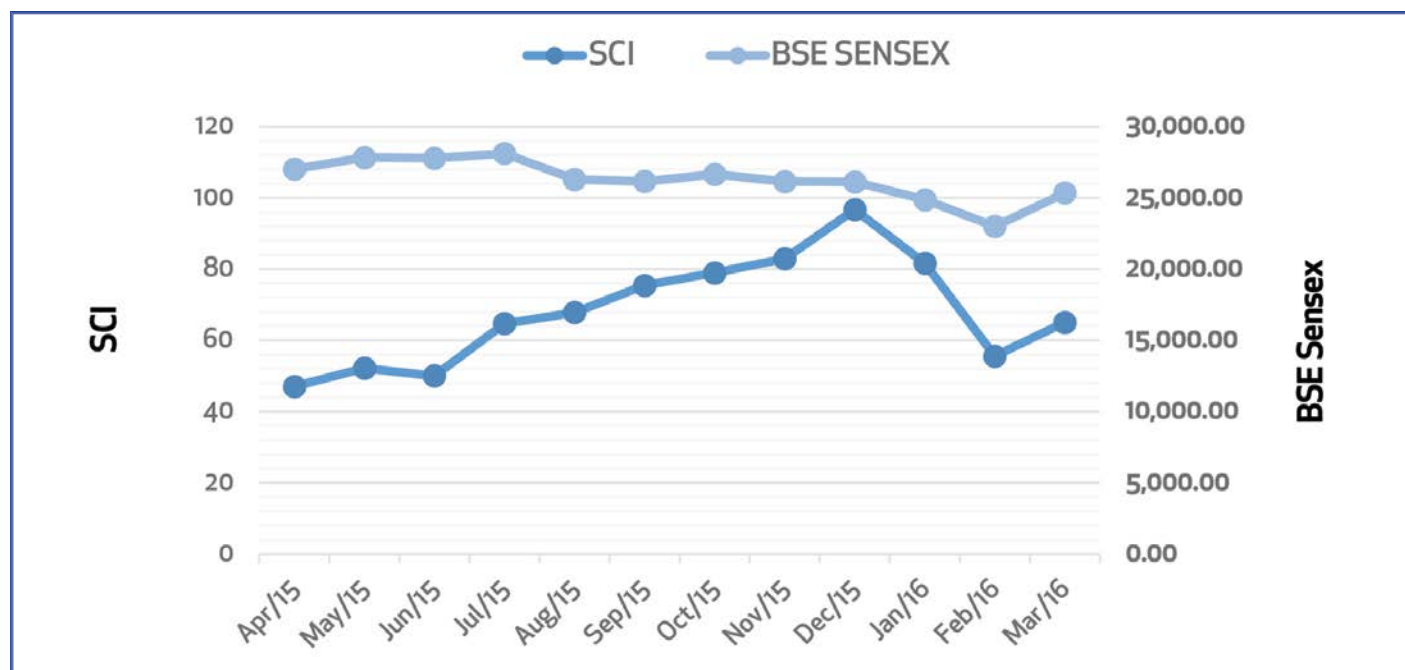
Monthly high and low quotation of shares on the BSE and NSE during the financial year 2015-2016

Month	Share Price on BSE		Share Price on NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2015	52.90	45.30	52.95	45.20
May 2015	59.65	44.70	59.50	44.50
June 2015	53.55	46.05	53.65	45.30
July 2015	66.00	50.05	66.10	50.10
August 2015	84.90	59.85	84.80	59.65
September 2015	80.75	61.90	80.50	61.85
October 2015	87.80	75.50	87.90	74.85
November 2015	84.30	71.50	84.30	71.10
December 2015	100.90	81.30	101.00	81.15
January 2016	98.20	73.20	98.20	73.50
February 2016	86.80	54.50	86.75	54.35
March 2016	67.70	55.40	67.85	55.25

Stock Performance in comparison to BSE Sensex

Month	SCI's Closing Price (Rs)	BSE Sensex
April 2015	47.05	27,011.31
May 2015	52.20	27,828.44
June 2015	50.05	27,780.83
July 2015	64.70	28,114.56
August 2015	67.85	26,283.09
September 2015	75.40	26,154.83
October 2015	78.95	26,656.83
November 2015	82.90	26,145.67
December 2015	93.35	26,117.54
January 2016	81.65	24,870.69
February 2016	55.55	23,002.00
March 2016	65.05	25,341.86

Graph showing the SCI share price movement based on the above data:

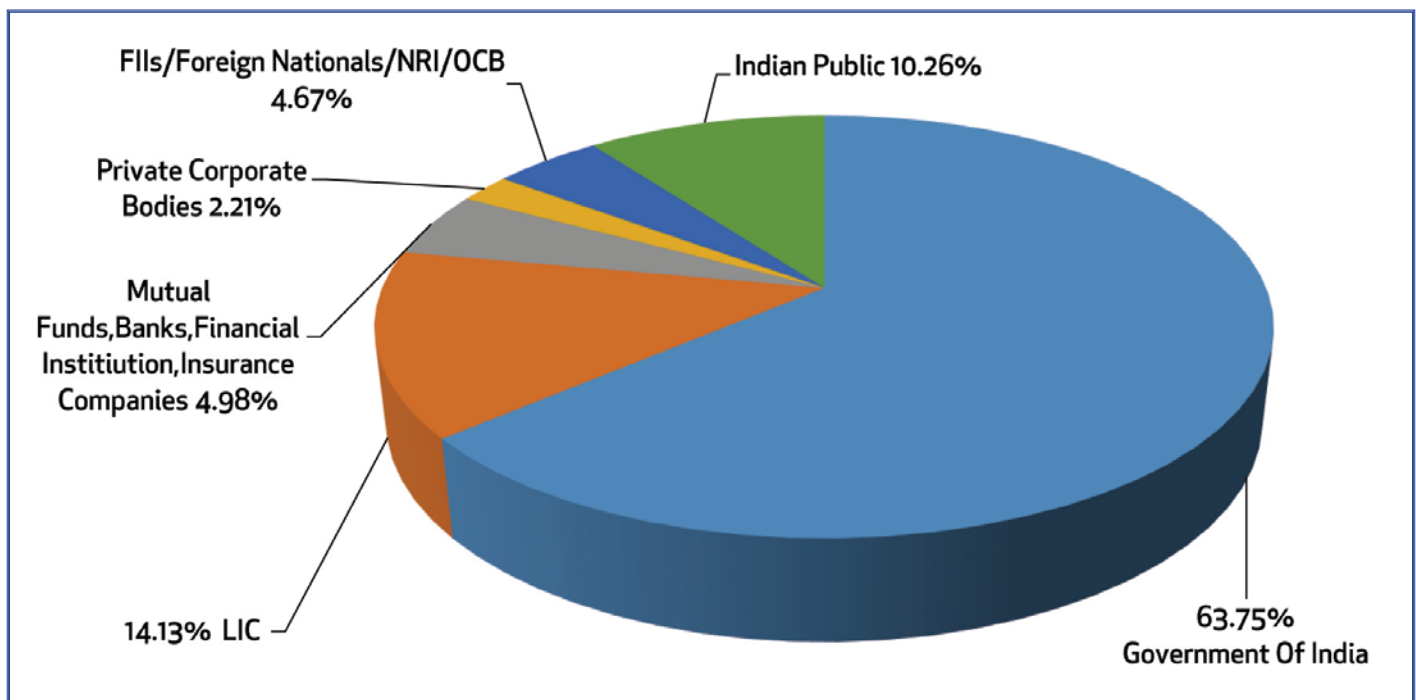


REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2016

CATEGORY	DEMAT		PHYSICAL		TOTAL		%TO	
	FOLIOS	SHARES	FOLIOS	SHARES	FOLIO	SHARES	FOLIOS	SHARES
1 - 500	149406	19195155	130	21636	149536	19216791	92.17	4.13
501 - 1000	6534	5096143	8	6700	6542	5102843	4.03	1.10
1001 - 2000	3123	4638565	1	1200	3124	4639765	1.93	1.00
2001 - 3000	1043	2662341	2	4900	1045	2667241	0.64	0.57
3001 - 4000	463	1667974	0	0	463	1667974	0.29	0.36
4001 - 5000	361	1685615	0	0	361	1685615	0.22	0.36
5001 - 10000	581	4246490	1	6000	582	4252490	0.36	0.91
10000 & above	585	426069441	7	496850	592	426566291	0.36	91.58
TOTAL	162096	465261724	149	537286	162245	465799010	100.00	100.00

Distribution of Shareholding by percentage of ownership as on 31st March 2016



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	Perquisites , Allowances and other benefits	Performance Linked Incentives	Sitting Fees	Total
Shri Arun Kumar Gupta*	44,19,014	3,19,162	-	-	47,38,176
Shri Sunil Thapar*	29,53,527	2,29,989	-	-	31,83,516
Shri Bipin Bihari Sinha	24,19,895	3,79,488	-	-	27,99,383
Shri Sarveen Narula	24,73,777	3,68,079	-	-	28,41,857
Shri Kelath Devadas	23,07,139	3,38,806	-	-	26,45,946
Smt. Harjeet Kaur Joshi	21,01,368	3,96,691	-	-	24,98,059
Shri S.V. Kher**	10,59,156	3,24,046	-	-	13,83,202
TOTAL	1,77,33,877	23,56,261	-	-	2,00,90,138

* Shri A.K. Gupta and Shri Sunil Thapar superannuated on 31.12.2015 and 30.09.2015 respectively

** Shri S.V. Kher has been holding the post of Director (BNT) w.e.f. 01.10.2015.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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.

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Stand alone 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

Regulation 21 of the SEBI(LODR) Regulations,2015 is applicable only to top 100 Listed entities based on Market Capitalisation.

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.

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 ₹ 330.65 crores of these funds from the shipyards. The shareholders vide the resolution passed through postal ballot process on 14.01.2015 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 Regulation 34 of SEBI (LODR) Regulations, 2015.

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. This was also placed before the Board.

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 Regulation 17 (8) of SEBI (LODR) Regulations, 2015 was placed before the Board.

Compliance with Discretionary Requirements under Regulation 27(1) of SEBI (LODR) Regulations,2015.

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.

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

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

within the time limits prescribed under the SEBI (LODR) Regulations, 2015 .

Modified Opinions in Audit Report

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.

Separate Posts of Chairperson & Chief Executive Officer

The Company is engaged in shipping activities and therefore, currently there is no need for Separate Posts of Chairperson & Chief Executive Officer. In case, the Company gets itself diversified in new sectors, the captioned requirement will be considered.

Reporting of Internal Auditor

The Internal Auditor is reporting directly to the Audit Committee.

Whistle Blower Policy

SCI has formulated a Whistle Blower Policy as a part of vigil mechanism under Section 177 of the Companies Act 2013 and Regulation 22 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 in addition to SCI's whistle blower policy measures 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.
5. The office and administration expenses as a percentage of total expenses are 6.47% in FY 2015-16 as against 5.30% in FY 2014-15.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 18.08.2016

Capt.B.B.Sinha ,
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 2015-16 and a confirmation to this effect has been obtained from the Directors & Senior Management personnel.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 26.05.2016

Capt.B.B.Sinha ,
Chairman & Managing Director

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 31, 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016 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 the above mentioned Listing Agreement/ Listing Regulations, as applicable and in the guideline of corporate governance for Public Sector Enterprises, Government of India subject to the following:

- a) There were no minimum number of 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 of the committees* and the gap between the same were not as per the regulatory requirements.***

*The Audit Committee had become non functional due to resignations from Independent Directors as a result no Audit committee meetings were held in 2015-16.

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, 2016 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 and 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
Place: Mumbai
Date: 17-Aug-2016

For GMJ & Co.
Chartered Accountants
FRN 103429W
CA Sanjeev Maheshwari
Partner
M No.038755
Place: Mumbai
Date: 17-Aug-2016

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 31st MARCH 2016

The preparation of financial statements of the Shipping Corporation of India Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) 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 26 May 2016.

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 31 March 2016. 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**

(Tanuja Mittal)

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

**Place: Mumbai
Date: 29th July 2016**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE SHIPPING CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of Consolidated Financial Statements of the Shipping Corporation of India Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(the Act) 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) read with section 129(4) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 read with section 129(4) 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 27 July 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under Section 143(6)(a) read with section 129(4) of the Act of the Consolidated Financial Statements of the Shipping Corporation of India Limited for the year ended 31 March 2016. We conducted a Supplementary Audit of the Financial Statements of the Shipping Corporation of India Limited but did not conduct Supplementary Audit of the Financial Statements of India LNG Transport Company(No.1) Limited (Malta), India LNG Transport Company(No.2) Limited (Malta), India LNG Transport Company(No.3) Limited (Malta) and India LNG Transport Company(No.4) Limited (Singapore) for the year ended on that date. Further, Sections 139(5) and 143(6)(b) of the Act are not applicable to India LNG Transport Company(No.1) Limited (Malta), India LNG Transport Company(No.2) Limited (Malta), India LNG Transport Company(No.3) Limited (Malta) and India LNG Transport Company(No.4) Limited (Singapore) being private entities/entities incorporated in foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of Supplementary Audit. Accordingly, the Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the Supplementary Audit of these Companies. 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)

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

**Place: Mumbai
Date: 25 August 2016**

INDEPENDENT AUDITORS' REPORT

To

The Members of

THE SHIPPING CORPORATION OF INDIA LIMITED

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE SHIPPING CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2016**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the 'Act') with respect to the preparation and presentation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under 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 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.

3. 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 thereunder.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, 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 on the standalone financial statements.

4. Basis for Qualified Opinion

- a. **The direct access of overseas foreign agents to fund collected on account of freight and other charges without adequate security 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.**
- b. **One of the vessels acquired in the year 2012-13 was under capitalised by 3.50 million USD and the provision for interest @ 2.5% pa on this amount has not been made in the accounts from the year 2012-13. This has resulted in understatement of fixed assets by Rs.20.28 crores, overstatement of profits by ₹4.98 crores and understatement of liability of ₹25.25 Cr.**

5. 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 31 March 2016, its profit and its cash flows for the year ended on that date.

6. Emphasis of Matter

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

The adjustments required in the accounts not likely to be material in the opinion of management on confirmation and reconciliation of outstandings in respect of trade payables, trade receivables and loans & advances (Refer Note 42 to the financial statements)

7. Report on Other Legal and Regulatory Requirements:

- a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Office of the Comptroller and Auditor General of India.

- b. **As required by section 143(3) of the Act, we report that:**

- i. 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;

- ii. **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;
- iii. 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;
- iv. 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;
- v. 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;
- vi. On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified

as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;

- vii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-III.
- c. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in Note-30 to the Financial Statements.
 - ii) The Company does not anticipate any material foreseeable losses on long- term contracts including derivative 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 Nikhil Kumar Agrawalla
Partner
M. No. 157955

Mumbai
26th May, 2016

For GMJ & Co.
Chartered Accountants
Firm’s Regn. No. 103429W

CA Sanjeev Maheshwari
Partner
M. No. 038755

Mumbai
26th May, 2016

ANNEXURE – I TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 7(a)(i) of our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March, 2016

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed assets of the Company are being physically verified by the management once in three years. The physical verification of fixed Assets of the Company was not carried out during the year.
- c) According to the information and explanations given to us, and on the basis of our examination of records of the company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No material discrepancies were noticed on such verification.
- iii. The Company has granted loans to five bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013
 - a) The terms and conditions of the grant of such loans are prima facie not prejudicial to the company's interest.
 - b) In the case of the loans granted, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Payment of interest has been stipulated, and the receipts thereof are regular.
 - c) There are no overdue amounts for more than ninety days in respect of the loans granted.
- iv. The company has not given/made any loans, investments and guarantees and security, which may attract the provisions of section 185 and 186 of the Companies Act, 2013. Hence, the provisions of clause 3 (iv) of the said Order are not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the year. Consequently, the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- 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 provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

The arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they become payable are as under:

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax	TDS on Salary	59.32	2014-15	30.04.2015	29.04.2016
Income Tax	TDS on Salary	11.47	2014-15	30.04.2015	Not paid

- b) The dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of disputes are as under:

Sr. No.	Name of the statute	Nature of the dues	Forum where dispute is pending	Financial Year to which amount relates	Amount (₹ in lacs)
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)	Bombay High Court	2004-05 & 2005-06	801
4	Income Tax Act, 1961	Tax U/s 147	ITAT, Mumbai	2004-05 & 2005-06	2529

Sr. No.	Name of the statute	Nature of the dues	Forum where dispute is pending	Finanacial Year to which amount relates	Amount (₹ in lacs)
5	Income Tax Act, 1961	Penalty u/s 271(1)	CIT(A) Mumbai	2004-05 & 2005-06	323
6	Income Tax Act, 1961	Tax U/s 143(3)	ITAT, Mumbai	2007-08	1013
7	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2009-10	1180
8	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2011-12	393
9	Income Tax Act, 1961	Tax U/s 143(3)	CIT(A) Mumbai	2012-13	300
10	Finance Act, 1994	Service tax	Commissioner (Appeals)	2002-03 to 2007-08	2
11	AP VAT Act, 2005	VAT	CTO	2011-12	10
12	High Court, Mumbai	VAT	Commissioner of Sales Tax	1994-95	14
13	High Court, Mumbai	VAT	Commissioner of Sales Tax	1993-94	22
Total					19308

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. Further, the Company has neither issued any debenture nor borrowed from Government.
- ix. The Company has not raised any money by way of public issue/follow up offer (including debt instruments) during the year. In our opinion, the term loans were applied for the purpose for which those were raised.
- x. We report that certain complaints were received by the Vigilance division of the company during the year for which the investigations were under progress. We have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have been informed of any such case by the management.
- xi. The Company is a government company, and the provisions of section 197 is not applicable to it. Therefore clause (xi) of the said Order is not applicable to the company.
- xii. The Company is not a Nidhi Company, and hence the provisions of clause 3 (xii) of the said Order is not applicable to the company.
- xiii. The Company does not have an audit committee and hence the approval of transactions with related parties by Audit Committee formed under section 177 of the Act is not applicable. The transactions with the related parties are in compliance with section 188 of the Act to the extent applicable and the details have been disclosed in the financial statements as required by the Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For MKPS & Associates
Chartered Accountants
Firm's Regn. No. 302014E

CA Nikhil Kumar Agrawalla
Partner
M. No. 157955

Mumbai
26th May, 2016

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W

CA Sanjeev Maheshwari
Partner
M. No. 038755

Mumbai
26th May, 2016

ANNEXTURE-II TO THE INDEPENDENT AUDITORS' REPORT

Directions under Section 143(5) of the Companies Act, 2013

On the Accounts of The Shipping Corporation of India Ltd. for the year 2015-16

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. As explained, the only leasehold land is the land on which the Shipping house of Mumbai has been constructed.	No Impact															
2	Whether there are any cases of waiver / write off debts / loans / interest, etc? If yes, the reasons therefore and amount involved.	<p>There has been write off in respect of trade receivables amounting to Rs.2,251,562.71 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>Sinostar Dsthapa</td> <td>2,112,689.37</td> <td>The party is dissolved during the year, hence the amount is written off.</td> </tr> <tr> <td>Asha Agencies</td> <td>66,631.88</td> <td>The goods were abandoned and same were auctioned.</td> </tr> <tr> <td>Centurion Marine</td> <td>24,640.00</td> <td>VAT not recoverable</td> </tr> <tr> <td>Liner Misc Customer</td> <td>47,601.46</td> <td>The goods were abandoned and same were auctioned.</td> </tr> </tbody> </table>	Name of the party	Amount of write off	Reasons for write off	Sinostar Dsthapa	2,112,689.37	The party is dissolved during the year, hence the amount is written off.	Asha Agencies	66,631.88	The goods were abandoned and same were auctioned.	Centurion Marine	24,640.00	VAT not recoverable	Liner Misc Customer	47,601.46	The goods were abandoned and same were auctioned.	Not Material
Name of the party	Amount of write off	Reasons for write off																
Sinostar Dsthapa	2,112,689.37	The party is dissolved during the year, hence the amount is written off.																
Asha Agencies	66,631.88	The goods were abandoned and same were auctioned.																
Centurion Marine	24,640.00	VAT not recoverable																
Liner Misc Customer	47,601.46	The goods were abandoned and same were auctioned.																
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift / grant(s) from the Government or other authorities?	As explained to us, there are no inventories lying with third parties. Further, there is no gift received from Govt. or other authorities.	No Impact															

Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of the Shipping Corporation of India Limited for the year 2015-16

Sl. No.	Directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	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 land under encroachment.	No Impact
2	(i) Whether amount of (a) bank balance (b) trade receivable (c) trade payables (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 & advances. The third party confirmation received by us has been 175 out of total number of confirmation being 2010 sent to the parties.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management.

Sl. No.	Directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
	(ii) Where such balance has been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial statements? If so, the difference and action taken by the management to reconcile the difference should be disclosed.	The balance confirmation received wherever varying with the amount as per the books of account by more than Rs. 5 lakhs (approx) is shown in Annexure –'1'. As explained, the necessary steps shall be taken by the management to reconcile the difference.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management.
3	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 retirement 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's Regn. No. 302014E

CA Nikhil Kumar Agrawalla

Partner
M. No. 157955

Mumbai
26th May, 2016

For GMJ & Co.

Chartered Accountants
Firm's Regn. No. 103429W

CA Sanjeev Maheshwari

Partner
M. No. 038755

Mumbai
26th May, 2016

ANNEXURE – III TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 7(b) (vii) of our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of **THE SHIPPING CORPORATION OF INDIA LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanation given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at 31st March, 2016.
 - a) Freight & other charges collection done by certain overseas agents on behalf of the Company are getting credited to their bank accounts, instead of the bank account of the company, which in the absence of adequate security could potentially result in the non/ short receipt of such collections by the company in the event of either fraudulent intention of the agent, as was happened in the past or any dispute by either party.
 - b) The timely verification of claims of agents needs to be further strengthened.
 - c) The control on the timely reversal of stale cheque needs to be

further strengthened.

- d) The control on the booking of bunker consumption to the correct voyage of the vessels needs to be strengthened.
- e) The control in the system to ensure that the bunker consumption in case of time charter is recovered from the charter instead of debiting to the consumption account needs to be further strengthened.
- f) The system has to ensure that the tax is deducted at source on all the provision for expense made.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except **for the possible effects of the material weakness described above on the achievement of objectives of the control criteria**, the internal financial controls over financial reporting of the company were operating effectively as at March 31, 2016.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company as of 31st March, 2016 and these material weakness do not affect our opinion on the Standalone Financial Statements of the Company.

For MKPS & Associates

Chartered Accountants
Firm's Regn. No. 302014E

CA Nikhil Kumar Agrawalla

Partner
M. No. 157955

Mumbai
26th May, 2016

For GMJ & Co.

Chartered Accountants
Firm's Regn. No. 103429W

CA Sanjeev Maheshwari

Partner
M. No. 038755

Mumbai
26th May, 2016



Annexure-1

GL Code	GL Head	Vendor Code	Vendor Name	Currency	Balance as per SCI on 31.12.2015	Balance as per confirmation	Difference	Nature of Account
5000000000	VENDOR RECON A/C - GENERAL	100191	ALCOS	INR	-	2,052,969.00	2,052,969.00	Trade Payable
5000000000	VENDOR RECON A/C - GENERAL	100403	KAMYAB SHIP CHANDLERS	INR	-	1,562,061.50	1,562,061.50	
5000000000	VENDOR RECON A/C - GENERAL	100409	ROTOMECH AUTOMATION LIMITED	INR	-	1,066,229.00	1,066,229.00	
5000000000	VENDOR RECON A/C - GENERAL	100412	SHIV TECH MARINE CONTROL SYSTEMS &	INR	(538,068.00)	4,487,744.00	3,949,676.00	
5000000000	VENDOR RECON A/C - GENERAL	101085	A K MARINE ENGINEERS	INR	-	2,354,206.00	2,354,206.00	
5000000000	VENDOR RECON A/C - GENERAL	101281	SF MARINE OFFSHORE & IND. SUPPLY CO	INR	(119,025.00)	4,128,180.00	4,009,155.00	
5000000000	VENDOR RECON A/C - GENERAL	101410	DALWIN MARINE TURBO ENGG PVT LTD	INR	(215,069.00)	802,633.00	587,564.00	
5000000000	VENDOR RECON A/C - GENERAL	101565	PARAM HYDRAULICS PVT LTD	INR	-	2,732,438.56	2,732,438.56	
5000000000	VENDOR RECON A/C - GENERAL	101620	BANSAL MARINE (S.B.)	INR	-	920,212.00	920,212.00	
5000000000	VENDOR RECON A/C - GENERAL	200750	MARINE ELECTRICAL & REFRIGERATION	INR	(1,326,853.00)	24,997,276.00	23,670,423.00	
5000000000	VENDOR RECON A/C - GENERAL	200752	ABB INDIA LIMITED	INR	(808,482.00)	5,506,763.00	4,698,281.00	
5000000000	VENDOR RECON A/C - GENERAL	200763	THE ORIENT ENGINEERING & SHIP REPA	INR	(480,996.00)	16,633,169.00	16,152,173.00	
5000000000	VENDOR RECON A/C - GENERAL	200765	DOCKING & ENGINEERING CO.(VISA	INR	(646,400.00)	4,084,820.00	3,438,420.00	
5000000000	VENDOR RECON A/C - GENERAL	200776	CARBONIC INDUSTRIES	INR	(83,116.00)	2,155,769.00	2,072,653.00	
5000000000	VENDOR RECON A/C - GENERAL	200788	HICO SHIPPING INSULATION PVT LTD	INR	(222,556.00)	14,632,346.00	14,409,790.00	
5000000000	VENDOR RECON A/C - GENERAL	200795	HYPRECISION HYDRAULIK	INR	-	969,707.00	969,707.00	
5000000000	VENDOR RECON A/C - GENERAL	200800	ALBATROSS MARINE SERVICES	INR	(50,000.00)	3,069,798.00	3,019,798.00	
5000000000	VENDOR RECON A/C - GENERAL	200847	FUJI TECHNICAL SERVICES PVT LTD	INR	-	806,050.00	806,050.00	
5000000000	VENDOR RECON A/C - GENERAL	200849	FRICONS	INR	-	2,524,641.00	2,524,641.00	
5000000000	VENDOR RECON A/C - GENERAL	200886	SUPREME HYDRO ENGINEERING PVT LTD	INR	(138,827.00)	2,284,563.00	2,145,736.00	
5000000000	VENDOR RECON A/C - GENERAL	200929	NCGB ENGINEERING CO PVT LTD	INR	(99,582.00)	3,436,703.00	3,337,121.00	
5000000000	VENDOR RECON A/C - GENERAL	201336	NIREEKSHAN ENGG. SERVICES PVT LTD	INR	-	899,810.00	899,810.00	
5000000000	VENDOR RECON A/C - GENERAL	201570	AKSHAY CONTROLS & SYSTEMS PVT LTD	INR	(5,174,957.21)	25,443,330.95	20,268,373.74	
5000000000	VENDOR RECON A/C - GENERAL	201631	C-MET ENGINEERING INDIA PVT LTD	INR	(2,756,839.95)	9,748,196.00	6,991,356.05	
5000000000	VENDOR RECON A/C - GENERAL	201652	KENMARK TECH SOLUTIONS	INR	(11,907.00)	8,246,801.00	8,234,894.00	
5000000000	VENDOR RECON A/C - GENERAL	201658	MARINE ENGG CONSULTANCY & SERVI MU	INR	(11,689.50)	3,005,349.00	2,993,659.50	
5000000000	VENDOR RECON A/C - GENERAL	201675	RAS TEK PVT LTD	INR	(1,933,437.00)	23,078,287.00	21,144,850.00	
5000000000	VENDOR RECON A/C - GENERAL	201679	S S K ENGINEERING WORKS (INDIA) PVT	INR	(1,784,588.00)	30,273,600.00	28,489,012.00	
5000000000	VENDOR RECON A/C - GENERAL	201685	SEA-HOOK ENGINEERING WORKS	INR	(703,689.00)	10,688.00	(693,001.00)	
5000000000	VENDOR RECON A/C - GENERAL	201686	SEAMAN INDUSTRIES	INR	-	514,685.00	514,685.00	
5000000000	VENDOR RECON A/C - GENERAL	201701	TRISHUL INDUSTRIES	INR	(2,724,895.00)	17,147,045.00	14,422,150.00	
5000000000	VENDOR RECON A/C - GENERAL	201730	S.B.TEKNIK	INR	(886,136.00)	1,667,008.00	780,872.00	
5000000000	VENDOR RECON A/C - GENERAL	201829	B P ENGINEERING WORKS	INR	(111,948.00)	1,922,333.00	1,810,385.00	
5000000000	VENDOR RECON A/C - GENERAL	202672	D.S.MARINE REPAIRS	INR	-	3,174,036.00	3,174,036.00	
5000000000	VENDOR RECON A/C - GENERAL	203292	A.S. REFRIGERATION CO.	INR	(329,605.00)	10,296,692.87	9,967,087.87	
5000000000	VENDOR RECON A/C - GENERAL	203489	M/S ALLWIN MARINE SERVICES	INR	(8,218,384.00)	13,551,504.40	5,333,120.40	
5000000000	VENDOR RECON A/C - GENERAL	300061	MARINE ELECTRONICS AND NAVIGATION	INR	-	1,010,052.00	1,010,052.00	
5000000000	VENDOR RECON A/C - GENERAL	300985	ZF INDIA PRIVATE LIMITED	INR	-	1,145,251.64	1,145,251.64	
5000000000	VENDOR RECON A/C - GENERAL	1100203	WEST COAST LAUNCH SERVICE	INR	-	747,701.00	747,701.00	
5000000000	VENDOR RECON A/C - GENERAL	1100827	KAMAL BASU & CO.	INR	(744,844.00)	2,103,140.00	1,358,296.00	
5000000000	VENDOR RECON A/C - GENERAL	300910	Flamingo GRP General Trading LLC.	AED	-	1,035,474.67	1,035,474.67	
5000000000	VENDOR RECON A/C - GENERAL	600070	International Agencies Bahrain	BHD	(993.07)	3,852.93	4,846.00	
				CNY	(6,570,662.08)		6,570,662.08	
				CNY	356,392.62		(356,392.62)	
5000000000	VENDOR RECON A/C - GENERAL	600015	CLB liner	EUR	712,503.50	870,263.11	157,759.61	
5000000000	VENDOR RECON A/C - GENERAL	300193	J.P. SAUER & SOHN MASCHINENBAU GMBH	EURO	-	15,723,694.00	15,723,694.00	
5000000000	VENDOR RECON A/C - GENERAL	300355	Wartsila Japan Ltd.	EURO	-	91,474.01	91,474.01	

GL Code	GL Head	Vendor Code	Vendor Name	Currency	Balance as per SCI on 31.12.2015	Balance as per confirmation	Difference	Nature of Account
5000000000	VENDOR RECON A/C - GENERAL	300737	Salzgitter Maschinenbau AG	EURO	-	25,192.62	25,192.62	
5000000000	VENDOR RECON A/C - GENERAL	300836	DAMEN SCHELDE MARINE SERVICES PTE	EURO	-	55,346.10	55,346.10	
5000000000	VENDOR RECON A/C - GENERAL	300631	CORTLAND LIMITED	GBP	-	11,697.00	11,697.00	
5000000000	VENDOR RECON A/C - GENERAL	400892	INDIAN REGISTER OF SHIPPING	GBP	-	13,906.00	13,906.00	
5000000000	VENDOR RECON A/C - GENERAL	600631/837	Champion Shipping,Hong Kong	HKD	(57,417.61)	97,471.04	154,888.65	
5000000000	VENDOR RECON A/C - GENERAL	300290	HARUKAWA MARINE PARTS CO. LTD.	JAPAN YEN	-	2,635,848.00	2,635,848.00	
5000000000	VENDOR RECON A/C - GENERAL	400011	FUJII TECHNICAL SERVICES PVT LTD	JPY	-	11,111,621.00	11,111,621.00	
5000000000	VENDOR RECON A/C - GENERAL	300103	SKIPPER ELECTRONICS AS	NOK	-	97,710.00	97,710.00	
5000000000	VENDOR RECON A/C - GENERAL	400293	KONGSBERG MARITIME AS	NOK	-	855,835.11	855,835.11	
5000000000	VENDOR RECON A/C - GENERAL	600027	Freightman AB,Norway	NOK	327,541.69	36,731.00	(290,810.69)	
5000000000	VENDOR RECON A/C - GENERAL	600012/919	Champion Shipping,Taiwan	NT\$	37,312,044.00	1,193,975.00	(36,118,069.00)	
5000000000	VENDOR RECON A/C - GENERAL	600008	Bhacker Haji Abdulla,Muscat	OMR	26,241.45	11,148.73	(15,092.72)	
5000000000	VENDOR RECON A/C - GENERAL	600834	Bhacker Haji Abdulla,Muscat	OMR	(6,995.84)	6,870.31	13,866.15	
5000000000	VENDOR RECON A/C - GENERAL	600835	Freightman AB,Sweden	SEK	2,009,979.00	2,113,729.00	103,750.00	
5000000000	VENDOR RECON A/C - GENERAL	100303	AVALONTEC SINGAPORE PTE LTD	SGD	-	16,979.95	16,979.95	
5000000000	VENDOR RECON A/C - GENERAL	600013/109/ 918	Champion Shipping,China	US\$	157,830.37	225,861.48	68,031.11	
5000000000	VENDOR RECON A/C - GENERAL	100109	DREW AMEROID (S) PTE LTD	USD	-	85,575.74	85,575.74	
5000000000	VENDOR RECON A/C - GENERAL	100203	VIJAY ENGG & MACHINERY COMPANY	USD	-	171,100.00	171,100.00	
5000000000	VENDOR RECON A/C - GENERAL	102021	SAMARTH ENGINEERING	USD	(2,262.00)	4,917,959.00	4,915,697.00	
5000000000	VENDOR RECON A/C - GENERAL	101080	PANASIA CO.LTD.	USD	(2,240.00)	41,150.00	38,910.00	
5000000000	VENDOR RECON A/C - GENERAL	101226	M/S UPSC MARINE SERVICES PTE LTD	USD	(7,000.00)	61,376.04	38,910.00	
5000000000	VENDOR RECON A/C - GENERAL	300035	GOLTENS CO.LTD.	USD	-	14,078.50	14,078.50	
5000000000	VENDOR RECON A/C - GENERAL	300085	Textainer Equipment	USD	(16,963.23)	373,164.57	356,201.34	
5000000000	VENDOR RECON A/C - GENERAL	300280	JOHNSON CONTROLS AIRCONDITIONING	USD	-	14,000.00	14,000.00	
5000000000	VENDOR RECON A/C - GENERAL	300429	RMS MARINE SERVICE CO.LTD.	USD	(6,781.15)	49,798.51	43,017.36	
5000000000	VENDOR RECON A/C - GENERAL	300450	MASTER SYSTEMS LLC	USD	(4,355.00)	48,440.00	44,085.00	
5000000000	VENDOR RECON A/C - GENERAL	300535	J.O. Engineering Co., Ltd.	USD	(114,611.60)	78,060.29	(36,551.31)	
5000000000	VENDOR RECON A/C - GENERAL	300747	DAEHWHA ENGINEERING SERVICE CO.,LTD.	USD	(40,607.40)	107,267.92	66,660.52	
5000000000	VENDOR RECON A/C - GENERAL	300859	TOMAS CORPORATION	USD	(6,705.00)	90,730.05	84,025.05	
5000000000	VENDOR RECON A/C - GENERAL	400016	INDIAN REGISTER OF SHIPPING	USD	(128,973.00)	856,103.70	727,130.70	
5000000000	VENDOR RECON A/C - GENERAL	400041	SMEC AUTOMATION FZE	USD	(18,833.00)	187,442.00	168,609.00	
5000000000	VENDOR RECON A/C - GENERAL	400773	Mencast Subsea Pte Ltd	USD	-	12,032.00	12,032.00	
5000000000	VENDOR RECON A/C - GENERAL	400830	ZHOUSHAN IMC YONGYUE SHIPYARD & ENG	USD	(2,735,281.00)	2,452,705.00	(282,576.00)	
5000000000	VENDOR RECON A/C - GENERAL	400913	PETRONAVI COMPANY LIMITED	USD	-	15,496.00	15,496.00	
5000000000	VENDOR RECON A/C - GENERAL	400936	VOYAGE MARINE AUTOMATION	USD	-	15,894.00	15,894.00	
5000000000	VENDOR RECON A/C - GENERAL	1000085	CHEMOIL ADANI PTE LTD	USD	(35,996.70)	76,314.00	40,317.30	
5000000000	VENDOR RECON A/C - GENERAL	1000205	World Fuel Services	USD	(681,653.44)	1,490,794.51	809,141.07	
				USD	(49,313.55)		49,313.55	
5000000000	VENDOR RECON A/C - GENERAL	600096	Penavico,Ningbo	USD	690,789.42	-	(690,789.42)	
5000000000	VENDOR RECON A/C - GENERAL	600903	Penavico,Ningbo	USD	496,183.54	131,855.49	(364,328.05)	
				USD	(1,129,857.44)		1,129,857.44	
5000000000	VENDOR RECON A/C - GENERAL	600050/875	Marti Shipping, Turkey	USD	(173,081.60)	356,206.70	529,288.30	
5000000000	VENDOR RECON A/C - GENERAL	600051	Middle East Shipping	USD	(12,872.88)	-	12,872.88	
5000000000	VENDOR RECON A/C - GENERAL	600854	Middle East Shipping	USD	-	9,514.87	9,514.87	

Trade Payable

The Shipping Corporation of India Limited
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2016

	Particulars	Note No.	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds:			
	(a) Share capital	1	46580	46580
	(b) Reserves and surplus	2	644459	606780
(2)	Non-current liabilities			
	(a) Long-term borrowings	3	459801	556994
	(b) Other Long-term liabilities	4	9	41
	(c) Long-term provisions	5	14451	13797
(3)	Current liabilities			
	(a) Short term borrowings	6	-	3500
	(b) Trade payables	7	98961	97695
	(c) Other current liabilities	8	179067	163217
	(d) Short-term provisions	9	6763	4257
	TOTAL		1450091	1492861
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed Assets			
	(i) Tangible assets	10	1160282	1143237
	(ii) Intangible assets	11	58	1209
	(iii) Capital work-in-progress	12	-	49093
	(b) Non-current investments	13	2734	1296
	(c) Long-term loans and advances	14	45277	51321
	(d) Other non-current assets	15	1242	1215
(2)	Current assets			
	(a) Current investments	16	3795	7718
	(b) Inventories	17	8558	9193
	(c) Trade Receivables	18	70882	78782
	(d) Cash and Bank balances	19	128625	125616
	(e) Short-term loans and advances	20	20051	13930
	(f) Other current assets	21	8587	10251
	TOTAL		1450091	1492861

The accompanying Significant Accounting Policies & Note No. 1 to 46 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

For GMJ & Co.,
Chartered Accountants
FR. No. 103429W

CA Nikhil K Agrawalla
Partner
Membership No. 157955

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Dipankar Halder
ED (LA & Co. sec)

B B Sinha
Chairman &
Managing Director

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 26th May, 2016

Mumbai, Dated the 26th May, 2016

The Shipping Corporation of India Limited
STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Particulars	Note No.		Year ended 31 st March, 2016 ₹ In lakhs	Year ended 31 st March, 2015 ₹ In lakhs
I.	Revenue from operations	22		407828	415375
II.	Other Operating Revenue	23		3411	3269
III.	Other Income	24		16480	40117
IV.	Total Revenue			427719	458761
V	Expenses:				
	Cost of Services Rendered	25		233956	279324
	Employees Benefit Expense	26		45738	41363
	Other expenses	27		18147	14135
	Finance costs	28		16060	17940
	Depreciation and Amortisation on :				
	a) Tangible Assets	10	56782		75768
	b) Intangible Assets	11	1213		1247
	Impairment of Assets	40		57995	77015
				13638	-
	Total expenses			385534	429777
VI.	Profit/(loss) before Prior Period, Exceptional and Extraordinary items and tax (IV-V)			42185	28984
VII.	Income / (Expenses) pertaining to Prior Period (Net)	29		194	(1371)
VIII.	Profit /(loss) before Exceptional and Extraordinary items and tax (VI+VII)			42379	27613
IX.	Exceptional items			-	-
X.	Profit before Extraordinary items and tax (VIII-IX)			42379	27613
XI.	Extraordinary items			-	-
XII.	Profit before tax (X-XI)			42379	27613
XIII.	Tax expense:				
	Current tax		7100		7520
	Mat Credit adjusted		(2,450)		-
				4650	7520
XIV.	Profit/(Loss) for the year (XII-XIII)			37729	20093
XV.	Earnings per equity share of Face Value of ₹ 10 each:	33			
	Basic & Diluted (including extraordinary items)			8.10	4.31
	Basic & Diluted (excluding extraordinary items net of tax)			8.10	4.31

The accompanying Significant Accounting Policies & Note No. 1 to 46 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

For GMJ & Co.,
Chartered Accountants
FR. No. 103429W

CA Nikhil K Agrawalla
Partner
Membership No. 157955

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Dipankar Halder
ED (LA & Co. sec)

B B Sinha
Chairman &
Managing Director

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 26th May, 2016

Mumbai, Dated the 26th May, 2016

The Shipping Corporation of India Limited Standalone Cash Flow Statement

Particulars		2015-16 ₹ In lakhs	2014-15 ₹ In lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax, extraordinary items & prior period adjustments		42185	28984
ADJUSTMENTS FOR :			
Depreciation		57995	77015
Impairment Loss on Assets		13638	-
Interest Income		(11320)	(14589)
Interest expense		16060	17940
Dividend Received		(625)	(672)
Surplus/Loss on sale of Fixed Assets (other than ships)		(1245)	(187)
Surplus on Sale of Ships		-	(12055)
Provision for doubtful debts & Advances (Net)		2533	5221
Debts & Advances written off		23	3
Provision for dimunition in value of investment		-	-
Excess provisions written back		(851)	(544)
Income from rescindment of contracts		(1952)	(12400)
		74256	59732
Operating profit before working capital changes	(i)	116441	88716
Adjustments for : Increase in working capital			
(a) Trade & other receivables		6300	129132
(b) Inventories		635	9852
(c) Trade payables		13803	(8653)
		20738	130331
Cash generated from operations	(ii)	137179	219047
Tax paid (Net of Refunds)		(4650)	(7711)
Cash flow before prior period adjustments		132529	211336
Prior period adjustments (Net)		194	(1371)
Net Cash From Operating Activities	(A)	132723	209965
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase / Acquisition of Fixed Assets (including Assets under construction)		(38439)	(71592)
Sale of Fixed Assets		1250	12472
Income from Investments		3180	3593
Interest Received		8912	11832
Sale / Purchase of Investments		2485	2335
Advances to Joint Venture Companies		457	3652
Income from Rescindment of contracts		1952	12400
Net cash used in investing activities	(B)	(20203)	(25308)

Particulars		2015-16 ₹ In lakhs	2014-15 ₹ In lakhs
C) CASH FLOW FROM FINANCING ACTIVITIES			
Loans Borrowed/Repaid		(93530)	(142380)
Dividends Paid (Incl. Dividend Tax)		(7)	(5)
Interest Charges		(15924)	(18402)
Staff Welfare Activities (Net)		(15)	(48)
Corporate Social Responsibility Activities		(35)	(99)
Net cash flow from financing activities	(C)	(109511)	(160934)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C)	3009	23723
Cash & Cash Bank Balances at the Beginning of the Year		125616	101893
Cash & Cash Bank Balances at the end of the Year.		128625	125616
Closing Cash & Bank Balances includes :			
Cash & Cash equivalents		42814	11269
Other bank balances		85811	114347
Cash & Cash Bank Balances at the end of the Year.		128625	125616

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

For GMJ & Co.,
Chartered Accountants
FR. No. 103429W

CA Nikhil K Agrawalla
Partner
Membership No. 157955

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Dipankar Haldar
ED (LA & Co. sec)

B B Sinha
Chairman &
Managing Director

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 26th May, 2016

Mumbai, Dated the 26th May, 2016

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE "1" - Share Capital

	Particulars	As at 31 st March, 2016		As at 31 st March, 2015		
		₹ In lakhs		₹ 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 31st March, 2016		As at 31st March, 2015		
		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 31st March, 2016		As at 31st March, 2015		
		No. of shares held	% of Holding	No. of shares held	% of Holding	
1	President of India	296942977	63.75	296939920	63.75	
2	Life Insurance Corporation of India	65796899	14.13	65801520	14.13	
Rights/Preference/Restriction attached to Equity Shares						
<p>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 does not have any holding company. There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.</p> <p>For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back</p>						

NOTE "2" - Reserves & Surplus

	Particulars	Note No.	As at 31 st March, 2016		As at 31 st March, 2015	
			₹ In lakhs		₹ In lakhs	
1	Capital Reserve As per last Balance sheet Add : Transfer from Appropriation		14298		14298	
			-	14298	-	14298
2	Securities Premium Reserve As per last Balance sheet Less: Share Issue Expenses		52177		52177	
			-	52177	-	52177
3	General Reserve As per last Balance sheet Add : Transfer from P & L Appropriation Add : Transfer from Tonnage Tax Reserve (Utilised)		403982		403982	
			-		-	
			138900	542882	403982	

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Note No.		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
4	<u>Tonnage Tax Reserve</u> As per last Balance sheet Add : Transfer from P & L Appropriation	A			
			50		-
			9000		50
				9050	50
5	<u>Tonnage Tax Reserve (Utilised)</u> As per last Balance sheet Add : Transfer from Tonnage Tax reserve Less : Transfer to General Reserve	B			
			138900		138900
			-		-
			138900		-
				-	138900
6	<u>Corporate Social Responsibility Reserve</u> As per last Balance sheet Add : Transfer from P & L Appropriation Less : Amount utilised	C			
			704		803
			-		-
			35		99
				669	704
7	<u>Staff Welfare Fund</u> As per last Balance sheet Add: Transfer from Appropriation/P & L Add: Interest Earned Less : Amount utilised	D			
			141		88
			140		117
			11		14
			26		78
				266	141
8	<u>Balance in Statement of Profit and Loss</u> Balance Brought forward from Last Year Add: Profit/(Loss) for the Year Less: APPROPRIATION: Depreciation Adjustment Tonnage Tax Reserve Staff Welfare Fund Balance carried forward				
			(3472)		(22846)
			37729		20093
			-		568
			9000		50
			140		101
				25117	(3472)
	TOTAL			644459	606780

Notes:

A	<p><u>Tonnage Tax Reserve</u> 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</p>
B	<p><u>Tonnage Tax Reserve (Utilised)</u> 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</p>
C	<p><u>Corporate Social Responsibility Reserve</u> Reserve created as per the corporate social responsibility policy of the company. It is created for contribution to betterment of society and environment</p>
D	<p><u>Staff Welfare Fund</u> This is a fund created for the welfare activities of the employees</p>

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - "3" - Long-Term Borrowings

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Non-Current ₹ In lakhs	Current* ₹ In lakhs	Non-Current ₹ In lakhs	Current* ₹ In lakhs
Secured Term Loans From Banks				
In INR	A 843	1729	2575	1729
In Foreign currency	B 458958	128255	554419	121093
TOTAL	C 459801	129984	556994	122821
A) Secured by Fleet having Net block of ₹ 11311 lakhs (Prev. Yr. ₹ 11867 lakhs)				
B) Secured by Fleet having Net block of ₹ 1065439 lakhs (Prev. Yr. ₹ 1080248 lakhs)				
C) Maturity Profile				
	1-2 years	2-3 years	3-4 years	Beyond 4 years
Secured Loans	124291	121824	104227	109458
* Represents current maturities of Long term borrowings included in "Other Current Liabilities"				

NOTE - "4" - Other Long term Liabilities

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Security Deposits	9	41
TOTAL	9	41

NOTE - "5" - Long term Provisions

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Provision for employee benefit		
1 Leave Encashment	4534	4372
2 Post Retirement Medical Scheme*	4254	3784
3 Pension	5663	5641
TOTAL	14451	13797

Long term provision	As at 31 st March 2015	Provided during the year	Utilised during the year	Amount reversed	As at 31 st March 2016
Leave Encashment Liability	4372	162	-	-	4534
Post Retirement Medical Scheme*	3784	470	-	-	4254
Pension	5641	22	-	-	5663
	13797	654	-	-	14451

* This includes ₹ 2171 lakhs (Prev. yr. ₹ 1880 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, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Secured Loans*		
- from Banks repayable on demand	-	3500
TOTAL	-	3500

* Secured against Term Deposit with the Bank

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE "7" - Trade Payables

Particulars	As at	
	31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
Trade Payables		
i) Dues of Micro & Small Enterprises	515	547
ii) Others	98446	97148
TOTAL	98961	97695

Disclosures under Micro, Small & Medium Enterprises Development Act, 2006 (the Act)		
Principal amount remaining unpaid to suppliers at the end of the period	515	547
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, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
1 Current maturities of long-term debt		122821
2 Interest accrued but not due on borrowings		2897
3 Income received in advance - Unfinished Voyages		4266
4 Unpaid Dividend		53
5 Advances and Deposits		3737
6 Security Deposits		884
7 Subsidy for Passenger service (Myanmar)		159
8 Other Liabilities		
-Employee related	11178	9018
-Statutory Liabilities	967	883
-Payable to Related Parties	18356	16178
-Others	1370	2321
		28400
TOTAL	179067	163217

NOTE - "9" - Short term Provisions

Particulars	As at	
	31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
Provision for Employee Benefits		
1 Employee Benefits		
- Leave Encashment	476	685
- Post Retirement Medical Scheme	133	126
		811
	609	

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at	
	31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
2 Others		
-Foreign Taxation	1440	1440
-Insurance & cargo claims	974	830
-Losses on unfinished voyage*	1089	-
-Offhire claims	2651	1176
TOTAL	6763	4257

*Represents estimated loss on unfinished voyage recognised in accounts.

Short term provision	As at 31 st March 2015	Provided during the year	Utilised during the year	Unused Amount reversed	As at 31 st March 2016
Employee Benefits					
- Leave Encashment	685	1470	1678	-	477
- Post Retirement Medical Scheme	126	155	149	-	132
Others					
Foreign Taxation	1440	-	-	-	1440
Insurance & cargo claims	830	246	102	-	974
Losses on unfinished voyage	-	1089	-	-	1089
Offhire claims	1176	1485	-	10	2651
	4257	4445	1929	10	6763

NOTE "10" - Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment Loss provided during the year	NET BLOCK	
	Cost as at 31-3-15	Additions	Deductions/ Adjustments	Cost as at 31-3-16	up to 31-3-15	Provided during the year	Deductions/ Adjustments	up to 31-3-16		As at 31-3-16	As at 31-3-15
Fleet	1,710,779	86,983	-	1,797,762	569,757	56,433	-	626,190	13,638	1,157,934	1,141,022
Ownership Containers	2,214	-	1,001	1,213	2,214	-	1,001	1,213	-	-	-
Freehold Land	271	-	-	271	-	-	-	-	-	271	271
Buildings	1,313	372	-	1,685	576	24	-	600	-	1,085	737
Ownership Flats and Residential Buildings	318	-	3	315	177	5	2	180	-	135	141
Furniture, Fittings & Equipments etc.	7,372	115	480	7,007	6,345	316	480	6,181	-	826	1,027
Motor Vehicles	92	-	1	91	84	4	1	87	-	4	8
Total - A	1,722,359	87,470	1,485	1,808,344	579,153	56,782	1,484	634,451	13,638	1,160,255	1,143,206
Assets held for disposal	31	-	4	27	-	-	-	-	-	27	31
Total - B	31	-	4	27	-	-	-	-	-	27	31
Total (A + B)	1,722,390	87,470	1,489	1,808,371	579,153	56,782	1,484	634,451	13,638	1,160,282	1,143,237
Previous Year Total	1,741,721	28,689	47,631	1,722,779	550,606	76,337	47,401	579,542	-	1,143,237	

Notes :

- (1) Additions to Fleet include ₹ 37631 lakhs (Prev. yr. ₹ 28260 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy No. 8(c)
- (2) Borrowing cost and Interest capitalised during the year is ₹ Nil (Prev. yr. ₹ Nil lakhs).
- (3) Impairment loss on vessels amounting to ₹13638 lakhs (Prev.yr. Nil) has been provided during the year.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(4) 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.

(5) Ownership Flats and Residential Buildings include : Cost of shares and bonds in Cooperative Societies/Company of face value ₹ 0.73 lakhs (Prev. yr. ₹ 0.73 lakhs).

NOTE "11" - Intangible Assets

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 31-3-15	Additions	Deductions/ Adjustments	Cost as at 31-3-16	up to 31-3-15	Provided during the year	Deductions/ Adjustments	up to 31-3-16	As at 31-3-16	As at 31-3-15
Computer Software	7,007	62	-	7,069	5,798	1,213	-	7,011	58	1,209
Total	7,007	62	-	7,069	5,798	1,213	-	7,011	58	1,209
Previous Year's Total	6,909	98	-	7,007	4,551	1,247	-	5,798	1,209	

NOTE -"12" Capital Work in Progress

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1. Construction Work in Progress - Fixed Assets		
Assets under Construction excluding advance	-	43125
2. Construction Period Expenses		
a. Interest	-	2105
b. Other directly attributable expenses	-	80
c. Exchange fluctuation	-	3783
	-	5968
TOTAL	-	49093

Note "13" - Non - Current Investments

Particulars			As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ 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
4,268,732(Prev. Yr. 2,107,612) Ordinary Shares of 1 USD each fully paid of India LNG Transport Company (No. 4) Ltd.*			2721	1289
				1296
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)				-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars			As at	As at
			31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
“Less : Loss on Marked to Market (₹ Nil , Prev. yr. ₹ Nil)“	-		-	-
60,000 Equity Shares of ₹10/- each of Woodland Speciality Hospital Ltd. (Prev. yr. Nil)	6		6	0
TOTAL			2734	1296
Total unquoted investments			2734	1296
Total diminution in value of unquoted investments			5000	5000

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

- A** 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 diminution towards the investment in FY 2012 - 13.
- B** 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.
- C** 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.
- D** 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	As at
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
Unsecured, Considered Good (unless otherwise stated)			
1 Loans & Advances to Related Parties (Refer Note No.31)		28631	29088
2 Advance Tax (Net)		10493	6849
3 Other Loans & Advances			
Loans to Employees (Of this Loan of ₹ 1324 lakhs, Prev. Yr. ₹ 953 lakhs is secured)		1825	1462
Excess - Gratuity Fund		4328	5578
Others		-	8344
TOTAL		45277	51321

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - "15" - Other Non Current Assets

	Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1	*Accrued interest on loans to employees (Secured, considered good)	475	448
2	Deposits - Unsecured	767	767
	TOTAL	1242	1215

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

Note - "16" Current Investments

	Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
A	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)	-		-
	1,00,000 (Prev.yr.1,00,000) shares of ₹10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	10		10
			49	49
B	Investments in Mutual Funds Unquoted - valued at Net Asset Value			
	3,73,327.494 Units of UTI Money Market Fund - Institutional Plan - Direct Plan - Daily Dividend Reinvestment	3746		7669
	TOTAL		3795	7718
	Total Quoted Investments		-	-
	Total Unquoted Investments		3795	7718

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

- 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. It has been decided by the joint venture partners to dissolve this company.
- 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. It has been decided by the joint venture partners to wind up this company.

NOTE - "17" - Inventories

	Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1	Fuel Oil	8558	8646
2	Stores, Spares	-	547
	TOTAL	8558	9193

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - "18" - Trade Receivables

	Particulars			As at	As at
				31 st March, 2016	31 st March, 2015
				₹ In lakhs	₹ In lakhs
1	Over Six Months from the due date of payment				
	i) Unsecured, Considered Good	27550			25586
	ii) Unsecured, Considered Doubtful	16813			14511
			44363		40097
	Less : Provision for Doubtful Receivables		16813		14511
				27550	25586
2	Other Debts				
	i) Unsecured, Considered Good	43332			53196
	ii) Unsecured, Considered Doubtful	-			-
			43332		53196
	Less : Provision for Doubtful Receivables		-		-
				43332	53196
TOTAL				70882	78782

NOTE - "19" - Cash & Bank Balances

	Particulars			As at	As at
				31 st March, 2016	31 st March, 2015
				₹ In lakhs	₹ In lakhs
A.	CASH AND CASH EQUIVALENT				
1	Bank Balances				
	Current Account	8423			9732
	Inter Bank Transfers	-			1
	Term Deposit maturing within 3 months	34368			1513
				42791	11246
2	Cash Balances, Including Imprest		9		9
3	Margin Money for Bank Guarantee		14		14
B.	OTHER BANK BALANCES				
1	Term Deposit maturing between 3 to 12 months		51504		103891
2	Term Deposit maturing after 12 months		34110		10285
3	Earmarked Balance with Bank towards unpaid dividend		46		53
4	Staff Welfare fund Balances In Fixed deposit Account		151		118
TOTAL				128625	125616

Fixed deposit amounting to ₹ 24829 lakhs (Prev Yr: ₹ 25439 lakhs) are pledged with banks for Borrowings

NOTE - "20" - Short term Loans & Advances

	Particulars			As at	As at
				31 st March, 2016	31 st March, 2015
				₹ In lakhs	₹ In lakhs
A.	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		15

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
	b) From Employees		
	i) Secured, Considered Good	192	167
	ii) Unsecured, Considered Good	903	460
		1095	627
	c) From Other		
	i) Unsecured, Considered Good	9534	8278
	ii) Unsecured, Considered Doubtful	1404	1339
		10938	9617
	Less : Provision for Doubtful Advances	1404	1339
		9534	8278
2	Other recoverable / adjustable		
	Unsecured, Considered Good		
	a) GENVAT Credit on Service Tax / VAT etc	7540	4503
	b) Prepaid Expenses	602	312
	c) Others	12	12
		8154	4827
3	Advance Service Tax	1064	-
4	MAT Credit		
	Opening	-	-
	Add : Credit during the year	2450	-
	Less : MAT Credit Availed	2450	-
		-	-
5	Sundry Deposits		
	Unsecured, Considered Good	189	183
	TOTAL	20051	13930

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

NOTE - "21" - Other Current Assets

Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1	Interest Accrued on Investments/ Bank Deposits	1948	2076
2	Interest Accrued on Loans to employees*	44	90
3	Unfinished Voyages Expenses	5823	6515
4	Claim Recoverable	772	1570
	TOTAL	8587	10251

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

NOTE - "22" - Revenue from Operations

Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Freight	278373	279365
2	Charter Hire	101165	109013
3	Demurrage	20253	18913

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars		Year Ended	Year Ended
			31 st March, 2016	31 st March, 2015
			₹ In lakhs	₹ In lakhs
4	Contract Revenue:			
	Core shipping activities	447		463
	Incidental activities	4011		4079
	Reimbursement of overheads	3579		3542
			8037	8084
TOTAL			407828	415375

NOTE - "23" - Other Operating Revenues

	Particulars		Year Ended	Year Ended
			31 st March, 2016	31 st March, 2015
			₹ In lakhs	₹ In lakhs
1	Training & Consultancy fee		1633	1237
2	Sundry Receipts (Core)		52	188
3	Sundry Receipts (Incidental)		84	63
4	Excess Provisions & Unclaimed Credit Written Back		851	544
5	Recovery of Insurance & PI Claims		791	1237
TOTAL			3411	3269

NOTE - "24" - Other Income

	Particulars		Year Ended	Year Ended
			31 st March, 2016	31 st March, 2015
			₹ In lakhs	₹ In lakhs
1	Profit on Sale of Fixed Assets			
	a) Sale of Ships (Net)	-		12055
	b) Sale of Other Fixed Assets	1245		187
			1245	12242
2	Interest on :			
	a) Fixed Deposits with Banks	8690		9362
	b) From Related Parties - Joint Venture (Refer Note no.31)	2555		2867
	c) Loans to Employees	69		64
	d) Others	6		2296
			11320	14589
3	Dividend From Mutual Fund		625	672
4	Other Miscellaneous Income		14	57
5	Net gain on Foreign Currency Transaction / Translation		1324	-
6	Income from Rescindment of Contracts		1952	12400
7	Profit on sale of bunker		-	157
TOTAL			16480	40117

NOTE - "25" - Cost of services rendered

	Particulars		Year Ended	Year Ended
			31 st March, 2016	31 st March, 2015
			₹ In lakhs	₹ In lakhs
1	Direct Operating Expenses :			
	Agency Fees		2340	2183
	Brokerage		3098	3613
	Commission		5412	5714

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net)	16798	16418
Marine, Light And Canal Dues	34565	36066
Fuel Oil (Net)	63748	118420
Water Charges	331	335
2 Hire Of Chartered Steamers	50381	47372
3 Other Indirect Operating Expenses		
Victualling, Transfer And Repatriation And Other Benefits	3966	4730
Stores & Spares	18308	16926
Sundry Steamer Expenses	2239	1915
Repairs And Maintenance and Survey Expenses	24633	17264
Insurance And Protection , Indemnity Club Fees & Insurance Franchise	8137	8368
TOTAL	233956	279324

NOTE - "26" - Employees Benefit Expenses

Particulars	Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
A Floating staff		
Wages, Bonus And Other Expenses On Floating Staff	26840	24959
Gratuity	931	220
Contribution To Provident Fund	318	369
B Shore Staff		
Salaries, Wages, Bonus etc	16215	14729
Gratuity	383	75
Contribution To Provident & Other Funds	850	831
C Remuneration to Directors	201	180
TOTAL	45738	41363

NOTE - "27" - Other Expenses

Particulars	Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1 Other Expenses		
Power & Fuel	583	520
Rent	298	224
Repairs and Maintenance		
- Building	616	635
- Others	1360	1638
Insurance	90	136
Rates and Taxes	218	248
Auditors' Remuneration *	63	59
Establishment Charges	1626	1554
Advertisement & Publicity	246	161
Legal & professional	1209	641
Postage, Telephone Telegram & Telex	16	133
Printing & stationery	158	182
Training, Seminar & Conference Fee	387	385
Travel & Conveyance	399	363

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Year Ended	Year Ended
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
	Directors' Sitting Fees	-	11
	Directors' Travel Expenses	34	55
	Net loss on Foreign Currency Transaction / Translation	-	1,169
	Debts / Advances written off	23	3
	Interest and Penalties	1529	51
	Bank Charges	534	58
	Service tax ineligible for CENVAT	3481	98
2	Provisions		
	Provision for Off Hire Etc.	1596	574
	Provision for Doubtful Debts and Advances	2533	5221
	Foreign Taxation	59	86
	Provision for loss on unfinished voyage	1089	(70)
	TOTAL	18147	14135
	*Auditors' Remuneration includes:		
	Audit Fees	32	26
	Certification Work	27	17
	Travelling & Out of Pocket Expenses	4	16
	TOTAL	63	59

NOTE - "28" - Finance Cost

	Particulars		Year Ended	Year Ended
			31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
1	Interest Payments on:			
	Rupee Term Loan from Banks/Financial Institutions	284		422
	Foreign Currency Term Loan from Banks/Financial Institutions	15628		15462
	Others	37		1492
			15949	17376
2	Other Borrowing Cost		111	564
	TOTAL		16060	17940

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

	Particulars	Year Ended	Year Ended
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
1	Income:		
	Bunker Recovery	6	-
	Charter Hire	(784)	(1640)
	Freight	30	(291)
	Remuneration from managed vessels	-	125
	Others	4	9
	Total Income	(744)	(1797)
2	Expenditure:		
	Stevedoring charges	-	(951)
	Brokerage & commission	8	45
	Fuel oil	186	191
	Salaries -Shore staff	(1)	-
	Charter hire payments	112	61
	Sundry steamer charges	-	(124)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year Ended	Year Ended
	31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
Currency Exchange Difference	-	133
Stores, Repairs and Maintenance	30	296
Marine, light & canal dues	-	69
Insurance & P&I	102	(203)
Demurrage	-	(161)
Service Tax/CENVAT	(1370)	217
Establishment charges	-	31
Others	(5)	(30)
Total Expenses	(938)	(426)
NET INCOME /(EXPENDITURE)	194	(1371)

NOTE –“30”– Contingent liabilities & Commitments

Particulars	As at	As at
	31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ 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	4881	4662
B Cargo Loss, Freight, Demurrage, Slot Payments, Fuel Cost, other operational claims and Custom duty disputed demand. (As certified by the Management)	30523	5083
C Disputed demand of Statutory Dues (As certified by the Management)	116414	18972
a) Income Tax & Sales Tax	19306	18970
b) Service Tax	97108	2
II Guarantees given by the Banks		
on behalf of the company	4907	4745
on behalf of the Joint Venture to the extent of the Company's share.	7183	6735
III Undertaking cum Indemnity given by Company	-	-
IV Cargo Claims covered by P&I Club	4779	8396
V Bonds/Undertakings given by the Company to Customs Authorities.	28341	25635
VI Corporate Guarantees/Undertakings		
A In respect of Joint Ventures	Not Ascertained	Not Ascertained
B Others	3957	5820
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
ii Uncalled liability on shares and other investments partly paid	-	-
iii Other commitments (As certified by Management)	-	-

NOTE –“31”– Related Party Disclosures

Names of related party entities with whom transactions were carried out during the period:

Joint Venture Companies:	Key Management Personnel:
1. India LNG Transport Co. (No. 1) Ltd.	1. Shri B. B. Sinha
2. India LNG Transport Co. (No. 2) Ltd.	2. Shri A.K. Gupta (retired on 31.12.2015)
3. India LNG Transport Co. (No. 3) Ltd.	3. Shri S. Narula
4. India LNG Transport Co. (No. 4) Ltd.	4. Shri S. Thapar (retired on 30.09.2015)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

5. SAIL SCI Shipping Pvt. Ltd.	5. Shri S. V Kher (w.e.f 01.10.2015)
6. Irano Hind Shipping Co. Ltd	6. Shri K. Devadas
	7. Smt H.K. Joshi
	8. Shri Dipankar Halidar

i) The following transactions were carried out with related parties:

Nature of Transaction	Name of the Party	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
Investments made during the year	India LNG Transport Co. (No. 4) Ltd.	1432	NIL
	Total	1432	NIL
Investment balances at year end	Irano Hind Shipping Co. Ltd.	39	39
	India LNG Transport Co. (No. 1) Ltd.	3	3
	India LNG Transport Co. (No. 2) Ltd.	3	3
	India LNG Transport Co. (No. 3) Ltd.	1	1
	India LNG Transport Co. (No. 4) Ltd.	2721	1289
	SAIL SCI Shipping Pvt Ltd.	10	10
	Total	2777	1345
Interest Income	India LNG Transport Co. (No. 1) Ltd.	617	739
	India LNG Transport Co. (No. 2) Ltd.	580	698
	India LNG Transport Co. (No. 3) Ltd.	1325	1324
	India LNG Transport Co. (No.4) Ltd.	33	106
	Total	2555	2867
Expenses reimbursed	India LNG Transport Co. (No. 1) Ltd.	37	43
	India LNG Transport Co. (No. 2) Ltd.	20	35
	India LNG Transport Co. (No. 3) Ltd.	20	44
	Total	77	122
Loans realised during the year	India LNG Transport Co. (No. 1) Ltd.	1055	2099
	India LNG Transport Co. (No. 2) Ltd.	993	1976
	India LNG Transport Co. (No. 3) Ltd.	269	538
	India LNG Transport Co. (No. 4) Ltd.	-	1525
	SAIL SCI Shipping Pvt. Ltd.	-	38
	Total	2317	6176
Loan balances at year end	Irano Hind Shipping Co. Ltd.	23	23
	India LNG Transport Co. (No. 1) Ltd.	6127	6785
	India LNG Transport Co. (No. 2) Ltd.	5770	6389
	India LNG Transport Co. (No. 3) Ltd.	16296	15521
	India LNG Transport Co. (No. 4) Ltd.	415	370
	Total	28630	29088
Interest Receivable at year end	India LNG Transport Co. (No. 1) Ltd.	1	2
	India LNG Transport Co. (No. 2) Ltd.	1	1
	India LNG Transport Co. (No. 3) Ltd.	4	4
	India LNG Transport Co. (No. 4) Ltd.	9	8
	Total	15	15

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Nature of Transaction	Name of the Party	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
Interest amount compounded into principal	India LNG Transport Co. (No. 1) Ltd.	-	-
	India LNG Transport Co. (No. 2) Ltd.	-	-
	India LNG Transport Co. (No. 3) Ltd.	143	1322
	India LNG Transport Co. (No. 4) Ltd.	32	18
	Total	175	1340
Management & Accounting Fees earned	India LNG Transport Co. (No. 1) Ltd.	432	399
	India LNG Transport Co. (No. 2) Ltd.	432	399
	India LNG Transport Co. (No. 3) Ltd.	441	401
	Total	1305	1199
Guarantee Fees received	India LNG Transport Co. (No. 1) Ltd.	13	12
	India LNG Transport Co. (No. 2) Ltd.	13	12
	India LNG Transport Co. (No. 3) Ltd.	13	12
	India LNG Transport Co. (No. 4) Ltd.	19	20
	Total	58	56
Payable on account of Ship	Irano Hind Shipping Co. Ltd.	18356	16178
	Total	18356	16178
Interest charged	Irano Hind Shipping Co. Ltd.	1221	-
	Total	1221	-

(ii) Key Management Personnel	For the Year ended 31/03/2016 (₹ in lakhs)	For the Year ended 31/03/2015 (₹ in lakhs)
1. Remuneration	224	221
2. Loans recovered during the period	-	0.11
3. Loan amounts due as at the end of the period	-	-
4. Maximum amount due during the period	-	0.11

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 31.03.16 (As on 31.03.15)	Other Venturers Share 31.03.16 (As on 31.03.15)
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%)

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Name	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.16 (As on 31.03.15)	Other Venturers Share 31.03.16 (As on 31.03.15)
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., *SAIL - Steel Authority India Ltd.,
*QGTC-Qatar Gas Transport Company

II) Company's Interest in the Joint Venture

(₹ In Lakhs)

	Name	As on	Assets	Liabilities	For the period ended	Income	Expenditure
1	Irano Hind Shipping Company Ltd.	20.03.2015	46854	45890	20.03.2015	836	7449
2	India LNG Transport Company (No. 1) Ltd.	31.12.2015	29404	27162	31.12.2015	4438	3340
3	India LNG Transport Company (No. 2) Ltd.	31.12.2015	29341	27101	31.12.2015	4822	3369
4	India LNG Transport Company (No. 3) Ltd.	31.12.2015	38915	45470	31.12.2015	5209	4566
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)	31.03.2016	7	0.14	31.03.2016	0.43	0.39

*Accounts of India LNG Transport Company (No. 4) Ltd is not yet finalized.

NOTE –“33”– Earnings per share

Particulars	For the Year ended 31/03/2016	For the Year ended 31/03/2015
A Profit/(-) Loss after tax (₹ in lakhs)	37729	20093
B Weighted average number of Equity Shares (Nos)	465799010	465799010
C Basic & Diluted Earnings per Share (in ₹) before Extraordinary Items	8.10	4.31
D Basic & Diluted Earnings per Share (in ₹) after Extraordinary Items	8.10	4.31
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 31/03/2016 ₹ in lakhs	For the Year ended 31/03/2015 ₹ in lakhs
1 Segment Revenue		
i) Liner Segment	53471	90185
ii) Bulk Segment	322480	304651
iii) Technical and Offshore	33955	34891
iv) Others	1333	1086
v) Unallocated	5161	12191
Total	416400	443004

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	For the Year ended 31/03/2016 ₹ in lakhs	For the Year ended 31/03/2015 ₹ in lakhs
2	Segment Results		
	Profit/(Loss) before tax & interest		
	i) Liner Segment	(15900)	1571
	ii) Bulk Segment	49357	4599
	iii) Technical and Offshore	10401	11310
	iv) Others	1008	720
	Total	44866	18200
	Add : Unallocated Income (Net of expenditure)	2253	12764
	Add : Interest (Net)	(4740)	(3351)
	Total Profit before tax	42379	27613
3	Segment Assets		
	i) Liner Segment	99329	104429
	ii) Bulk Segment	1069998	1093337
	iii) Technical and Offshore	130440	139277
	iv) Others	531	515
	Total	1300298	1337558
	Unallocable Corporate Assets	149793	155303
	Total	1450091	1492861
4	Segment Liabilities		
	i) Liner Segment	91753	79119
	ii) Bulk Segment	85898	61318
	iii) Technical and Offshore	10747	8041
	iv) Others	464	230
	Total	188862	148708
	Unallocable Corporate Liabilities	570190	690793
	Total	759052	839501
5	Capital Expenditure during the year		
	i) Liner Segment	1163	1032
	ii) Bulk Segment	80942	23550
	iii) Technical and Offshore	4877	3734
	iv) Unallocated	549	312
	Total	87531	28628
6	Depreciation		
	i) Liner Segment	2755	2841
	ii) Bulk Segment	49925	67296
	iii) Technical and Offshore	5315	6879
	Total	57995	77016
7	Provisions		
	i) Liner Segment	2770	4396
	ii) Bulk Segment	15566	1248
	iii) Technical and Offshore	367	110
	iv) Unallocated	10	58
	Total	18713	5812
8	Impairment Loss charged to P & L		
	i) Liner Segment	-	-
	ii) Bulk Segment	12563	-
	iii) Technical and Offshore	1075	-
	Total	13638	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Notes:-

1. 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 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.
3. Agent advances are allocated to segment in the ratio of expenses booked by the agents during the year.

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

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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
As At						
Status	Funded	Funded	Unfunded	Unfunded	Unfunded	Unfunded
At the beginning of the period	10426	9797	5057	4906	2030	1858
Current service cost	709	1249	1138	1037	3	-
Interest Cost	771	859	335	393	156	165
Actuarial (gains) and losses (including for prior years)	945	(426)	158	(139)	176	127
Curtailment Period						
Benefits Paid	(1457)	(1053)	(1678)	(1085)	(149)	(120)
At the end of the period	11394	10426	5010	5057	2216	2030

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

Particulars	As At 31/03/2016	As At 31/03/2015
Total Amount of defined benefit obligation	18620	17512
Amount of funded Defined benefit obligation	11393	10425
Percentage of funded defined benefit obligation	61.19	59.53
Percentage of defined benefit obligation not funded	38.81	40.47

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

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening value of fair value of plan assets	16003	15600	NIL	NIL	NIL	NIL
Expected Return on plan assets	1375	1408	NIL	NIL	NIL	NIL
Benefits Paid	(1457)	(1053)	NIL	NIL	NIL	NIL
Actuarial gain/(loss) on plan assets	(199)	48	NIL	NIL	NIL	NIL
Closing value of fair value of plan assets	15722	16003	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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present value of obligations at the end of the period	11394	10426	5010	5057	2216	203
Less: fair value of assets as at the balance sheet date	15722	16003	NIL	NIL	NIL	NIL
Net (Liability)/Asset disclosed in the balance sheet	4328	5577	(5010)	(5057)	(2216)	(2030)

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

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current Service Cost	709	1249	1138	1037	3	NIL
Interest Cost	771	859	335	393	156	165
Expected return on plan assets	(1375)	(1408)	NIL	NIL	NIL	NIL
Actuarial (gains) and losses	945	(427)	158	(139)	176	127
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	(1678)	(1140)	(149)	(120)
Actuarial (gains)/loss on plan assets	199	(48)	NIL	NIL	NIL	NIL
Charged to profit and loss	1249	226	(47)	151	186	173

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

(₹ In lakhs)

Particulars	As At 31/03/2016		As At 31/03/2015	
	Fair Value	% of Total	Fair Value	% of Total
Investment in Government securities	5898	37.51	5398	33.74
Investment in Bonds	3872	24.63	3853	24.08
Investment in deposits including bank balances	5506	35.02	6387	39.91
Other Assets including accrued interest	446	2.84	364	2.27
Total	15722		16002	

H. None of the financial assets of SCl 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 ₹ 1176 lakh. (Prev. period ₹ 1456 lakhs)

K. Principal actuarial assumptions at the balance sheet date:

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Discount rate at the end of the period	7.46%	7.95%	7.46%	7.95%	7.46%	7.95%
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%	0%	7.50%
Mortality Rate	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult
Medical cost incremental trend rates					8%	8%
Normal Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years

L Experience Adjustment for Gratuity Liability

(₹ In lakh)

As on	31/03/2011	31/03/2012	31/03/2013	31/03/2014	31/03/2015	31/03/2016
Present value of defined benefit obligation	11780	11088	11052	9797	10425	11394
Fair value of Plan Assets	17424	16419	16081	15600	16003	15722
Surplus/ (Deficit)	5644	5331	5029	5803	5577	4328
Experience adjustment on Plan Liability (Gain)/Loss	(1158)	(659)	(121)	(304)	(191)	945
Experience adjustment on Plan Asset (Loss)/Gain	(136)	(246)	124	(46)	(380)	(198)

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:

- the aggregate of the current service cost and interest cost components of net periodic post-employment medical costs; and
- 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	
	2015-16	2014-15	2015-16	2014-15
Effect of one percentage up	164	40	2395	2183
Effect of one percentage down	156	40	2064	1894

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.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

NOTE – "36" Activities in Foreign Currency

	Year Ended 31 st March 2016 (₹ in lakhs)	Year Ended 31 st March 2015 (₹ in lakhs)
a) Expenditure in Foreign currency		
Professional and Consultancy Fees	27	25
Interest Expenses	17024	15612
Hire of chartered Steamers	43167	42560
Heavy Oil Consumption	52025	100173
Stevedoring Expenses Laden	19851	17314
Wages, Bonus and Other Expenses on floating staff	355	187
Marine Light and canal dues	19746	22440
Repairs And Maintenance, Survey Expenses	20840	12321
TOTAL	173035	210632
b) Earnings in foreign currency		
Charter hire income	55325	57521
Freight	84632	95686
Interest Income	2589	2880
TOTAL	142546	156087
c) Amount remitted during the year in foreign currencies on account of dividend	-	-
d) Value of Imports calculated on C.I.F. basis		
Raw materials	NA	NA
Components and Spare parts	12123	11207
Capital Goods	44048	-

NOTE – "37" Percentage of Imported and indigenous Raw Materials, Stores & Spares to the total consumption (₹ in lakhs)

Particulars	% (2015-16)	% (2014-15)	2015-16	2014-15
Raw Material				
Imported Goods	NA	NA	NA	NA
Indigenous Goods	NA	NA	NA	NA
Component and Spare Parts				
Imported Goods	66.22%	66.21%	12123	11207
Indigenous Goods	33.78%	33.79%	6185	5719

NOTE – "38"

During the year the company has adopted the useful life of 25 years in respect of Tankers & Offshore vessels which is different from the useful life of 20 years specified in part C of Schedule II to the Companies Act, 2013 based on the technical parameters including design life and the past record. Further, the company while calculating the depreciation for the year has adopted the residual value of all the vessels as 5% of initial cost of vessels as against Re 1/- considered earlier, keeping in view the actual realisation in the past and the limit specified in part 'C' of Schedule II to the Companies Act, 2013.

Consequent to the change, the depreciation for the year is lower & the profit for the year is higher by 19878 lakhs.

NOTE – "39"

As per the requirements of Schedule II to the Companies Act, 2013, where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately for depreciation purpose.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

After detailed internal study, the company is of the view that none of the components of the fixed assets is having useful life different from the useful life of the remaining assets. Consequently, the ascertainment of cost of the components whether significant or not to the total cost of asset was not required. However, the option of treating dry docking expenses as a separate component is being examined by the management.

NOTE – “40”

The carrying amounts of Company's assets have been reviewed at the Balance sheet date to determine whether there is any indication of impairment. Such indication exists in the case of few vessels. There is an impairment loss of ₹ 13638 lakhs provided in the statement of profit and loss account for the year which arose out of cash flow projections based on management's best estimate of the set of conditions that exists over the remaining useful life of the asset taking into consideration the following assumptions:

- a. Time charter yield is taken for next five years based on external evidence i.e, report of Drewry, a reputed research and advisory organisation for the maritime sector.
- b. For the remaining economic life of the asset, the yearwise growth in the time charter yield has been extrapolated based on the historical data of last 15 years for the vessels published by Drewry taking the growth in the year 2003 over the year 2002 as the base year.
- c. Budgeted standing charges and management expenses of the year 2016-17 are increased for each year from 2017-18 based on the management's best estimate of the likely increase in future.

NOTE – “41”

The agency agreement with the agent at UAE ports was terminated w.e.f. 21.03.2015. The Company has invoked revolving bank guarantee of USD 1.6 million to recover outstanding dues of ₹ 1115 lakhs from the said agent. However, the agent has got injunction through court on encashment of bank guarantee. The company has already submitted all the documents to its appointed lawyers to enable the vacation of the injunction. Till date, 14 hearings/adjournments have taken place. Further, the Company is also simultaneously pursuing the matter with the agent for reconciliation of accounts and the bank has confirmed its liability to honour the bank guarantee once the Court injunction is lifted. Since the matter is still sub-judice in the Court of Fujairah, no provision is made in the books on this account as on 31.03.2016.

NOTE – “42”

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 – “43”

The company has made a provision of ₹900 lakhs for self lease of staffs and officers from 01/04/2011 to 31/03/2015 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 – “44”

Company had received a claim of USD 39 millions in respect of explosion of cargo carried on M.V. Amsterdam bridge. Out of USD 39 millions, USD 18 millions is covered under insurance. In respect of remaining USD 21 millions, company has issued security being uncovered portion of claim. Company has agreed for the mediation to settle the claim and management expects settlement of claim within insurance cover. Pending settlement, the uncovered claim has been shown as contingent liability.

NOTE – “45”

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

NOTE – “46”

The figures are rounded off to the nearest lakh rupees.

SIGNIFICANT ACCOUNTING POLICIES

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 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 net of recoverable taxes 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

- a) Depreciation on all tangible assets is charged on "Straight Line Method" less residual value of 5% as mentioned in Schedule II to the Companies Act, 2013. Residual value is the 5% of original cost of the asset. However, in case of Tankers & Offshore Vessels, the company has adopted a useful life of 25 years based on the technical parameters including design life and the past record. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25 years from the date of original build.
- b) Intangible assets including software is amortised over the useful life not exceeding five years.
- c) Assets costing individually Rs. 5000/- and below are fully depreciated in the year of addition.
- d) Leasehold land is amortised over the period of lease.

4. IMPAIRMENT

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine

the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For the purpose of computing value in use of bulk carrier & tanker vessels, the revenues for the next 5 years have been projected based on external evidence i.e, report given by Drewery which is a reputed research and advisory organisation for the maritime sector. For the remaining useful life of the asset, the revenues have been extrapolated based on the historic data of last 15 years for similar vessels published by Drewery and represents the management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset.

In case of container vessels, the revenue projections for the next 2 years are based on actual freight earned in the current year. The revenue projections for remaining useful life of the vessel are based on an average increase in freight ignoring abnormal freight increases or steep declines.

In case of AHTSV's & PSV's, Revenue per day had been considered based on current charter party contracts for the charter period. The revenues thereafter are based on a normal rate of increase every 3 -10 years depending on the type & size of the vessel.

The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

5. RETIREMENT AND DISPOSAL OF ASSETS

- a) Assets which have been retired from operations for eventual disposal are 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 assets is provided in the accounts for the year in which these have been retired from active use. 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 assets 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 asset, 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 assets are accounted for only upon completion of sale thereof.

SIGNIFICANT ACCOUNTING POLICIES

6. MAJOR REPAIRS AND RENEWALS OF SHIP

Dry-dock expenditure is recognised in the Statement of Profit and Loss to the extent of percentage completion, based on technical assessment.

7. 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.

8. 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.
- c) Store/Spares including paints, etc. are charged to revenue as consumed when delivered to ships.

9. 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 on xe.com website.
- b) 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 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.
- c) 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.
- d) The exchange differences arising on translation of other monetary assets and liabilities are recognised in the Statement of profit and loss.

10. 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.

11. 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.

SIGNIFICANT ACCOUNTING POLICIES

- 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. Actuarial Liability in excess of fair value 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.

12. ADJUSTMENTS PERTAINING TO EARLIER YEARS

Income / Expenditure relating to prior period which do not exceed Rs.5 lakhs in each case, are treated as income/ expenditure of current year.

13. 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:-
- 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.
 - 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.
 - Expenses on account of general average claims/ damages to ships are charged 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.

14. INVESTMENTS

- 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.
- Current Investments are stated at lower of cost and fair value.

15. 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. Minimum alternate tax (MAT) paid in accordance with the tax laws in previous years has been recognised as an asset and adjusted against provision for income tax liability as and when there is a reasonable certainty which give rise to future economic benefits in the form of tax credit against future income tax liability.

16. EARNINGS PER SHARE

Basic and Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

17. 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".

18. 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.

INDEPENDENT AUDITORS' REPORT

To

The Members of

THE SHIPPING CORPORATION OF INDIA LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **THE SHIPPING CORPORATION OF INDIA LIMITED**, (hereinafter referred as the Venturer company) and its jointly controlled entities (the venturer company and its jointly controlled entities together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at **March 31, 2016**, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Venturer Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the Act) to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for 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 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, which have been used for the purpose of the Consolidated financial statements by the Board of Directors of the venturer company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 thereunder.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Venturer Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Basis for Qualified Opinion

- a. **The direct access of overseas foreign agents to fund collected on account of freight and other charges without adequate security 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.**
- b. **One of the vessels acquired in the year 2012-13 was under capitalised by 3.50 million USD and the provision for interest @ 2.5% pa on this amount has not been made in the accounts from the year 2012-13. This has resulted in understatement of fixed assets by ₹20.28 crores, overstatement of profits by ₹4.98 crores and understatement of liability of ₹25.25 Cr.**

5. 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 consolidated financial statements which include the results of jointly controlled entities namely India LNG Transport Company (No. 1) Ltd.; India LNG Transport Company (No. 2) Ltd.; India LNG Transport Company (No. 3) Ltd. and India LNG Transport Company (No. 4) Ltd. 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 Group as at 31 March 2016, its consolidated profit and its consolidated cash flows for the year ended on that date.

6. Emphasis of Matter

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

- a) The adjustments required in the accounts not likely to be material in the opinion of management on confirmation and reconciliation of outstandings in respect of trade payables, trade receivables and loans & advances (Refer Note No. 45 to the financial statements).
- b) The financial statements of these Jointly controlled entities used in the consolidation have been drawn up for the calendar year ended 31st December 2015 which is different than the Venturer Company whose financial year ended on 31st March 2016. Adjustments have been made for the effect of the significant transaction or other events that have occurred between these two reporting dates. (Refer Note No.31)
- c) The financial statements of Irano Hind Shipping Company Ltd. have not been considered in the consolidated financial statements due to the entity operating under severe long term restrictions that significantly impair its ability to transfer funds

INDEPENDENT AUDITORS' REPORT

to the venturer company, as confirmed by the management. (Refer Note. No.32).

7. Other Matters

We did not audit the financial statements / financial information of four jointly controlled entities whose financial statements / financial information reflect total assets of ₹ 99460 Lacs as at December 31, 2015, total revenue of ₹ 12973 Lacs and net cash flows amounting to ₹ 200 Lacs for the year ended on that date, as considered in the Consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities is based solely on the reports of the other auditors

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

8. Report on Other Legal and Regulatory Requirements:

a. The reporting requirements as required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act are not applicable while issuing the Auditors' Report in respect of Consolidated Financial Statements.

As required under sub section (5) of Section 143 of the Act, in case of venturer company being a Government company and the other jointly controlled entities whose financial statements have been consolidated not being Government companies under the Act, we give in the Annexure – I a statement on the matters specified in the directions and sub-directions issued by Office of the Comptroller and Auditor General of India with respect to the Venturer Company only.

b. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of the jointly controlled entities, we report that:

i. 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 of the consolidated financial statements;

ii. **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 relating to the preparation of Consolidated Financial Statements have been kept by the Group so far as appears

from our examination of those books and the reports of the other auditors;

iii. The consolidated Balance Sheet, consolidated Statement of Profit and Loss and consolidated Cash Flow Statement dealt with by this Report are in agreement with relevant books of account maintained for the purpose of consolidated financial statements;

iv. In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

v. The matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

vi. On the basis of written representations received from the directors of venturer company as on March 31, 2016 and taken on record by its Board of Directors and the reports of the auditors of jointly controlled entities, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act;

vii. With respect to the adequacy of the internal financial controls over financial reporting of the venturer company and the operating effectiveness of such control in venturer company, refer to our separate report in Annexure-II. Our comment on the adequacy of the Internal Financial Control over Financial Reporting is not applicable for the Jointly Controlled Entities whose financial statements have been consolidated since these are not companies under the Act.

c. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of jointly controlled entities :

i) The Group has disclosed the impact of pending litigations on its financial position in Note – 33 to the Consolidated Financial Statements.

ii) The Group does not anticipate any material foreseeable losses on long – term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company in respect of Venturer Company. IEPF is not applicable to the jointly controlled entities.

For MKPS & Associates

Chartered Accountants

Firm's Regn. No. 302014E

CA Nikhil Kumar Agrawalla

Partner

M. No. 157955

Mumbai

27th July, 2016

For GMJ & Co.

Chartered Accountants

Firm's Regn. No. 103429W

CA Sanjeev Maheswari

Partner

M. No. 038755

Mumbai

27th July, 2016

ANNEXTURES TO THE INDEPENDENT AUDITORS' REPORT

ANNEXTURE-I

TO THE INDEPENDENT AUDITORS' REPORT

Directions under Section 143(5) of the Companies Act, 2013

On the Accounts of The Shipping Corporation of India Ltd. for the year 2015-16

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. As explained, the only leasehold land is the land on which the Shipping house of Mumbai has been constructed.	No Impact															
2	Whether there are any cases of waiver / write off debts / loans / interest, etc? If yes, the reasons therefore and amount involved.	<p>There has been write off in respect of trade receivables amounting to Rs.2,251,562.71 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>Sinostar Dsthapa</td> <td>2,112,689.37</td> <td>The party is dissolved during the year, hence the amount is written off.</td> </tr> <tr> <td>Asha Agencies</td> <td>66,631.88</td> <td>The goods were abandoned and same were auctioned.</td> </tr> <tr> <td>Centurion Marine</td> <td>24,640.00</td> <td>VAT not recoverable</td> </tr> <tr> <td>Liner Misc Customer</td> <td>47,601.46</td> <td>The goods were abandoned and same were auctioned.</td> </tr> </tbody> </table>	Name of the party	Amount of write off	Reasons for write off	Sinostar Dsthapa	2,112,689.37	The party is dissolved during the year, hence the amount is written off.	Asha Agencies	66,631.88	The goods were abandoned and same were auctioned.	Centurion Marine	24,640.00	VAT not recoverable	Liner Misc Customer	47,601.46	The goods were abandoned and same were auctioned.	Not material
Name of the party	Amount of write off	Reasons for write off																
Sinostar Dsthapa	2,112,689.37	The party is dissolved during the year, hence the amount is written off.																
Asha Agencies	66,631.88	The goods were abandoned and same were auctioned.																
Centurion Marine	24,640.00	VAT not recoverable																
Liner Misc Customer	47,601.46	The goods were abandoned and same were auctioned.																
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift / grant(s) from the Government or other authorities?	As explained to us, there are no inventories lying with third parties. Further, there is no gift received from Govt. or other authorities.	No Impact															

Sub-directions under Section 143(5) of the Companies Act, 2013 in respect of the Shipping Corporation of India Limited for the year 2015-16

Sl. No.	Directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
1	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 land under encroachment	No Impact
2	(i) Whether amount of (a) bank balance (b) trade receivable (c) trade payables (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 & advances. The third party confirmation received by us has been 175 out of total number of confirmation being 2010 sent to the parties.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management.

ANNEXTURES TO THE INDEPENDENT AUDITORS' REPORT

Sl. No.	Directions	Auditor's comments including Action taken wherever required to be taken	Impact on the Accounts and financial statements
	(ii) Where such balance has been confirmed by respective parties, whether it varies widely from the amounts reflected under respective heads in the financial statements? If so, the difference and action taken by the management to reconcile the difference should be disclosed.	The balance confirmation received wherever varying with the amount as per the books of account by more than Rs. 5 lakhs (approx) is shown in Annexure –'1'. As explained, the necessary steps shall be taken by the management to reconcile the difference.	Adjustments required in the accounts on confirmation and reconciliation are not likely to be material, in the opinion of the management.
3	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 retirement 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's Regn. No. 302014E
CA Nikhil Kumar Agrawalla
 Partner
 M. No. 157955
 Mumbai
 27th July, 2016

For GMJ & Co.
 Chartered Accountants
 Firm's Regn. No. 103429W
CA Sanjeev Maheswari
 Partner
 M. No. 038755
 Mumbai
 27th July, 2016

ANNEXTURES TO THE INDEPENDENT AUDITORS' REPORT

ANNEXURE – II TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 8(b) (vii) of our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls over financial reporting of **THE SHIPPING CORPORATION OF INDIA LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

8. According to the information and explanation given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial control over financial reporting as at 31st March, 2016.
 - a) Freight & other charges collection done by certain overseas agents on behalf of the Company are getting credited to their bank accounts, instead of the bank account of the company, which in the absence of adequate security could potentially result in the non/ short receipt of such collections by the company in the event of either fraudulent intention of the agent, as was happened in the past or any dispute by either party.
 - b) The timely verification of claims of agents needs to be further strengthened.
 - c) The control on the timely reversal of stale cheque needs to be further strengthened.
 - d) The control on the booking of bunker consumption to the

- correct voyage of the vessels needs to be strengthened.
- e) The control in the system to ensure that the bunker consumption in case of time charter is recovered from the charter instead of debiting to the consumption account needs to be further strengthened.
 - f) The system has to ensure that the tax is deducted at source on all the provision for expense made.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except **for the possible effects of the material weakness described above on the achievement of objectives of the control criteria**, the internal

financial controls over financial reporting of the company were operating effectively as at March 31, 2016.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company as of 31st March, 2016 and these material weakness do not affect our opinion on the Standalone Financial Statements of the Company.

For MKPS & Associates
Chartered Accountants
Firm's Regn. No. 302014E
CA Nikhil Kumar Agrawalla
Partner
M. No. 157955
Mumbai
27th July, 2016

For GMJ & Co.
Chartered Accountants
Firm's Regn. No. 103429W
CA Sanjeev Maheswari
Partner
M. No. 038755
Mumbai
27th July, 2016

The Shipping Corporation of India Limited
Consolidated Balance Sheet as at 31st March 2016

	Particulars	Note No.	As at 31 st March 2016 ₹ In lakhs	As at 31 st March 2015 ₹ In lakhs
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds:			
	(a) Share capital	1	46580	46580
	(b) Reserves and surplus	2	644256	605336
(2)	Non-current liabilities			
	(a) Long-term borrowings	3	524832	614903
	(b) Other Long-term liabilities	4	9	41
	(c) Long-term provisions	5	14451	13797
(3)	Current liabilities			
	(a) Short term borrowings	6	-	3857
	(b) Trade payables	7	100632	99499
	(c) Other current liabilities	8	212028	195618
	(d) Short-term provisions	9	6763	4257
	TOTAL		1549551	1583888
II	ASSETS			
(1)	Non-current assets			
	(a) Fixed Assets			
	(i) Tangible assets	10	1245318	1226766
	(ii) Intangible assets	11	58	1209
	(iii) Capital work-in-progress	12	15793	56697
	(b) Non-current investments	13	6	-
	(c) Long-term loans and advances	14	37472	43358
	(d) Other non-current assets	15	1242	1215
(2)	Current assets			
	(a) Current investments	16	3795	7718
	(b) Inventories	17	8635	9266
	(c) Trade Receivables	18	71832	79901
	(d) Cash and Bank balances	19	136756	133547
	(e) Short-term loans and advances	20	20057	13960
	(f) Other current assets	21	8587	10251
	TOTAL		1549551	1583888

The accompanying Significant Accounting Policies & Note No. 1 to 49 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

For GMJ & Co.,
Chartered Accountants
FR. No. 103429W

CA Nikhil K Agrawalla
Partner
Membership No. 157955

CA Sanjeev Maheshwari
Partner
Membership No. 38755

Dipankar Halder
ED (LA & Co. sec)

B B Sinha
Chairman &
Managing Director

Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 27th July, 2016

Mumbai, Dated the 27th July, 2016

The Shipping Corporation of India Limited
Consolidated Statement of Profit and Loss for the Year Ended 31st March 2016

	Particulars	Note No.	Year ended 31 st March 2016 ₹ In lakhs	Year ended 31 st March 2015 ₹ In lakhs
I.	Revenue from operations	22	421387	427394
II.	Other Operating Revenue	23	3411	3730
III.	Other Income	24	15894	39481
IV.	Total Revenue		440692	470606
V.	Expenses:			
	Cost of Services Rendered	25	236594	281813
	Employees Benefit Expense	26	46623	42217
	Other expenses	27	18277	14263
	Finance costs	28	21089	23767
	Depreciation and Amortisation on :			
	a) Tangible Assets	10		78902
	b) Intangible Assets	11		1247
			61072	80149
	Impairment of Assets	43	13638	-
	Total expenses		397292	442210
VI.	Profit/(loss) before Prior Period, Exceptional and Extraordinary items and tax (IV-V)		43399	28396
VII.	Income / (Expenses) pertaining to Prior Period (Net)	29	194	(1371)
VIII.	Profit (loss) before Exceptional and Extraordinary items and tax (VI+VII)		43593	27025
IX.	Exceptional items		-	-
X.	Profit before Extraordinary items and tax (VIII-IX)		43593	27025
XI.	Extraordinary items		-	-
XII.	Profit before tax (X-XI)		43593	27025
XIII.	Tax expense:			
	Current tax			7524
	Mat Credit adjusted			-
			4654	7524
XIV.	Profit/(Loss) for the year (XII-XIII)		38940	19501
XV.	Earnings per equity share of Face Value of ₹ 10 each:	37		
	Basic & Diluted (including extraordinary items)		8.36	4.19
	Basic & Diluted (excluding extraordinary items net of tax)		8.36	4.19

The accompanying Significant Accounting Policies & Note No. 1 to 49 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

For GMJ & Co.,
Chartered Accountants
FR. No. 103429W

CA Nikhil K Agrawalla
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Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 27th July, 2016

Mumbai, Dated the 27th July, 2016

The Shipping Corporation of India Limited Consolidated Cash Flow Statement

Particulars		2015-16 ₹ In lakhs	2014-15 ₹ In lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before Tax, extraordinary items & prior period adjustments		43400	28396
ADJUSTMENTS FOR :			
Depreciation		61072	80149
Impairment Loss on Assets		13638	-
Interest Income		(11320)	(13799)
Interest expense		21089	23767
Dividend Received		(625)	(672)
Surplus/Loss on sale of Fixed Assets (other than ships)		(1245)	(187)
Surplus on Sale of Ships		-	(12055)
Provision for doubtful debts & Advances (Net)		2533	5221
Debts & Advances written off		23	3
Provision for dimunition in value of investment		-	-
Excess provisions written back		(851)	(544)
Income from rescindment of contracts		(1952)	(12400)
		82362	69482
Operating profit before working capital changes	(i)	125761	97879
Adjustments for : Increase in working capital			
(a) Trade & other receivables		6790	128993
(b) Inventories		631	9849
(c) Trade payables		13773	(7901)
		21193	130942
Cash generated from operations	(ii)	146955	228821
Tax paid (Net of Refunds)		(4650)	(7715)
Cash flow before prior period adjustments		142305	221105
Prior period adjustments (Net)		194	(1371)
Net Cash From Operating Activities	(A)	142499	219734
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase / Acquisition of Fixed Assets (including Assets under construction)		(51213)	(78374)
Sale of Fixed Assets		1250	12472
Income from Investments		3180	3593
Interest Received		8912	11832
Sale / Purchase of Investments		3917	3620
Advances to Joint Venture Companies		457	3652
Income from Rescindment of contracts		1952	12400
Net cash used in investing activities	(B)	(31545)	(30805)

Particulars		2015-16 ₹ In lakhs	2014-15 ₹ In lakhs
C) CASH FLOW FROM FINANCING ACTIVITIES			
Loans Borrowed/Repaid		(86765)	(143011)
Dividends Paid (Incl. Dividend Tax)		(7)	(5)
Interest Charges		(20953)	(23681)
Staff Welfare Activities (Net)		(15)	(48)
Corporate Social Responsibility Activities		(35)	(99)
Payment of debt issue cost for syndicated loan			(626)
Net cash flow from financing activities	(C)	(107775)	(167470)
Exchange difference on translation of foreign currency cash and cash equivalents	(D)	30	(39)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C+D)	3209	21421
Cash & Cash Bank Balances at the Beginning of the Year		133547	112127
Cash & Cash Bank Balances at the end of the Year.		136756	133547
Closing Cash & Bank Balances includes :			
Cash & Cash equivalents		50945	19200
Other bank balances		85811	114347
Cash & Cash Bank Balances at the end of the Year.		136756	133547

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

For GMJ & Co.,
Chartered Accountants
FR. No. 103429W

CA Nikhil K Agrawalla
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Mrs. H. K. Joshi
Director (Finance)

Mumbai, Dated the 27th July, 2016

Mumbai, Dated the 27th July, 2016

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

NOTE "1" - Share Capital

	Particulars	As at 31 st March, 2016		As at 31 st March, 2015		
		₹ In lakhs		₹ 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 31st March, 2016		As at 31st March, 2015		
		No. of shares	Amount in ₹ lakhs	No. of shares	Amount in ₹ lakhs	
		Opening Balance	465799010	465799010	465799010	465799010
		Add : Bonus shares issued during the Year	-	-	-	-
		Less : Shares bought back	-	-	-	-
	Closing Balance	465799010	465799010	465799010	465799010	
D	Details of shareholders holding more than 5% shares					
S. No	Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015		
		No. of shares held	% of Holding	No. of shares held	% of Holding	
1	President of India	296942977	63.75	296939920	63.75	
2	Life Insurance Corporation of India	65796899	14.13	65801520	14.13	
Rights/Preference/Restriction attached to Equity Shares						
<p>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 does not have any holding company.</p> <p>There are no shares reserved for issue under option and contract/ commitment for the sale of shares/ disinvestment.</p> <p>For the period of five years immediately preceding the date as at which the Balance Sheet is prepared, no shares have been issued for consideration other than cash, no shares have been issued as bonus shares & no shares have been bought back</p>						

NOTE "2" - Reserves & Surplus

	Particulars	Note No.	As at 31 st March, 2016		As at 31 st March, 2015	
			₹ In lakhs		₹ In lakhs	
1	Capital Reserve As per last Balance sheet Add : Transfer from Appropriation		14298	14298	14298	-
			-		14298	
2	Securities Premium Reserve As per last Balance sheet Less: Share Issue Expenses		52177	52177	52177	-
			-		52177	
3	General Reserve As per last Balance sheet Add : Transfer from P & L Appropriation Add : Transfer from Tonnage Tax Reserve (Utilised)		403982	542882	403982	-
			-		403982	
			138900			
			542882	403982		

	Particulars	Note No.		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
4	Tonnage Tax Reserve As per last Balance sheet Add : Transfer from P & L Appropriation	A	50 9000	9050	- 50
5	Tonnage Tax Reserve (Utilised) As per last Balance sheet Add : Transfer from Tonnage Tax reserve Less : Transfer to General Reserve	B	138900 0 138900		50 138900 -
6	Corporate Social Responsibility Reserve As per last Balance sheet Add : Transfer from P & L Appropriation Less : Amount utilised	C	704 0 35	- 669	138900 803 - 99
7	Staff Welfare Fund As per last Balance sheet Add: Transfer from Appropriation/P & L Add: Interest Earned Less : Amount utilised	D	141 140 11 26	704 266	78 117 14 78
8	Foreign currency translation reserve As per last Balance sheet Add : Addition during the year		8 30	38	- 8
9	Balance in Statement of Profit and Loss Balance Brought forward from Last Year Add: Profit/(Loss) for the Year Less: APPROPRIATION: Depreciation Adjustment Tonnage Tax Reserve Staff Welfare Fund Balance carried forward		(4923) 38940 0 9000 140	24876	(23706) 19501 568 50 101 (4923)
	TOTAL			644256	605336

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
E	Foreign currency translation reserve This reserve is created out of consolidation of foreign joint ventures.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - "3" - Long-Term Borrowings

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Non-Current ₹ In lakhs	Current* ₹ In lakhs	Non-Current ₹ In lakhs	Current* ₹ In lakhs
Secured Term Loans From Banks				
In INR	A 843	1729	2575	1729
In Foreign currency	B 523989	128255	612328	121093
TOTAL	C 524832	129984	614903	122821

A) Secured by Fleet having Net block of ₹ 11311 lakhs (Prev. Yr. ₹ 11867 lakhs)

B) Secured by Fleet having Net block of ₹ 1065439 lakhs (Prev. Yr. ₹ 1080248 lakhs)

NOTE - "4" - Other Long term Liabilities

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Security Deposits	9	41
TOTAL	9	41

NOTE - "5" - Long term Provisions

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Provision for employee benefit		
1 Leave Encashment	4534	4372
2 Post Retirement Medical Scheme*	4254	3784
3 Pension	5663	5641
TOTAL	14451	13797

Long term provision	As at 31 st March 2015	Provided during the year	Utilised during the year	Amount reversed	As at 31 st March 2016
Leave Encashment Liability	4372	162	-	-	4534
Post Retirement Medical Scheme*	3784	470	-	-	4254
Pension	5641	22	-	-	5663
	13797	654	-	-	14451

*This includes ₹ 2171 lakhs (Prev. yr. ₹ 1880 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, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Secured Loans*		
- from Banks repayable on demand	-	3500
Unsecured Loans		-
- from Others		357
TOTAL	0	3857

*Secured against term deposit with the bank.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE "7" - Trade Payables

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Trade Payables		
i) Dues of Micro & Small Enterprises	515	547
ii) Others	100117	98952
TOTAL	100632	99499

Disclosures under Micro, Small & Medium Enterprises Development Act, 2006 (the Act)		
Principal amount remaining unpaid to suppliers at the end of the period	515	547
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, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1 Current maturities of long-term debt		162907	155186
2 Interest accrued but not due on borrowings		3071	2932
3 Income received in advance - Unfinished Voyages		2215	4266
4 Unpaid Dividend		46	53
5 Advances and Deposits		10859	3737
6 Security Deposits		960	884
7 Subsidy for Passenger service (Myanmar)		99	159
8 Other Liabilities			
-Employee related	11178		9018
-Statutory Liabilities	967		883
-Payable to Related Parties	18356		16178
-Others	1370		2321
		31871	28400
TOTAL		212028	195618

NOTE - "9" - Short term Provisions

Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1 Provision for Employee Benefits			
Employee Benefits			
- Leave Encashment	476		685

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		As at	As at
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
- Post Retirement Medical Scheme	133		126
2 Others		609	811
-Foreign Taxation		1440	1440
-Insurance & cargo claims		974	830
-Losses on unfinished voyage*		1089	0
-Offhire claims		2651	1176
TOTAL		6763	4257

*Represents estimated loss on unfinished voyage recognised in accounts.

Short term provision	As at 31 st March 2015	Provided during the year	Utilised during the year	Unused Amount reversed	As at 31 st March 2016
Employee Benefits					
- Leave Encashment	685	1470	1678	-	477
- Post Retirement Medical Scheme	126	155	149	-	132
Others					
Foreign Taxation	1440	-	-	-	1440
Insurance & cargo claims	830	246	102	-	974
Losses on unfinished voyage	-	1089	-	-	1089
Offhire claims	1176	1485	-	10	2651
	4257	4445	1929	10	6763

NOTE "10" - Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				Impairment Loss provided during the year	NET BLOCK	
	Cost as at 31-3-15	Additions	Deductions/ Adjustments	Cost as at 31-3-16	up to 31-3-15	Provided during the year	Deductions/ Adjustments	up to 31-3-16		As at 31-3-16	As at 31-3-15
Fleet	1,819,098	87,821	(5,580)	1,912,499	594,547	59,510	(1,834)	655,892	13,638	1,242,970	1,224,551
Ownership Containers	2,214	-	1,001	1,213	2,214	-	1,001	1,213	-	-	-
Freehold Land	271	-	-	271	-	-	-	-	-	271	271
Buildings	1,313	372	-	1,685	576	24	-	600	-	1,085	737
Ownership Flats and Residential Buildings	318	-	3	315	177	5	2	180	-	135	141
Furniture, Fittings & Equipments etc.	7,372	115	480	7,007	6,345	316	480	6,181	-	826	1,027
Motor Vehicles	92	-	1	91	84	4	1	87	-	4	8
Total - A	1,830,678	88,308	(4,095)	1,923,081	603,943	59,859	(350)	664,153	13,638	1,245,291	1,226,735
Assets held for disposal	31	-	4	27	-	-	-	-	-	27	31
Total - B	31	-	4	27	-	-	-	-	-	27	31
Total (A + B)	1,830,709	88,308	(4,091)	1,923,108	603,943	59,859	(350)	664,153	13,638	1,245,318	1,226,766
Previous Year's Total	1,850,664	29,937	49,892	1,830,709	572,262	78,902	47,221	603,943	-	1,226,766	

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Notes :

- (1) Additions to Fleet include ₹ 37631 lakhs (Prev. yr. ₹ 28260 lakhs) on account of currency exchange difference adjusted as per Significant Accounting Policy No. 8(c)
- (2) Borrowing cost and Interest capitalised during the year is ₹ Nil (Prev. yr. ₹ Nil lakhs).
- (3) Impairment loss on vessels amounting to ₹13638 lakhs (Prev.yr. Nil) has been provided during the year.
- (4) 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.
- (5) Ownership Flats and Residential Buildings include : Cost of shares and bonds in Cooperative Societies/Company of face value ₹ 0.73 lakhs (Prev. yr. ₹ 0.73 lakhs).

NOTE "11" - Intangible Assets

PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
	Cost as at 31-3-15	Additions	Deductions/ Adjustments	Cost as at 31-3-16	up to 31-3-15	Provided during the year	Deductions/ Adjustments	up to 31-3-16	As at 31-3-16	As at 31-3-15
Computer Software	7,007	62	-	7,069	5,798	1,213	-	7,011	58	1,209
Total	7,007	62	-	7,069	5,798	1,213	-	7,011	58	1,209
Previous Year's Total	6,909	98	-	7,007	4,551	1,247	-	5,798	1,209	

NOTE -"12" Capital Work in Progress

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1 Construction Work in Progress - Fixed Assets Assets under Construction excluding advance	15,793	50,729
2 Construction Period Expenses		
a. Interest		2,105
b. Other directly attributable expenses		80
c. Exchange fluctuation		3,783
		5968
TOTAL	15,793	56697

Note "13" - Non - Current Investments

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
Trade Investments		
Investments in Equity Instruments		
Unquoted		
A 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)	-	-
		-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars			As at	As at
			31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
60,000 Equity Shares of ₹ 10/- each of Woodland Speciality Hospital Ltd. (Prev. yr. Nil)		6	6	0
Total			6	0
Total unquoted investments			6	0
Total diminution in value of unquoted investments			5000	5000

A 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 diminution towards the investment in FY 2012 - 13.

NOTE - "14" - Long term Loans & Advances

Particulars		As at	As at
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
Unsecured, Considered Good (unless otherwise stated)			
1 Loans & Advances to Related Parties (Refer Note No.34)		20826	21125
2 Advance Tax (Net)		10493	6849
3 Other Loans & Advances			
Loans to Employees (Of this Loan of ₹ 1324 lakhs, Prev. Yr. ₹ 953 lakhs is secured)		1825	1462
Excess - Gratuity Fund		4328	5578
Others		0	8344
TOTAL		37472	43358

NOTE - "15" - Other Non Current Assets

Particulars		As at	As at
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
1 *Accrued interest on loans to employees (Secured, considered good)		475	448
2 Deposits - Unsecured		767	767
TOTAL		1242	1215

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

Note - "16" Current Investments

Particulars		As at	As at
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
A 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
1,00,000 (Prev.yr.1,00,000) shares of ₹10 each fully paid up of SAIL SCI Shipping Company Pvt. Ltd.	10		10
		49	49

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars		As at	As at
			31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
B	Investments in Mutual Funds			
	Unquoted - valued at Net Asset Value			
	3,73,327.494 Units of UTI Money Market Fund - Institutional Plan - Direct Plan - Daily Dividend Reinvestment	3746	3746	7,669
	TOTAL		3795	7718
	Total Quoted investments		-	-
	Total Unquoted investments		3795	7718

* 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. It has been decided by the joint venture partners to dissolve this company.
- ii 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. It has been decided by the joint venture partners to wind up this company.

NOTE - "17" - Inventories

	Particulars	As at	As at
		31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
1	Fuel Oil	8635	8719
2	Stores, Spares	0	547
	TOTAL	8635	9266

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	As at
				31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
1	Over Six Months from the due date of payment				
	i) Unsecured, Considered Good	28500			26705
	ii) Unsecured, Considered Doubtful	16813			14511
			45313		41216
	Less : Provision for Doubtful Receivables		16813		14511
				28500	26705
2	Other Debts				
	i) Unsecured, Considered Good	43332	-		53196
	ii) Unsecured, Considered Doubtful	-			-
			43332		53196
	Less : Provision for Doubtful Receivables		-		-
				43332	53196
	TOTAL			71832	79901

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - "19" - Cash & Bank Balances

	Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
A.	CASH AND CASH EQUIVALENT			
1	Bank Balances			
	Current Account	16538		17655
	Inter Bank Transfers	0		1
	Term Deposit maturing within 3 months	34368		1513
			50906	19169
2	Cash Balances, Including Imprest		25	17
3	Margin Money for Bank Guarantee		14	14
B.	OTHER BANK BALANCES			
1	Term Deposit maturing between 3 to 12 months		51504	103891
2	Term Deposit maturing after 12 months		34110	10285
3	Earmarked Balance with Bank towards unpaid dividend		46	53
4	Staff Welfare fund Balances In Fixed deposit Account		151	118
	TOTAL		136756	133547

Fixed deposit amounting to ₹ 24829 lakhs (Prev Yr: ₹ 25439 lakhs) are pledged with banks for Borrowings

Note- "20" - Short term Loans & Advances

	Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
A.	Advance recoverable in cash or in kind or for value to be received:			
	a) From Related Parties (Refer Note no.34 for details)*			
	Interest Receivable (Unsecured, Considered Good)		11	11
	b) From Employees			
	i)Secured, Considered Good	192		167
	ii)Unsecured, Considered Good	903		460
			1095	627
	c) From Other			
	ii) Unsecured, Considered Good	9534		8278
	iii) Unsecured, Considered Doubtful	1404		1339
		10938		9617
	Less : Provision for Doubtful Advances	1404		1339
			9534	8278
2	Other recoverable / adjustable			
	Unsecured, Considered Good			
	a) CENVAT Credit on Service Tax / VAT etc	7540		4503
	b) Prepaid Expenses	612		346
	c) Others	12		12
			8164	4861
3	Advance Service Tax		1064	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
4	MAT Credit			
	Opening	-		-
	Add : Credit during the year	2450		-
	Less : MAT Credit Availed	2450		-
			-	-
5	Sundry Deposits			
	Unsecured, Considered Good		189	183
	TOTAL		20057	13960

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

NOTE - "21" - Other Current Assets

	Particulars		As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ In lakhs
1	Interest Accrued on Investments/ Bank Deposits		1948	2076
2	Interest Accrued on Loans to employees*		44	90
3	Unfinished Voyages Expenses		5823	6515
4	Claim Recoverable		772	1570
	TOTAL		8587	10251

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

NOTE - "22" - Revenue from Operations

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Freight		278373	279365
2	Charter Hire		115090	121369
3	Demurrage		20253	18913
4	Contract Revenue:			
	Core shipping activities	447		463
	Incidental activities	3645		3743
	Reimbursement of overheads	3579		3542
			7671	7748
	TOTAL		421387	427394

NOTE - "23" - Other Operating Revenues

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Training & Consultancy fee		1633	1237
2	Sundry Receipts (Core)		52	649
3	Sundry Receipts (Incidental)		84	63
4	Excess Provisions & Unclaimed Credit Written Back		851	544
5	Recovery of Insurance & PI Claims		791	1237
	TOTAL		3411	3730

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - "24" - Other Income

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Profit on Sale of Fixed Assets			
	a) Sale of Ships (Net)	-		12055
	b) Sale of Other Fixed Assets	1245	1245	187
2	Interest on :			12242
	a) Fixed Deposits with Banks	8690		9362
	b) From Related Parties - Joint Venture (Refer Note no.31)	1883		2077
	c) Loans to Employees	69		64
	d) Others	6		2296
			10648	13799
3	Dividend From Mutual Fund		625	672
4	Other Miscellaneous Income		100	211
5	Net gain on Foreign Currency Transaction / Translation		1324	-
6	Income from Rescindment of Contracts		1952	12400
7	Profit on sale of bunker		-	157
	TOTAL		15894	39481

NOTE - "25" - Cost of services rendered

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Direct Operating Expenses :			
	Agency Fees		2325	2175
	Brokerage		3098	3613
	Commission		5412	5714
	Stevedoring, Dunnage, Cargo Expenses Etc. & Slot Expenses On Joint Sector Container Services (Net)		16798	16418
	Marine, Light And Canal Dues		34565	36066
	Fuel Oil (Net)		63748	118420
	Water Charges		331	335
2	Hire Of Chartered Steamers		50381	47372
3	Other Indirect Operating Expenses			
	Victualling, Transfer And Repatriation And Other Benefits		4042	4788
	Stores & Spares		18427	17161
	Sundry Steamer Expenses		2239	1915
	Repairs And Maintenance and Survey Expenses		26771	19035
	Insurance And Protection , Indemnity Club Fees & Insurance Franchise		8456	8800
	TOTAL		236594	281813

NOTE - "26" - Employees Benefit Expenses

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
A	Floating staff			
	Wages, Bonus And Other Expenses On Floating Staff		27725	25813
	Gratuity		931	220
	Contribution To Provident Fund		318	369

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

B	Shore Staff		
	Salaries, Wages, Bonus etc	16215	14729
	Gratuity	383	75
	Contribution To Provident & Other Funds	850	831
C	Remuneration to Directors	201	180
	TOTAL	46623	42217

NOTE - "27" - Other Expenses

	Particulars	Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Other Expenses		
	Power & Fuel	583	520
	Rent	298	224
	Repairs and Maintenance		
	- Building	616	635
	- Others	1360	1638
	Insurance	90	136
	Rates and Taxes	218	248
	Auditors' Remuneration *	66	62
	Establishment Charges	1626	1554
	Advertisement & Publicity	246	161
	Legal & professional	1209	641
	Postage, Telephone Telegram & Telex	16	133
	Printing & stationery	158	182
	Training, Seminar & Conference Fee	387	385
	Travel & Conveyance	399	363
	Directors' Sitting Fees	-	11
	Directors' Travel Expenses	34	55
	Net loss on Foreign Currency Transaction / Translation	1	1170
	Debts / Advances written off	23	3
	Interest and Penalties	1529	51
	Bank Charges	534	58
	Service tax ineligible for CENVAT	3481	98
	Sundries	126	125
2	Provisions		
	Provision for Off Hire Etc.	1596	574
	Provision for Doubtful Debts and Advances	2533	5221
	Foreign Taxation	59	86
	Provision for loss on unfinished voyage	1089	(70)
	TOTAL	18277	14263
	*Auditors' Remuneration includes:		
	Audit Fees	35	29
	Certification Work	27	17
	Travelling & Out of Pocket Expenses	4	16
	TOTAL	66	62

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - “28” - Finance Cost

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Interest Payments on:			
	Rupee Term Loan from Banks/Financial Institutions	284		422
	Foreign Currency Term Loan from Banks/Financial Institutions	16595		16264
	Others	1914		3561
			18794	20247
2	Other Borrowing Cost		2295	3520
	TOTAL		21089	23767

NOTE - “29” – Income/Expenses relating to previous years

	Particulars		Year Ended 31 st March, 2016 ₹ In lakhs	Year Ended 31 st March, 2015 ₹ In lakhs
1	Income:			
	Bunker Recovery		6	-
	Charter Hire		(784)	(1640)
	Freight		30	(291)
	Remuneration from managed vessels		-	125
	Others		4	9
	Total Income		(744)	(1797)
2	Expenditure:			
	Stevedoring charges		-	(951)
	Brokerage & commission		8	45
	Fuel oil		186	191
	Salaries -Shore staff		(1)	-
	Charter hire payments		112	61
	Sundry steamer charges		-	(124)
	Currency Exchange Difference		-	133
	Stores, Repairs and Maintenance		30	296
	Marine,light & canal dues		-	69
	Insurance & P&I		102	(203)
	Demurrage		-	(161)
	Service Tax/CENVAT		(1370)	217
	Establishment charges		-	31
	Others		(5)	(30)
	Total Expenses		(938)	(426)
	NET INCOME /(EXPENDITURE)		194	(1371)

NOTE “30”: Basis of Preparation

The consolidated financial statements comprise of the financial statements of The Shipping Corporation of India Ltd. (hereinafter referred to as “Venturer Company”) and its jointly controlled entities (hereinafter referred to as “Joint Venturers”). The Venturer Company along with its Joint Ventures is herein after referred to as the ‘Group’.

Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - “Financial Reporting of Interest in Joint Ventures”.

In case of foreign jointly controlled entities, being non-integral operations, revenue items are consolidated at the average rate during the year. All assets and liabilities are converted at rates at the end of the year. Exchange gains/ (losses) arising on conversion is recognized under the Foreign Currency Translation Reserve.

The consolidated financial statements are prepared using uniform accounting policies in use for the Group. For non uniform accounting policies being mainly capitalization of dry docking by foreign joint ventures as per International Financial Reporting Standards, the same has

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

been recognised in the Statement of Profit and Loss and presented in the manner in which the Venturer company presents the same in its financial statements.

NOTE “31” :

The financial statements of the joint ventures used in the consolidation have been prepared under IFRS and are for the period 01st January 2015 to 31st December 2015 which is different than that of the period of financial statements of the venturer company by less than six months. Adjustments have been made in the financial statements for significant transactions or other events occurred between the date of financial statements of the Joint Ventures and the venturer company.

NOTE “32” : Companies considered for consolidation

The following joint ventures have been considered for the purpose of consolidation :-

Name	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.16 (As on 31.03.15)
1. India LNG Transport Company (No. 1) Ltd.	Equity	Malta	29.08%(29.08%)
2. India LNG Transport Company (No. 2) Ltd.	Equity	Malta	29.08%(29.08%)
3. India LNG Transport Company (No. 3) Ltd.	Equity	Malta	26.00%(26.00%)
4.India LNG Transport Company (No. 4) Ltd.	Equity	Singapore	26.00% (26.00%)

Irano Hind Shipping Company Ltd has been excluded from the consolidation procedures as the joint venture operates under severe long term restriction which is significantly impairing its ability to transfer funds to the Venturer company.

SAIL SCI Shipping Pvt Ltd. has been excluded from the consolidation procedures as the joint venture is held for disposal in the near future.

Investments in companies other than those considered in the consolidation procedures have been accounted as per Accounting Standard (AS) 13 on “Accounting for Investments”.

NOTE –“33”– Contingent liabilities & Commitments

Particulars	As at 31 st March, 2016 ₹ In lakhs	As at 31 st March, 2015 ₹ 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	4881	4662
B Cargo Loss, Freight, Demurrage, Slot Payments, Fuel Cost, other operational claims and Custom duty disputed demand. (As certified by the Management)	30523	5083
C Disputed demand of Statutory Dues (As certified by the Management)	116414	18972
a) Income Tax & Sales Tax	19306	18970
b) Service Tax	97108	2
II Guarantees given by the Banks		
on behalf of the company	4907	4745
on behalf of the Joint Venture to the extent of the Company’s share.	7183	6735
III Undertaking cum Indemnity given by Company	-	-
IV Cargo Claims covered by P&I Club	4779	8396
V Bonds/Undertakings given by the Company to Customs Authorities.	28341	25635
VI Corporate Guarantees/Undertakings		
A In respect of Joint Ventures	Not Ascertained	Not Ascertained
B Others	3957	5820

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at	As at
	31 st March, 2016 ₹ In lakhs	31 st March, 2015 ₹ In lakhs
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
ii. Uncalled liability on shares and other investments partly paid	-	-
iii. Other commitments (As certified by Management)	-	-

NOTE –“34” – Related Party Disclosures

Names of related party entities with whom transactions were carried out during the period:

Joint Venture Companies:

(Other than the joint ventures whose financial statements have been consolidated)

1. SAIL SCI Shipping Pvt. Ltd.
2. Irano Hind Shipping Co. Ltd

Other related parties

Mitsui O.S.K. Lines Ltd.
Nippon Yusen Kabushiki Kaisha
Kawasaki Kaishen Kaisha Ltd.
Qatar Shipping Company
Petronet LNG Ltd.

Key Management Personnel:

1. B. B. Sinha
2. A.K. Gupta (retired on 31.12.2015)
3. S. Narula
4. S. Thapar (retired on 30.09.2015)
5. S. V Kher (w.e.f 01.10.2015)
6. K. Devadas
7. H.K. Joshi
8. Dipankar Halder
9. Akira Kono
10. Akira Kunimatsu
11. Akira Misaki
12. Joseph Francis Coutinho
13. Kenta Matsuzaka
14. Ryota Hayashi
15. Sanjeev Ranjan
16. Takeshi Kato
17. Barun Mitra
18. Ravinder Kumar Garg
19. Spyridon Leousis
20. Hitoshi Nagasawa
21. Akira Shoji
22. Ryutaro Okuzava

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

The following transactions were carried out with related parties:

Nature of Transaction	Name of the Party	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)
Investment balances at year end	SAIL SCI Shipping Pvt Ltd.	10	10
	Total	10	10
Loans realised during the year	SAIL SCI Shipping Pvt. Ltd.	-	38
	Total	-	38
Loan balances at year end	Irano Hind Shipping Co. Ltd.	23	23
	K Line	2466	2494
	MOL	7839	7935
	NYK	4933	4989
	PLL	488	475
	QShip	5115	5137
	Total	20864	21053
Investment balances at year end	Irano Hind Shipping Co. Ltd.	39	39
	Total	39	39
Payable on account of Ship	Irano Hind Shipping Co. Ltd.	18356	16178
	Total	18356	16178
Interest charged	Irano Hind Shipping Co. Ltd.	1221	-
	Total	1221	-
Accrued interest	K Line	1	1
	MOL	4	4
	NYK	2	3
	PLL	0	0
	QShip	2	3
	Total	9	11
Charter Hire Income earned	PLL	4708	3537
	Total	4708	3537
Interest Expenses	K Line	219	248
	MOL	700	791
	NYK	440	496
	PLL	40	39
	QShip	449	494
	Total	1848	2068
Other Payables	PLL	415	386
	Total	415	386
Shareholders Loan repaid during the year	K Line	206	356
	MOL	662	1158
	NYK	413	713
	PLL	24	-
	QShip	394	597
	Total	1699	2824
Reimbursement of Expenses during the year	K Line	1	5
	MOL	1	6
	Q Ship	1	3
	Total	3	14
Trade Receivables	PLL	400	372
	Total	400	372

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(ii) Key Management Personnel	For the Year ended 31/03/2016	For the Year ended 31/03/2015
	(₹ in lakhs)	(₹ in lakhs)
Remuneration	224	221
Loans recovered during the period	-	0.11
Loan amounts due as at the end of the period	-	-
Maximum amount due during the period	-	0.11

NOTE –“35” – Joint Venture Information

Details of Joint Ventures which are not consolidated, as required by AS-27 “Financial Reporting of Interests in Joint Ventures” are given below:

1) Details of Joint Venture Interest

Name	Description of Interest	Country of Incorporation	Percentage of Interest As on 31.03.16 (As on 31.03.15)	Other Venturers Share 31.03.16 (As on 31.03.15)
1. Irano Hind Shipping Company Ltd.	Equity	Iran	49%(49%)	*IRISL 51.00% (51.00%)
2. SAIL SCI Shipping Pvt. Ltd.	Equity	India	50.00%(50.00%)	* SAIL 50.00%(50.00%)

* IRISL- Islamic Republic of Iran Shipping Line *SAIL - Steel Authority India Ltd.

Note – “36” - Company’s Interest in the Joint Venture

(₹ In Lakhs)							
Sr. No.	Name	As on	Assets	Liabilities	For the period ended	Income	Expenditure
1	Irano Hind Shipping Company Ltd.	20.03.2015	46854	45890	20.03.2015	836	7449
2	SAIL SCI Shipping Pvt. Ltd. (Unaudited)	31.03.2016	7	0.14	31.03.2016	0.43	0.39

NOTE –“37”– Earnings per share

Particulars		For the Year ended 31/03/2016	For the Year ended 31/03/2015
A	Profit/(-) Loss after tax (₹ in lakhs)	38940	19501
B	Weighted average number of Equity Shares (Nos)	465799010	465799010
C	Basic & Diluted Earnings per Share (in ₹) before Extraordinary Items	8.36	4.19
D	Basic & Diluted Earnings per Share (in ₹) after Extraordinary Items	8.36	4.19
E	Nominal Value per Equity Share (in ₹)	10.00	10.00

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

NOTE –“38”– Segment Reporting

Particulars		For the Year ended 31/03/2016 (₹ in lakhs)	For the Year ended 31/03/2015 (₹ in lakhs)
1	Segment Revenue		
	i) Liner Segment	53,471	90,185
	ii) Bulk Segment	336038	317018
	iii) Technical and Offshore	33,955	34,891
	iv) Others	1333	1086
	v) Unallocated	5,247	13627
	Total	430044	456807

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	For the Year ended 31/03/2016 (₹ in lakhs)	For the Year ended 31/03/2015 (₹ in lakhs)
2	Segment Results		
	Profit/(Loss) before tax & interest		
	i) Liner Segment	(15,900)	1,571
	ii) Bulk Segment	56186	10474
	iii) Technical and Offshore	10401	11,310
	iv) Others	1,008	720
	Total	51695	24075
	Add : Unallocated Income (Net of expenditure)	2339	12918
	Add : Interest (Net)	(10441)	(9968)
	Total Profit before tax	43593	27025
3	Segment Assets		
	Liner Segment	99329	104429
	Bulk Segment	1169458	1184364
	Technical and Offshore	130440	139277
	Others	531	515
	Total	1399758	1428585
	Unallocable Corporate Assets	149793	155303
	Total	1549551	1583888
4	Segment Liabilities		
	Liner Segment	91753	79119
	Bulk Segment	120530	95879
	Technical and Offshore	10747	8041
	Others	464	230
	Total	223494	183269
	Unallocable Corporate Liabilities	635221	748702
	Total	858715	931971
5	Capital Expenditure during the year		
	Liner Segment	1163	1032
	Bulk Segment	80942	23550
	Technical and Offshore	4877	3734
	Unallocated	549	312
	Total	87531	28628
6	Depreciation		
	Liner Segment	2755	2841
	Bulk Segment	53002	70429
	Technical and Offshore	5315	6879
	Total	61072	80149
7	Provisions		
	Liner Segment	2,770	4396
	Bulk Segment	15,566	1248
	Technical and Offshore	367	110
	Unallocated	10	58
	Total	18713	5812
8	Impairment Loss charged to P & L		
	Liner Segment	-	-
	Bulk Segment	12563	-
	Technical and Offshore	1075	-
	Total	13638	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Notes:-

1. 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 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.
3. Agent advances are allocated to segment in the ratio of expenses booked by the agents during the year.

NOTE – “39” 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

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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
As At						
Status	Funded	Funded	Unfunded	Unfunded	Unfunded	Unfunded
At the beginning of the period	10426	9797	5057	4906	2030	1858
Current service cost	709	1249	1138	1037	3	-
Interest Cost	771	859	335	393	156	165
Actuarial (gains) and losses (including for prior years)	945	(426)	158	(139)	176	127
Curtailment Period						
Benefits Paid	(1457)	(1053)	(1678)	(1085)	(149)	(120)
At the end of the period	11394	10426	5010	5057	2216	2030

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

C Analysis of Percentage of defined Benefit obligation into funded and unfunded:

(₹ In lakhs)

Particulars	As At 31/03/2016	As At 31/03/2015
Total Amount of defined benefit obligation	18620	17512
Amount of funded Defined benefit obligation	11393	10425
Percentage of funded defined benefit obligation	61.19	59.53
Percentage of defined benefit obligation not funded	38.81	40.47

D Movement in Fair Value of plan assets

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening value of fair value of plan assets	16003	15600	NIL	NIL	NIL	NIL
Expected Return on plan assets	1375	1408	NIL	NIL	NIL	NIL
Benefits Paid	(1457)	(1053)	NIL	NIL	NIL	NIL
Actuarial gain/(loss) on plan assets	(199)	48	NIL	NIL	NIL	NIL
Closing value of fair value of plan assets	15722	16003	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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Present value of obligations at the end of the period	11394	10426	5010	5057	2216	2030
Less: fair value of assets as the balance sheet date	15722	16003	NIL	NIL	NIL	NIL
Net (Liability)/Asset disclosed in the balance sheet	4328	5577	(5010)	(5057)	(2216)	(2030)

F Total Expense recognized in the statement of profit and loss

(₹ In lakhs)

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current Service Cost	709	1249	1138	1037	3	NIL
Interest Cost	771	859	335	393	156	165
Expected return on plan assets	(1375)	(1408)	NIL	NIL	NIL	NIL
Actuarial (gains) and losses	945	(427)	158	(139)	176	127
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	(1678)	(1140)	(149)	(120)
Actuarial (gains)/loss on plan assets	199	(48)	NIL	NIL	NIL	NIL
Charged to profit and loss	1249	226	(47)	151	186	173

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

(₹ In lakhs)

Particulars	As At 31/03/2016		As At 31/03/2015	
	Fair Value	% of Total	Fair Value	% of Total
Investment in Government securities	5898	37.51	5398	33.74
Investment in Bonds	3872	24.63	3853	24.08
Investment in deposits including bank balances	5506	35.02	6387	39.91
Other Assets including accrued interest	446	2.84	364	2.27
Total	15722		16002	

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 ₹ 1176 lakh. (Prev. period ₹ 1456 lakhs)

K. Principal actuarial assumptions at the balance sheet date:

Particulars	Gratuity		Leave Encashment		Post Retirement Medical Benefit Scheme	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Discount rate at the end of the period	7.46%	7.95%	7.46%	7.95%	7.46%	7.95%
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%	7.50%
Mortality Rate	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult	IALM (2006-08) Ult
Medical cost incremental trend rates					8%	8%
Normal Retirement Age	60 Years	60 Years	60 Years	60 Years	60 Years	60 Years

L Experience Adjustment for Gratuity Liability

(₹ In lakh)

As on	31/03/2011	31/03/2012	31/03/2013	31/03/2014	31/03/2015	31/03/2016
Present value of defined benefit obligation	11780	11088	11052	9797	10425	11394
Fair value of Plan Assets	17424	16419	16081	15600	16003	15722
Surplus/ (Deficit)	5644	5331	5029	5803	5577	4328
Experience adjustment on Plan Liability (Gain)/Loss	(1158)	(659)	(121)	(304)	(191)	945
Experience adjustment on Plan Asset (Loss)/Gain	(136)	(246)	124	(46)	(380)	(198)

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:

- the aggregate of the current service cost and interest cost components of net periodic post-employment medical costs; and
- the accumulated post-employment benefit obligation for medical costs.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ 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	
	2015-16	2014-15	2015-16	2014-15
Effect of one percentage up	164	40	2395	2183
Effect of one percentage down	156	40	2064	1894

- 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.

NOTE- "40"

Additional Information as required under Schedule III to the Companies Act, 2013 :

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ in lakhs	As % of Share in profit or loss	₹ in lakhs
Parent				
Shipping Corporation of India Ltd.	100.03%	691039	96.89%	37729
Foreign Joint Ventures				
India LNG Transport Co. (No. 1) Ltd.	0.40%	2772.01	2.97%	1156.39
India LNG Transport Co. (No. 2) Ltd.	0.41%	2800.43	3.89%	1514.55
India LNG Transport Co. (No. 3) Ltd.	(0.38%)	(2640.55)	0.17%	64.38
India LNG Transport Co. (No. 4) Ltd.	0.40%	2765.29	(0.11%)	(41.08)
	100.86%	696736.18	103.81%	40423.24
Intercompany Eliminations/ Adjustments	(0.86%)	5900.23	3.81%	(1483.61)
TOTAL	100.00%	690835.95	100.00%	38939.63

NOTE – "41"

During the year the company has adopted the useful life of 25 years in respect of Tankers & Offshore vessels which is different from the useful life of 20 years specified in part C of Schedule II to the Companies Act, 2013 based on the technical parameters including design life and the past record. Further, the company while calculating the depreciation for the year has adopted the residual value of all the vessels as 5% of initial cost of vessels as against Re 1/- considered earlier, keeping in view the actual realisation in the past and the limit specified in part 'C' of Schedule II to the Companies Act, 2013.

Consequent to the change, the depreciation for the year is lower & the profit for the year is higher by 19878 lakhs.

NOTE – "42"

As per the requirements of Schedule II to the Companies Act, 2013, where cost of a part of the asset is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part shall be determined separately for depreciation purpose.

After detailed internal study, the company is of the view that none of the components of the fixed assets is having useful life different from the useful life of the remaining assets. Consequently, the ascertainment of cost of the components whether significant or not to the total cost of asset was not required. However, the option of treating dry docking expenses as a separate component is being examined by the management.

NOTE – "43"

The carrying amounts of Company's assets have been reviewed at the Balance sheet date to determine whether there is any indication of impairment. Such indication exists in the case of few vessels. There is an impairment loss of ₹ 13638 lakhs provided in the statement of profit and loss account for the year which arose out of cash flow projections based on management's best estimate of the set of conditions

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

that exists over the remaining useful life of the asset taking into consideration the following assumptions:

- a. Time charter yield is taken for next five years based on external evidence i.e, report of Drewry, a reputed research and advisory organisation for the maritime sector.
- b. For the remaining economic life of the asset, the yearwise growth in the time charter yield has been extrapolated based on the historical data of last 15 years for the vessels published by Drewry taking the growth in the year 2003 over the year 2002 as the base year.
- c. Budgeted standing charges and management expenses of the year 2016-17 are increased for each year from 2017-18 based on the management's best estimate of the likely increase in future.

NOTE – “44”

The agency agreement with the agent at UAE ports was terminated w.e.f. 21.03.2015. The Company has invoked revolving bank guarantee of USD 1.6 million to recover outstanding dues of ₹ 1115 lakhs from the said agent. However, the agent has got injunction through court on encashment of bank guarantee. The company has already submitted all the documents to its appointed lawyers to enable the vacation of the injunction. Till date, 14 hearings/adjournments have taken place. Further, the Company is also simultaneously pursuing the matter with the agent for reconciliation of accounts and the bank has confirmed its liability to honour the bank guarantee once the Court injunction is lifted. Since the matter is still sub-judice in the Court of Fujairah, no provision is made in the books on this account as on 31.03.2016.

NOTE – “45”

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 – “46”

The company has made a provision of ₹900 lakhs for self lease of staffs and officers from 01/04/2011 to 31/03/2015 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 – “47”

Company had received a claim of USD 39 millions in respect of explosion of cargo carried on M.V. Amsterdam bridge. Out of USD 39 millions, USD 18 millions is covered under insurance. In respect of remaining USD 21 millions, company has issued security being uncovered portion of claim. Company has agreed for the mediation to settle the claim and management expects settlement of claim within insurance cover. Pending settlement, the uncovered claim has been shown as contingent liability.

NOTE – “48”

The consolidated financial statements are presented, to the extent possible, in the format as adopted by the Venturer company for its standalone financial statements.

Note – “49”

Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification.

SIGNIFICANT ACCOUNTING POLICIES

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 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 net of recoverable taxes 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

- a) Depreciation on all tangible assets is charged on "Straight Line Method" less residual value of 5% as mentioned in Schedule II to the Companies Act, 2013. Residual value is the 5% of original cost of the asset. However, in case of Tankers & Offshore Vessels, the company has adopted a useful life of 25 years based on the technical parameters including design life and the past record. Second hand vessels are depreciated over their remaining useful lives as determined by technical evaluation not exceeding 25 years from the date of original build. Joint Venture companies have adopted an estimated economic life of 40 years for LNG vessels. The LNG vessel's residual value, useful life and depreciation methods are reviewed and adjusted if appropriate, at each financial year-end on a prospective basis
- b) Intangible assets including software is amortised over the useful life not exceeding five years.
- c) Assets costing individually Rs. 5000/- and below are fully depreciated in the year of addition.
- d) Leasehold land is amortised over the period of lease.

4. IMPAIRMENT

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

For the purpose of computing value in use of bulk carrier & tanker vessels, the revenues for the next 5 years have been projected based on external evidence i.e, report given by Drewery which is a reputed research and advisory organisation for the maritime sector. For the remaining useful life of the asset, the revenues have been extrapolated based on the historic data of last 15 years for similar vessels published by Drewery and represents the management's best estimate of the set of economic conditions that will exist over the remaining useful life of the asset.

In case of container vessels, the revenue projections for the next 2 years are based on actual freight earned in the current year. The revenue projections for remaining useful life of the vessel are based on an average increase in freight ignoring abnormal freight increases or steep declines.

In case of AHTSV's & PSV's, Revenue per day had been considered based on current charter party contracts for the charter period. The revenues thereafter are based on a normal rate of increase every 3 -10 years depending on the type & size of the vessel.

The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

5. RETIREMENT AND DISPOSAL OF ASSETS

- a) Assets which have been retired from operations for eventual disposal are 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 assets is provided in the accounts for the year in which these have been retired from active use. 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 assets 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 asset, till its sale.

SIGNIFICANT ACCOUNTING POLICIES

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 assets are accounted for only upon completion of sale thereof.

6. MAJOR REPAIRS AND RENEWALS OF SHIP

Dry-dock expenditure is recognised in the Statement of Profit and Loss to the extent of percentage completion, based on technical assessment.

7. 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.

8. 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.
- c) Store/Spares including paints, etc. are charged to revenue as consumed when delivered to ships.

9. 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 on xe.com website.
- b) 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 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.
- c) 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.
- d) The exchange differences arising on translation of other monetary assets and liabilities are recognised in the Statement of profit and loss.

10. 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.

11. 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.

SIGNIFICANT ACCOUNTING POLICIES

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. Actuarial Liability in excess of fair value 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.

12. ADJUSTMENTS PERTAINING TO EARLIER YEARS

Income/ Expenditure relating to prior period which do not exceed Rs.5 lakhs in each case, are treated as income/ expenditure of current year.

13. 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:-
- 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.
 - 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.
 - Expenses on account of general average claims/ damages to ships are charged 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.

14. INVESTMENTS

- 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.
- Current Investments are stated at lower of cost and fair value.

15. 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. Minimum alternate tax (MAT) paid in accordance with the tax laws in previous years has been recognised as an asset and adjusted against provision for income tax liability as and when there is a reasonable certainty which give rise to future economic benefits in the form of tax credit against future income tax liability. India LNG Transport Company (No.1) , (No.2) and (No. 3) Limited are registered under Tonnage tax regime in Republic of Malta. The Companies are exempt from income tax under Merchant Shipping Act in Republic of Malta.

16. EARNINGS PER SHARE

Basic and Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

17. 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".

18. 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.

Affreightment, Contract 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 : Average Freight Rate Assessment

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:

- 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

In each of the five groups, tonnage is divided into three categories:

- 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 nonnegotiable. 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.

GLOSSARY

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 80,000dwt 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 ie 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-

GLOSSARY

off time may vary depending on each forwarder's operations respectively.

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 wharfage; 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)

Freight Forwarder

An independent business which handles export shipments for compensation. At the request of the shipper, the forwarder makes the actual arrangements and provides the necessary services for expediting the shipment to its overseas destination. The forwarder takes care of all documentation needed to move the shipment from origin to destination, making up and assembling the necessary documentation for submission to the bank in the exporter's name. The forwarder arranges for cargo insurance, makes the necessary overseas communications, and advises the shipper on overseas requirements of marking and labeling.

Freight for All Kinds (FAK)

FAK is a shipping classification. Goods classified FAK are usually charged higher rates than those marked with a specific classification and are frequently in a container

which includes various classes of cargo.

*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, $(0.2 + 0.02 \log 10V)$ 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 transport of 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.

GLOSSARY

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 – 162C, 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-owners. 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

GLOSSARY

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 air or sea, which does not fall within standard methods. ie 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.

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 'bulk carriers' 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 320,000dwt.

VLCC

Very Large Crude Carrier. A tanker of 200,000 to 319,000dwt. 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.

CERTIFICATE OF APPROVAL

Issued by Indian Register Quality Systems
(A Division of IRCLASS Systems and Solutions Private Limited)

This is to certify that the Integrated Management System
Across the Establishments & Fleet of

Organisation: The Shipping Corporation of India Limited

Head Office: "Shipping House", 245,
Madame Cama Road
Nariman Point, Mumbai- 400 021

has been assessed and found conforming to the following requirement

Standard Certified: ISO 9001:2008
(Integrated Management System) ISO 14001:2004
BS OHSAS 18001:2007

Scope:

- Owning, Managing & Chartering of Ships for Transportation of Goods and Passengers
- Offshore and Marine Advisory Services
- Maritime Training Services
- Port/Terminal Operations Management

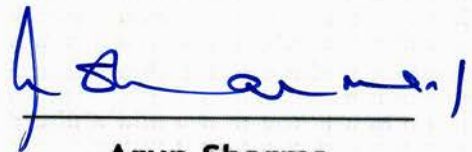
For Establishment/Fleet Scope: Refer Annexure

Certificate No.: IRQS/1512965 granted on: 23rd December 2015

Originally Certified:23/12/2015 Current Issue Date:23/12/2015 Valid Till Date:14/09/2018



Indian Register Quality Systems



Arun Sharma

Chairman & Managing Director

This approval is subject to continued satisfactory maintenance of the Integrated Management System of the organization to the above standard, which will be monitored by IRQS. The use of the Accreditation Mark indicates accreditation with respect to activities covered by the certificate with accreditation no. C071

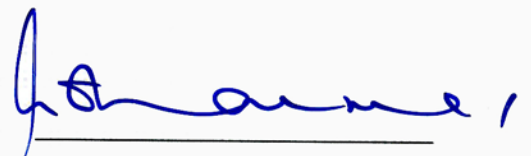
Condition Overleaf

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

Annexure to Certificate No. IRQS/1512965

Establishment/Fleet, Addresses & Applicable Scope

Location	Scope
SCI -Chennai Regional Office Jawahar Building, Rajaji Salai, Chennai - 600 001	Co-ordination, Liason with Head Office & Fleet Management
SCI - Kolkata Regional Office Shipping House, 13 Strand Road, Kolkata - 700 001	Co-ordination, Liason with Head Office & Fleet Management
SCI- Delhi Regional Office Chandralok , 1 st Floor, 36, Janpath, New Delhi - 110 001	Liasoning with Internal & External Agencies
SCI - London Regional Office Bell Court House, 2 nd Floor, 11 Blomfield Street, London EC2M7AY	Co-ordination & Liasoning with Head Office
SCI- Haldia Branch Office Tower Building, 1 st Floor, C.P.T. Township, Haldia, Midnapore (Dt.), West Bengal - 721 607	Co-ordination with Kolkata & HO and Technical support to Ships calling Haldia
SCI - Port Blair Office Gati Coast to Coast Building, No:99, J.L. Nehru Road, P,B. No: 310, Delanipur, Port Blair - 744 101	Co-ordination with Kolkata & HO and Technical Management of A&N ships.
Maritime Institutes 1] MTI- Powai Adi Shankaracharya Marg, Powai - 400 072, Mumbai, Maharashtra , India 2] MTI - Tuticorin Harbour Estate, V.O. Chidambaram Port Trust, Tuticorin - 628 004, Tamil Nadu,India	Maritime Training Services
Port /Terminal Ratnagiri Gas & Power Pvt. Ltd; Dabhol, Maharashtra - LNG Port Operations	Port/Terminal Operations Management
Entire Fleet	Shipboard Operations


Arun Sharma

Chairman & Managing Director



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

66th ANNUAL GENERAL MEETING ON 26th September 2016

[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 :		
E-mail 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 66th Annual General Meeting of the company, to be held on the 26th day of September, 2016 at 1530 hrs. 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 Standalone and Consolidated Financial Statements for the year ended 31.03.2016		
2.	Re-appointment of Capt. K.Devadas, who retires by rotation		
3.	Re-appointment of Smt. H.K.Joshi, who retires by rotation		
4.	Fixation of remuneration of statutory auditors		
Special Business			
5.	Appointment of Shri S. V. Kher as Whole Time Director		
6.	Appointment of Shri Arun Balakrishnan as Director		
7.	Appointment of Shri Sukamal Chandra Basu as Director		

Signed this _____ day of _____ 2016, Signature of shareholder _____ ,

Signature of Proxy holder _____

Affix
Revenue
Stamp

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 66th 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.

SCI Service reinventing itself - Connecting East Coast and West Coast of India



The new restructured SMILE Service synergizes SCI's Services with Shreyas's Services and seamlessly links up Persian Gulf with East Coast of India and West Coast of India, thereby, further strengthening and expanding SCI's presence in the Coastal Shipping Sector.

The working together of two Lines, i.e., SCI and Shreyas, on this route will be a force multiplier for SCI which will provide a high quality of Coastal Services on fixed day fixed window and will set the agenda, for SCI, for even bigger expansion in Coastal and near Coastal trades with special emphasis on the East Coast of India ports.

With a view to optimize and in order to maintain the SMILE Service's quality and operational efficiency, SCI announces the restructured SMILE Service rotation as; • **Mundra** • **Pipavav** • **Cochin** • **Tuticorin** • **Chennai** • **Katupalli**, **Krishnapatnam** • **Mundra/Pipavav** • **Jebel Ali**. The SMILE Service will operate with four vessels ranging from 1650 TEUs to 4400 TEUs (nominal capacity), maintaining the historic

service standards and schedule integrity. SCI also announces restructured PIX2 Service with Shreyas, with service rotation of Mundra, Katupalli, Krishnapatnam, Vizag, Tuticorin, Cochin and Jebel Ali. PIX2 service has four vessels of about 1650 TEUs each. The restructured services and routing makes it feasible to connect pan-Indian ports with an improved transit time.

SCI's intention is to dominate the Coastal and near Coastal trades with a variety of Coastal Services and the makeover of Smile Service is only the beginning of a new phase in Coastal container shipping of India. SCI seeks to cooperate with other Indian companies too and looking for further force multipliers to work out the best transportation solutions for the trading community, vis-à-vis commercially and economically viable and environmentally feasible.

SCI also strengthening their position in the trade by offering services to and from Yangoon while connecting all the Indian Sub-continent ports as well as Middle East ports.



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.

