

Advertisement giving details of notice of special resolution for varying the terms of any contract referred to in the prospectus or altering the objects for which the prospectus was issued

Corporate Identification Number (CIN) - L63030MH1950GOI008033

Name of the Company - The Shipping Corporation of India Limited

Register Office Address - 'Shipping House', 245, Madame Cama Road, Mumbai - 400 021

**PUBLIC NOTICE**

Notice is hereby given that resolution dated 13.11.2014, the Board has proposed to alter the object (s) for which the prospectus dated 08.12.2010 was issued in connection with the Further Public Offer of 84690230 equity shares at an issue price of ₹ 140/- per equity share (with a discount of 5% to retail investors and employees) aggregating to ₹ 582.45 crore.

In pursuance of the said resolution, further notice is given that for approving the said proposition, a special resolution is to be passed by Postal Ballot.

The details regarding such variation/ alteration are as follows-

SCI had come out with the FPO in the year 2010. It comprised of a fresh issue of 42,345,365 equity shares by the company (the "Fresh Issue") and an offer for sale of 42,345,365 equity shares by the President of India (Aggregating to 84,690,730 shares). SCI had raised ₹ 582.45 crore through the Fresh Issue which was 50% of the net FPO proceeds as remaining 50% was paid to the Government of India under Offer for Sale. As per the 'Objects of the Issue' ("the Objects") mentioned in prospectus on page no. 35 of the Prospectus dated 08.12.2010 utilization proposed under the Prospectus was as follows-

S. No.	Type of vessel	Number of vessels	Estimated cost of acquisition*	Amount to be financed through third party debt*	Amount proposed to be deployed from Not Proceeds/ Internal Accruals*
1	Kamsarmax Bulk Carriers	4	6,260.40	5,008.32	1,252.08
2	VLCC	2	9,874.70	7,899.76	1,974.94
3	Container Vessel	3	10,504.50	7,353.15	3,151.35
	<b>Total</b>	<b>9</b>	<b>26,639.60</b>	<b>20,261.23</b>	<b>6,378.37</b>

\* ₹ in mil

The amount was 100% utilised for the Objects of the Issue clause as under -

Date	₹ Crs	Purpose	Remark
30.11.2010	61.30	4 nos kamsarma X bulk carriers	1 <sup>st</sup> installment 10%
18.02.2011	189.92	2 nos VLCC	1 <sup>st</sup> installment 20% installment
28.02.2011	202.04	3 nos container vessels	1 <sup>st</sup> installment 20% installment
20.07.2011	14.80	1 kamsarma X bulk carrier	2 <sup>nd</sup> installment hull no 060
17.11.2011	113.28	3 nos container vessels	2 <sup>nd</sup> installment 10%
27.12.2011	1.11	3 nos kamsarma X bulk carrier	Part 2 <sup>nd</sup> installment
<b>Total</b>	<b>582.45</b>		<b>Entire FPO proceeds utilized.</b>

Thus the extent of achievement of proposed objects was 100% as of 27.12.2011. Further, three nos kamsarmax bulk carriers were delivered to the Company. In addition to the above FPO money, SCI had also paid other installments to the shipyards through internal resources and borrowed funds. However, due to default of the shipyards the Company had to rescind the shipbuilding contracts for four vessels (1 kamsarmax bulk carrier and 3 nos container vessels) and re-negotiate the shipbuilding contract for one vessel (VLCC). Thus, out of the above amounts paid through the FPO proceeds, the following amounts have been refunded due to non delivery of the vessels

Date	₹ Crs	Purpose	Status as of 31.10.2014	Refund Received / to be received in ₹ crs
30.11.2010	61.3	4 nos kamsarma X bulk carriers	3 nos kamsarmax bulk carriers delivered. One kamsarmax bulk carrier contract rescinded	₹ 15.33 crs - refund yet to be received
18.02.2011	189.92	2 nos VLCC	1 <sup>st</sup> installment 20% installment	Renegotiated contracts of the VLCC wherein contract for one VLCC cancelled and payments made for this VLCC adjusted towards the other VLCC
28.02.2011	202.04	3 nos container vessels	1 <sup>st</sup> installment 20% installment	Contracts rescinded and ₹ 202.04 crs received back
20.07.2011	14.8	1 kamsarma X bulk carrier	2 <sup>nd</sup> installment hull no 060	Vessel delivered
17.11.2011	113.28	3 nos container vessels	2 <sup>nd</sup> installment 10%	Contracts rescinded and ₹ 113.28 crs received back
27.12.2011	1.11	3 nos kamsarma X bulk carrier	Part 2 <sup>nd</sup> installment	Two vessels delivered
<b>Summary</b>	<b>582.45</b>			Refund Received - ₹ 315.32 (54.14% of FPO proceeds) Refund to be received - ₹ 15.33 crs (20.63% of FPO proceeds) Proceeds utilized / adjusted - ₹ 251.80 crs (43.23% of FPO proceeds)

The Company has received ₹ 315.32 crore of the refunded FPO proceeds as mentioned above and expects to receive ₹ 15.33 crore in the near future. Due to changes in the market dynamics the Company is of the view that currently investment in the offshore and LPG markets would yield better results than investment in the container and bulk Segment. The Company therefore proposes to invest the refund proceeds in acquiring 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. Depending on the availability of the vessels, the Company plans to acquire these vessels in a mix of new and/or secondhand vessels. Also based on the market scenario and availability of debt, the Company would like to invest by adopting varying debt equity ratio as may be beneficial at the opportune time. Company would like to invest the proceeds within a period of three years i.e by the financial year 2017-18 in the project/s as described hereinabove. However, the Company will give due consideration to the market scenario which may reduce / increase the time period of three years.

The risk factors relevant to the new objects for utilisation of issue proceeds will generally depend on various aspects or elements and may not be limited to the Company not being able to identify the vessels as per specifications, change in market dynamics which may impact the risk/ return prospects of the investments, the ability of the vessel owning company to conclude the deals pertaining to transfer of ownership of vessels, ability of the shipyards to deliver vessels on timely basis, etc. There can be no assurance that vessels meeting the size and quality requirements will be available at prices or delivery times acceptable to the Company. Changes in government and regulatory requirements across various jurisdictions in India as well as abroad, may affect the investment.

None of the Directors on the Board of SCI have voted against the proposed alteration.

Any interested person may obtain the copy of the special resolution alongwith the explanatory statement free of charge at the registered office of the company with Shri Dipankar Halder the Company Secretary of the Company or visit the "Investors" section of the SCI Ltd website viz. www.shipindia.com for a copy of the same.

**By the Order of the Board of Directors  
For THE SHIPPING CORPORATION OF INDIA LTD.**

Place: Mumbai  
Date: 13.12.2014

(Dipankar Halder)  
ED (Legal Affairs) & Company Secretary